Creation, not Construction

<table>
<tr>
<td>To,
The Assistant Manager,
National Stock Exchange of India Limited
Listing Department, 'Exchange Plaza', Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051</td>
<td>To,
The General Manager,
BSE Limited,
Corporate Relationship Department,
1st floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001</td>
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Date: 22 November 2024

Sub: Transcript of Q2 & H1 FY25 Earnings Conference Call held on 13 November 2024

ISIN: Equity: INE094I01018 and Debt: INE094I07049, INE094I07064 and INE094I07072.

Ref: NSE Symbol and Series: KOLTEPATIL and EQ
BSE Code and Scrip Code - Equity: 9624 and 532924
BSE Security Code and Security Name – Debt: 1. 974771 and KPDLZC33;
2. 975276 and KPDL221223;
3. 976030 and 0KPDL34.

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 "**Q2 & H1 FY25 Earnings Conference Call**" held on 13 November 2024 at 03.00 PM (IST).

This is for your information and record.

Thanking you,

For Kolte-Patil Developers Limited

VINOD EKNATH PATIL
Digitally signed by VINOD EKNATH PATIL
Date: 2024.11.22 18:15:55 +05'30'

Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258

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Kolte-Patil Developers Limited

Q2 FY '25 Earnings Conference Call

November 13, 2024

Moderator: Ladies and gentlemen, good day, and welcome to the Kolte-Patil Developers Limited Q2 FY '25 Earnings Conference Call. For duration of this conference call, all participant lines will be in the listen-only mode. This conference call is being recorded, and the transcript for the same will be put up on the website of the company. After the management discussion, there will be an opportunity for you to ask questions. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Ms. Savli Mangle from Adfactors PR. Thank you, and over to you, ma'am.

Savli Mangle: Thank you, Neha. Good afternoon, everyone, and thank you for joining us on the Q2 and H1 FY '25 results conference call of Kolte-Patil Developers Limited. We have with us Mr. Atul Bohra, Group CEO; and Ms. Dipti Rajput, Vice President, Investor Relations. Before we begin, I would like to remind you that certain statements made 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 Q2 and H1 FY '25 results presentation that has been shared with you earlier.

I now hand over the call to Mr. Atul Bohra, Group CEO, to begin the proceedings of this call. Thank you, and over to you.

Atul Bohra: Thank you, Good afternoon and a very warm welcome to everyone present on this call. Season's greetings to you and I wish you and your dear ones a prosperous new year.

Thank you for joining us today to discuss operating and financial performance of the Company for the second quarter and the half year ended September 30, 2024. Let me begin by sharing with you my views on the real estate environment, followed by an overview of key developments during the quarter. Dipti will then take you through the key financial highlights. Following this, we will open the forum for Q&A.

India's economic landscape continues to strengthen, driven by both domestic resilience and a gradually improving global outlook. Reserve Bank of India's (RBI) forecasts growth at around 7% for FY2025 reinforcing India's position as one of the fastest-growing economy. Customer confidence indices have been reflecting optimism and we have seen strong consumer sentiment in the housing sector too. Stabilizing interest rates have further supported sustained demand for housing.

This robust activity within the residential market highlights a broader trend: increasing aspirations among homebuyers, driven by rising disposable incomes, evolving lifestyle preferences, and a focus on premium and preferred location housing. Developers are responding by expanding their offerings to appeal to aspirational homebuyers seeking enhanced living experiences. Growing infrastructure development and rising employment rates are creating new opportunities in emerging micro-markets. For example, In Pune, a well-developed transport system and improved connectivity with other parts of the city helped Pune secure the one of the top spots in the Ease of Living Index amongst Indian cities. The upcoming second phase of the 'Maha Metro Project' is expected to enhance the city's transport system. The city boasts of good infrastructure even in remote areas, which contributed to increased demand across existing and emerging micro-markets.

In Mumbai, projects like the Mumbai Trans Harbour Link, Coastal Road project, Navi-Mumbai Suburban Rail Phase-2, and multiple Metro lines are enhancing connectivity, leading to residential expansion in areas like Navi Mumbai, Thane, and the Western Suburbs. Similarly, Pune benefits from initiatives such as the Pune Metro Rail expansion, the Pune Ring Road, and improvements to the Bus Rapid Transit System (BRTS).

Coming to the operational performance during the quarter and half year ended 30th September 2024 - our Q2 FY25 pre-sales value stood at Rs. 770 crore with sales volumes of 1.03 million square feet. We have registered a 22% growth in our pre sales value making it the highest ever quarterly sales value. The complement of offerings across segments and preferences has enabled us to continue on this strong growth trajectory.

During the half year, our pre-sales value stood at Rs. 1,481 crore with volumes of 1.99 million square feet. 24K luxury segment contributed 30% to the pre-sales by value for H1 reflecting the sustained demand for premium and high-quality residences. This number was 12% for FY22. Sales momentum at our Life Republic township project remains strong, further reinforcing our leadership in the Pune market. Sales volumes at LR stood at ~1.03 million square feet during the first half of the financial year. Over time, we have expanded offerings from 1 BHK, 2 BHK to 3 & 4 BHK as well as row houses and villas at the township alongside developing infrastructure aimed at enriching the lifestyle of residents. As a result, Life Republic has seen steady growth over time. Going ahead, a larger value-addition opportunity is expected to materialise given the pending development potential of 20 million sq. ft.

Robust sales and timely execution of projects resulted in firm collections of Rs. 550 crore in Q2. Collection for H1 reached a new high of Rs. 1,162 crore.

Moving on to the launches - Year-to-date, we have launched projects with nearly 2.2 million square feet in saleable area. This includes strategic launches across micro-markets designed to cater to the varying preferences of homebuyers in Pune and Mumbai. I am happy to share that recently we launched a project in sector 2 in Vashi marking our entry in the Navi Mumbai market, and expanding our footprint in the MMR region.

As we look ahead, our launch pipeline remains robust, with projects representing a total GDV of Rs. 7,000 crore planned for the fiscal year. Nonetheless, we are excited about our robust launch pipeline planned for the second half. These launches along with sustenance inventory position us well to achieve our growth target.

On the business development front, we are focused on deepening our footprint in high-growth markets of Pune, Mumbai, and Bangalore. Our approach is towards building a balanced portfolio positioned to capture demand across all segments, reinforcing our role as a trusted brand across the housing spectrum including plotting.

During the first half, we have recognized revenue of Rs. 650 crore. While the first half has been low on revenue recognition, we are on track to close the year with strong deliveries and revenue of ~Rs. 1,800 crore. Moving on to the margins, we recorded 23% gross margins for H1. As higher margins projects get recognized in H, there will be further improvement in margins. We are committed to improving our margins through enhancing operational efficiencies at every stage of the project lifecycle, from cost management to pricing strategies. As the scale starts reflecting in the PnL, there will be a positive impact on operating margins going forward. Cash flows remain strong. Operating Cash Flow for the quarter stood at Rs. 442 crore.

The real estate sector is experiencing strong growth and KPDL is well positioned to capture significant value with its proven track record. Historically, we has delivered improved performance in the second half of the financial year. We expect a similar trend to continue in the current financial year as well.

KPDL's growth trajectory is supported by a robust governance framework, a strong balance sheet, and a brand recognized for quality and trust. With a legacy of over three decades built on quality, customer satisfaction, and operational excellence, we have the foundation, the team, and the vision needed to navigate the evolving market landscape. Here I would like to share that we have deepened the leadership pipeline through selective recruitment, vision setting, and succession plans, creating a robust talent platform to accelerate business growth. We are confident that our balanced approach, strong financial management, and commitment to innovation and customer satisfaction will continue to drive value for our stakeholders.

With this, I now hand over the call to Dipti to share the financial highlights.

Dipti Rajput: Thank you, Atul. Good evening, everybody. I'd now like to take you through our financial performance for the quarter and half year ended 30th September 2024. Under CCM-based accounting, our Q2 revenue stood at Rs. 308.3 crores, marking a significant increase from Rs. 198.2 crores in Q2 of the previous year. For the first half of FY '25, we reported revenues of Rs. 649 crores compared to Rs. 769 crores in H1 FY '24.

Our EBITDA for Q2 FY '25 was Rs. 16.2 crores, an improvement from Rs. 3.5 crores in Q2 of FY '24. For the half year, EBITDA reached Rs. 43.9 crores. Net profit after tax post minority interest stood at Rs. 9.7 crores for Q2 FY '25 and at Rs. 16 crores for the first half of FY '25. Our strong construction momentum led to robust collections. Our strong operating cash flows continue to enhance capability facilitating further reduction in debt.

Our net debt as on 30th September stands at negative Rs. 58 crores. For H1 FY '25, operating cash flow stood at Rs. 442 crores, underscoring our commitment to financial discipline and operational efficiency. In conclusion, our focus continues to remain on maintaining sales performance, timely execution and deliveries, strengthening the business development efforts, which will continue to drive overall performance of the company.

Thank you. And I now request the moderator to open the line for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Viraj Mehta from Enigma.

Viraj Mehta: Atul, my first question is regarding the margins. Just wanted to understand, this quarter margins actually were at like 5% few bps here and there. It is actually even lower than the first quarter. And I understand that there are overhead costs, but in spite of higher revenue recognition, how does the margin slip off in the second quarter?

Atul Bohra: As quarter specific, 5.6% of EBITDA and the gross margin stood around 23% for the quarter. As blended EBITDA for H1 stood around 7% and we see that H2 will have higher margin recognition and gradually it will grow. So I would say that there are a couple of projects which is recognized during the quarter, which are of low margin projects.

And gradually, once we are getting better projects to support P&L, the margins we see on the upside.

Viraj Mehta: So just to recollect, at the start of the year, in Q4 concall commentary, you had mentioned that we will do early double-digit margins for the year. Now if we have to do that, we have to do 13%, 14%, 15% margin in the second half. Is that doable?

Atul Bohra: Yes, Viraj it's doable. And we have evaluated, as I said that in the second half, we have a couple of projects, which are of high margin as gradually APR has picked up. And once it gets recognized, as I said that we see the year in the early teens, which is still doable, and we are quite hopeful for that.

Viraj Mehta: Right. And as far as the interest cost is concerned, I mean, as an outside investor, it's very difficult to understand because last year, in the second half, we almost had Rs. 52 crores of interest cost, and this year which was Rs. 20 crores in the first quarter and Rs. 11 crores in Q2. Like what will it be for the full year? Will it still be Rs. 70 cores, Rs. 80 crores, Rs. 100 crores? Just a ballpark number for the interest cost?

Atul Bohra: Yes, Viraj, I think, as you mentioned, it is in the range of Rs. 70 crores, Rs. 80 crores. That's where we forecast.

Viraj Mehta: So it is Rs. 30 crores for the first half. So it will be like Rs. 50 crores in the second half?

Atul Bohra: Yes. So this is according to our interest policy, recognizing in the P&L and a couple of projects where the interest gets recognized under the WIP. So I see that around Rs. 70 crores, Rs. 75 crores is roughly the number, as you said.

Moderator: The next question is from the line of Biplab Debbarma from Antique Stockbroking Limited.

Biplab Debbarma: So my first question is, we see that in the PPT, you have reduced the launch pipeline from Rs. 8,000 crores to Rs. 7,000 crores. Just wondering what could be the reason of reducing the launch pipeline.

Atul Bohra: There are a couple of projects we have reviewed, considering the approval time line, we see that there may be instead of quarter 4, few projects we see may go in quarter 1 of the next financial year. At the same time, in Kharadi, we foresee that, okay, there are certain opportunities of acquiring more land parcels around the project. So the phase that we are launching, we are restricting up to 0.55 million instead of entire phase at one go.

Biplab Debbarma: And so far, so now you have given a revised launch pipeline of Rs. 7,000 crores and of which you have till date launched Rs. 1,800 crores. So you have around Rs. 5,200 crores of launches in second half of FY '25. So sir, how certain are you in launching most of the projects in the second half of FY '25, considering see we have election in Maharashtra, and we have been hearing that there are certain challenges in some markets regarding approvals.

So considering everything, you would have better idea. Considering everything, how certain or what would be the probability of you able to launch in the entire Rs. 5,200 crores in second half?

Atul Bohra: As you rightly mentioned that definitely a few uncertainties and dependencies as well on the approvals and considering the elections in this environment, I think Pune portfolio, we have seen a visibility of launching this as per our schedule itself. And maybe in Mumbai portfolio also, we are trying our best to meet the expectations of this launching. However, maybe post-election or maybe by mid of the December, we have to take a call if this pipeline will have any changes.

Biplab Debbarma: Sir, just to summarize, you are certain about Pune launches, almost certain it will happen. Regarding MMR, you would be able to say, with better certainty post-election. Am I correct, sir?

Atul Bohra: Yes, because these are more redevelopment. So this needs a couple of more exercise of evacuating these societies and demolition and post that we get the final sanctions. Even though this quarter, we have launched Vashi project in Sector 2. But despite all the fact, I think we are still hopeful that this will come in this financial year itself. In case we see any deviations we'll certainly update on this.

Moderator: The next question is from the line of Shreyans Mehta from Equirus Capital.

Shreyans Mehta: My first question is on BD. Sir, it's almost a year and BD seems to be one of the lagging points as far as Kolte-Patil is concerned. So where are we on this?

Despite muted H1, we are still maintaining our target of Rs. 8,000-odd crores. So how confident are we on that front?

Atul Bohra: As far as our BD goals, in a couple of BDs we are in quite advanced stage, and we are pretty confident that this number of Rs. 8,000 crores of our guidance we will meet.

Shreyans Mehta: So sir, assuming even if you do Rs. 8,000-odd crores in second half, how are we placed as far as FY '26 presales are concerned because majority of the projects for us will be opening by second half and largely LR would be there in terms of inventory for us.

So is there any risk because even if you do Rs.8,000-odd crores in second half, those will be coming or opening, say, in FY '27 or at max base-case scenario would be fourth quarter of FY '26.

Atul Bohra: No, we don't foresee because usually, when we close the BD, it's like a journey of 8, 9 months till 12 months for securing all the sanctions. And accordingly, for this financial year, we have not carved out any sales from new BD. At the same time, the launches so far 2.2 million we have launched plus sustenance inventory and upcoming launches will keep us enough inventory for meeting our target. BD is definitely for the next financial year.

Shreyans Mehta: So sir, just to reconfirm, you are saying that probably whatever BD we do would be coming into picture or into play in FY '26 itself? The turnaround time would be faster? Is that what you're trying to indicate?

Atul Bohra: Those BD are post closure, it's a minimum time line of 9 to 12 months for launching of the project. So we don't foresee that even though we closed the BD, will immediately come in the launches.

Shreyans Mehta: Just a follow-up of what I just talked. So sir, just wanted to reconcile, I mean, the 30% growth which we are targeting for FY '26 if you can help us in understanding from LR how much we could be gathering from the existing inventory and how much would be coming from new projects?

Atul Bohra: So for FY '26, it's very early to comment. We'll definitely give the guidance for the next financial year and what are our sales strategies. It's very early to comment on that FY '26.

Moderator: The next question is from the line of Rohit from ithought PMS.

Rohit: Sir, my question is on LR. So it continues to do well. And I think now the realizations have touched almost Rs. 6,900. So my question is, I mean, given where the project is, do you see any kind of realization ceiling there? And at some price level, the demand will start to taper off?

Atul Bohra: So considering the Hinjewadi micro market and specifically Pune West micro market, we've seen a tremendous demand, particularly in those micro markets, given the fact that a lot of infra developments are happening in -- particularly in Hinjewadi region, Metro and all this.

We see this demand is sustained and will grow from here onward. There is absolutely no concern over the demand on those, particularly Life Republic itself. And this is one of the flagship projects. It is a preferred location. So we see that, here onward, the demand will definitely grow up there.

Rohit: And my second question was, sir, I mean, in the past, we have a slew of launches in Bombay, almost Rs. 2,000 crores in H2 notwithstanding how much ever we will get pushed to the next year. But in the past, we have seen that, I mean, some of the older projects are not being that profitable. So what are the key learnings for us? And I mean what are we doing now differently to ensure that we don't go back to poor margins and overall drag on the numbers for the company?

Atul Bohra: So at least on the margin front - the ongoing projects and the recognitions, we are tracking and monitoring very closely. And here onwards, we see an improvement. At the same time, when you ask Mumbai launches, so we have a couple of projects in the pipeline - like Vashi, as I said, already launched Laxmi Ratan in Versova, we are securing most of the sanctions now. So, we have certain visibility coming up. Jal Mangal Deep, Goregaon here also we see a certainty and certain approval progress. At the same time, Vishwakarma. So we are monitoring our approval progress. And I think once we secure that, we will be good to go for further launches, and we'll definitely try to make it for this financial H2 itself.

Rohit: But from a margin point of view I'm asking, I mean, we may launch. But I mean, because in the past, margins have been an issue in some of the projects in Bombay. So I just wanted to get your sense on these projects if this is -- I mean is there some change from the way we look at it?

Atul Bohra: So as an overall pricing, we have seen upside in the Mumbai portfolio also. Here onward also, when we are selecting a couple of redevelopment projects, we are setting our strategy of margin to the team at the time of acquisition itself, which is roughly around 16% to 18%. And accordingly, we are strategizing our new BD. I think you will definitely see some improvement in the redevelopment space as well here onward.

Moderator: The next question is from the line of Himanshu Upadhyay from BugleRock Capital Private Limited.

Himanshu Upadhyay: My question was on Life Republic. If we look at nearly 3 million square feet is in pending planned launches in FY '25? But land for approval is around 2.16 million square feet in Life Republic - what we have shown on the Slide #17. From where does the remaining portion comes?

And it will be across how many types of projects? Or how do you look at it? It's a mature -- or it's a, let's say, existing market for us where we do significant sale. But 3 million square feet of launches. Can you give some idea? How are you planning the project launches and type of projects you're looking at there?

Atul Bohra: So Life Republic is almost around 400-plus acre of township project. And as you rightly said that we already launched 1.19 million square feet, and you mentioned 2.16. So the total pipeline for this financial year, we have 3.8 million square feet, depending upon how the absorption happened, we cpuld prepone certain launches as well. Because there's a fully paid acquired land bank. So we have all the visibility in terms of infra and at least on the project itself. So for the second half of this financial year, already this 2.16 is already under approval. Once this approval will get, we will launch the project.

Himanshu Upadhyay: But can you give some light on what set of buildings or what combinations you are trying to do in Life Republic?

Atul Bohra: This is a mixed-use development project. We have project sectors, different sectors. We carve out for different inventory starting from MIG mid segment inventory to HIG to 24K luxury. Last quarter, we have launched R5 Sector of almost 1.8 million square feet and the first phase of 1.8 million square feet i.e. 0.9 million square feet we have launched, which is the ultra-premium inventory.

Similarly, we have villas, have rowhouses, we have, as I said that since it's a township, it has all the mixed-use development, including commercial retail. A couple maybe for future earmarked certain for commercial projects as well. So this is not defined for a particular project segment. It's an entire pipeline of inventory we have in this project.

Himanshu Upadhyay: And one thing, you made a comment that we have worked on vision setting and selecting -- and selective recruitment. Can you elaborate on what the vision is now versus previously? And what positions have you recruited? And one of the challenges has been too high a churn?

Atul Bohra: No. So, Himanshu, it is not churning recruitment. We are strengthening our team. At the same time, when the business is expanding, we feel that the talent pool is required for the better execution, for efficiently managing this business, and we are strengthening our capabilities. So it is our strategy of improving on our capabilities rather than churning out the numbers.

Himanshu Upadhyay: No, what I am saying is how many new employees would you have hired? And you said about the vision setting, what do you mean by that? Any changes you have?

Atul Bohra: We have hired in key positions like CFO, Ravi Porwal has been hired in this financial year. We have hired in operations. So we are rebuilding. I cannot name all the hiring here - Dipti can give you if any information is required.

But across the segment, like it's not just one department. We are strengthening all the departments across. So, that is very much a part of our strategy for strengthening our capabilities.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: Sir, my question is pertaining to the finance cost. This finance cost looks very high I mean, Rs. 75 crores per annum plus whatever we are adding into WIP could be Rs. 20 crores, Rs.30 crores. So around Rs. 100 crores. Now this is largely on account of, I mean, entering into the presales agreement to secure our goals. So don't you think that in this kind of environment and the market traction is good and your commentary is also coming good, that by doing a presales tie up with the large PE player, we are doing some injustice to the shareholder?

Atul Bohra: Sir, this is towards the strategy for expanding and growing the business as well as the ongoing projects to be supported with the right amount of cash flow securing the TDR and the approvals. And we see that it's coming from Marubeni, the Japanese fund as well as a couple of other funds like Motilal Oswal and this is very much at a project strategic financing as well as helping us for the growth of the new BD.

As you rightly said here, there are a couple of flexibilities and advantages since it is not coming at a commitment to the company. It is zero coupon, which gives a lot of flexibility for us for utilizing the cash flow.

At the same time, we are seriously evaluating our finance cost. We are a Crisil AA-/Stable finance rated and there is ample opportunity for reducing our finance cost and our team is actively working on that front as well. And I think those lines are specifically for particular project financing or construction financing. At the same time, we are securing further growth capital as well.

Bharat Sheth: Sir, I appreciate what you are saying but our business and the size of our company and Balance Sheet size as well as Cash Flow, and also the past launches that are likely to come into revenue stream. So tnow is that really required or not, that it is our request that you reconsider that costing. I mean, I believe that underlying cost of interest could be as high as 12% also depending on the realization. and we can secure finance at a much cheaper rate.

Atul Bohra: I already said that the team is definitely working on that. And the suggestion is well taken. Will definitely evaluate it.

Bharat Sheth: And secondly, you said that this year, we'll report around Rs. 1,800 crores of full year revenue and our margin will be in the early double digit. So can you give some sense the kind of, I mean our presales and on next year, how do we really see -- and how do we see the margin traction from these early double-digit to next year?

Atul Bohra: So sir, for this financial year, we have evaluated our upcoming completions. And based on that, we have strategized a few things where we see that there is definitely upside on the margins. For the next financial year, we will definitely engage with you on the next call and can give you some more lights toward the margins for the next financial year.

Moderator: The next question is from the line of Kiran from Table Tree Capital.

Kiran: A couple of questions. The first question is - I'm just doing some math here, but essentially Rs. 1,800 crores revenue, which means in H2, we need to do Rs. 1,150 crores revenue. If you have to reach your guidance of early teens, 12%, 13% for the entire year on the Rs. 1,800 crores revenue, then we need to do about 16% to 17% EBITDA margin on the remaining Rs. 1,150 crores. Is this real? Or I mean, are we overestimating our EBITDA?

Atul Bohra: There are certain projects which are coming in the recognition in H2 with higher gross margin as well as there are a few areas where we can definitely improve. So at least for the financial year, we estimate around 11%, 12% is achievable number.

Kiran: Okay, sir. So 11%, 12%, hopefully, we deliver 12% for the entire year. The second question, then what I have is, sir, given all the older projects, which are low-margin projects, the proportion will continuously reduce. Shouldn't we at least deliver, so if you're delivering, let's say, 15%, 16% EBITDA margin in H2 for FY '26? Shouldn't we just deliver 15%, 16% and more because all the older projects with lower margin are done?

Atul Bohra: Gradually, we will definitely improve on the margin front. H2, we see is better as compared to H1. But at the right time, we will definitely engage with you on the margin front.

Kiran: No, sir, I'm not asking a projection. I'm just asking for H2, if you are delivering 16%. Those are the projects that will continue to revenue recognize, for the lack of a better term, over the next year as well, right? Because revenue recognition is very different from pre-sales, right? So we should at least deliver 15% to 16% for the next year, if not more. I mean, we were guiding to 18%, 20% reaching in Q3, Q4.

Atul Bohra: Yes, yes, surely.

Moderator: The next question is from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: Some of my questions have already been answered. So just wanted to get the sense that for the presales in PPT, you're mentioning 25% growth. So accordingly, do we have enough launches planned for FY '26. So I just wanted to know a bit about that, sir.

Atul Bohra: Yes, sir. We have mentioned our launch pipeline in the PPT. I think we already answered on the launch pipeline.

Darshil Jhaveri: And I wanted to understand if a new government comes in, will that slow down our progress or what kind of an impact will election have on our sector as such? Any kind of color that you could give from your past experience?

Atul Bohra: See, we have seen uplift in demand, largely from the IT spaces, those who are our target group of customers. So we see that changing in government, obviously, there are a few dependencies on the approvals. But so far, we don't see that there is any new policy strategies, so we don't foresee any adverse or any negative impact irrespective of who comes in power. So they are doing all good.

Darshil Jhaveri: Fair enough. And just last one question. In terms of like the on-ground demand, could you just say which part is the luxury segment or the mid-premium or lower end. Which track do you feel going forward can do better? What's happening on the ground? Could you just maybe brief us a bit about that?

Atul Bohra: So our portfolio is a mixed portfolio. Gradually over the last 2, 3, 4 quarters, we have seen the premium demand rise. And we have benefited - our 24K luxury brand has seen an uptick in the overall sales volume. But yes, as you've mentioned, that we are quite focused on mid-premium as well as the premium segment. This will remain our focus till coming next few more quarters, considering the demand scenario going on.

Moderator: The next question is from the line of Subrata Sarkar from Mount Intra Finance Private Limited.

Subrata Sarkar: Maybe I'm repeating the same with others have already asked. Mainly about the margins like why our margin is substantially lower than that of the comparable other company? One is like you were saying that it's because of the legacy effect. But other companies also had got legacy project. But their margins was not that compressed, to be very honest. If you could highlight on that. And now second, sir, whatever launch we are doing are we achieving the kind of margin we are targeting?

Atul Bohra: So I think I have answered, but I will still -- so at least on the gross margin, this quarter, in this H1, a couple of low margin projects have been recognized. Going forward, we have a strong pipeline of recognition, and we see the margins going up.

At the same time, the gross margin even for this quarter, looks around 20% to 23%, which will gradually grow when the higher APR project will start recognizing. But yes, given the fact it all again depends on how much revenue recognition is happening. If there is no much recognition, despite of that, there are a few costs which are remaining in the P&L, which will impact the EBITDA numbers. Considering all these things, we have seen that in H1. We are looking at better numbers and we have a visibility of those.

When you are asking about launches, we have visibility of a few launches. For Pune region, Life Republic, as well as Mumbai and we are closely monitoring those. And so far, we see that these launches are very much feasible. Obviously, there are certain factors which is dependable, so we'll keep updated on those lines.

Subrata Sarkar: Sir, my question was more on whatever presales guidance we are giving. Now sir, at that presales, for those projects, what is the margin we are targeting? Like what is our philosophy behind while we launch, how do you determine the price for all these presales? What kind of margin we are factoring in or building in while calculating the launch price or whatever presales at that price?

Atul Bohra: To answer this, because the projects come from different strategies, certain outright deals, these certain joint venture projects, certain redevelopment project. At the same time, we have set certain internal guidance going forward as well. For outright deal we have expectations of around 25% of the margin, for joint venture projects around 17%, 18% of the margins, redevelopment works around the same margin. So going forward, we are keeping a close eye on the margin and we are following on those lines.

Moderator: Our next question is from the line of Ashish Shah from HDFC AMC.

Ashish Shah: Just one question from my side. In terms of the business development that we are targeting about Rs. 8,000 crores this year. Could you update on how much we've added so far? And the rest, where are we in terms of the entire process? Do we already have those kind of proposals on the table and are we at that fairly advanced stage? Or you think there is still a lot of distance to reach that number of Rs. 8,000 crores of BD?

Atul Bohra: Thanks, Ashish, for this question. Very interesting and very important question you have asked and just to answer, there are a few serious deals reached to a very conclusive stages. We will definitely announce at the right time but given the fact this target of Rs. 8,000 crores, so far, we have a good amount of visibility that will surely come.

Ashish Shah: But just to get a data point, have we already closed anything so far, let's say, till September or October or nothing has been closed?

Atul Bohra: Yes, we have certain things we have closed. Due diligences and most of the formalities are under approval, under process. We will definitely see that this will close in the sooner time. Maybe, I will not be surprised if this month, next month, we announce those deals.

Ashish Shah: And broadly, Atul, what's the sort of mix between the cities, let's say, Pune and Mumbai, what could be this mix of Rs. 8,000 crores?

Atul Bohra: So Ashish, we have a strategy of 70% for Pune market and 30% for non-Pune market. So far, as a BD is early, whatever you get, you first try to close that. But still, we will stick to that strategy. We are actively focusing even in Mumbai, we have concluded 1 deal and which is going in a due diligence stage.

So we are quite active in Mumbai BD as well, Bangalore BD as well and even in Pune BD. But yes, as a guidance, I can tell that 70-30 is our expectations will be around those numbers.

Moderator: Thank you. Ladies and gentlemen, we'll take this as a last question. I now hand over the conference to the management for closing comments.

Atul Bohra: 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 KPDL. Look forward to interacting with you next quarter. Thank you very much.

Moderator: Thank you. On behalf of Kolte-Patil Developers Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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