



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,  
1<sup>st</sup> floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

Date: 19 August 2024

**Sub: Transcript of Q1 FY25 Earnings Conference Call held on 09 August 2024**

**ISIN: Equity: INE094I01018 and Debt: INE094I07049 and INE094I07064**

**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**

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 “**Q1 FY25 Earnings Conference Call**” held on 09 August 2024 at 06.00 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**

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**KOLTE-PATIL DEVELOPERS LTD.**

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# “Kolte-Patil Developers Limited Q1 FY'25 Earnings Conference Call”

August 09, 2024

**Moderator:**

Ladies and gentlemen, good day, and welcome to Kolte-Patil Developers Limited Q1 FY '25 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 star then zero on your touchtone 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, Yusuf. Good evening, everyone, and thank you for joining us on the Q1 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 state 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 Q1 FY '25 results presentation that has been shared with you earlier.

I would now like to invite Ms. Dipti Rajput, to begin proceedings of the call. Over to you, Dipti.

**Dipti Rajput:**

Thanks, Savli. Good evening, everyone. Thank you for joining us today to discuss the Operating and Financial Performance of Kolte-Patil Developers Limited for the first quarter ended 30th June 2024. As you would know, Mr. Atul Bohra has taken over the mantel of Group CEO at Kolte-Patil with effect

from June 14, 2024. Before joining Kolte-Patil Developers as a Group CEO, Mr. Bohra briefly worked in the capacity of Regional Business Head at a leading real estate company. He has worked with the Kolte-Patil group in different roles across geographies over a period of 2012 to 2023 during which he also served as the Group CFO. During his tenure at Kolte-Patil, he demonstrated keen business sense, transformative approach, and financial expertise. We look forward to his continued success in achieving new milestones. I would now like to invite Atul to discuss the operating highlights and business outlook. Following his discussion, I will take you through the key financial highlights for the quarter. We then look forward to taking your questions and suggestions. Over to you, Atul.

**Atul Bohra:**

Thank you, Dipti. Good evening and a very warm welcome to everyone present on this call. We appreciate your continued support and look forward to a sustained engagement with all of you.

Let me begin by sharing with you my views on the real estate environment, followed by an overview of key developments of the quarter.

The Indian economy continues to display remarkable resilience and the Reserve Bank of India has estimated real GDP growth for FY25 at 7.2%. The recently presented Union Budget emphasizes fiscal consolidation, growth inducing capital spending, and social welfare reflecting the government's confidence in continued economic growth. Overall, we have seen that the residential market has strengthened significantly, with demand reaching 11-year high in the first half of CY24. A shift towards premium segment is evident, with higher-priced homes driving market volumes. We believe, the mid and higher-end segments are expected to remain the primary drivers of the Indian real estate market in the coming quarters.

In a rapidly evolving real estate industry, we have been persistent in customer centricity with product offerings that enrich their lifestyle. These offerings are across segments ranging from the mid-priced segment to the premium luxury segment. During our three decade journey, the Company has incubated brands and created research-backed products that have enhanced the customer's price-value proposition. I am excited to take forward the legacy of redefining-living. Along with a very capable team, we are geared up to scale new heights and deliver long-term value for our stakeholders.

Coming to the performance during the quarter, pre-sales value of Rs. 711 crore with sales volumes of 0.96 million square feet improved marginally over the same quarter previous year. Sustenance inventory largely contributed to the sales for the quarter. Strong execution and timely deliveries resulted in our highest ever quarterly collection of Rs. 612 crore, marking a 19% year-on-year growth. Our flagship Life Republic project in Pune recorded sales volumes of 0.46 million square feet in Q1 FY25.

For the year till date, we have launched projects with saleable area of close to 2 million square feet translating into GDV potential of about Rs. 1,500 crore. This largely includes-

- Phase 1 of the R5 sector in Life Republic township. This sector is being developed as a luxury segment with the total development potential of 2 million sq. ft.
- Last phase of 24K Altura premium luxury project at Baner
- At Wagholi in Pune East zone we have launched project Springshire which has the total GDV potential of over Rs. 400 crore.

I am glad to share that all these projects launched across micro-markets of Pune, are receiving strong response from customers. The launch pipeline is largely on track and we are confident of launching project with the total GDV of Rs. 8,000 crore during the current financial year. Strong offtake of existing inventory and encouraging response from newly launched projects, give us confidence to meet our FY25 pre-sale guidance of Rs. 3,500 crore.

On the business development front, we are working towards definitive closure on a few deals and should be able to share once we have the final closure. I would like to bring to your attention that our project acquisition strategy is judicious, with the defined parameters of financial prudence and aligned with our diversification goal. Our main objective is to deepen our market presence while focusing on capital productivity that strengthens our brand presence.

Here, I would also like to talk about our revenues and operating margins for the quarter, which stood at Rs. 341 crore and 8.2% respectively. For the full year, revenues will be in line with the stated guidance and operating margins will be in the early teens.

To conclude, I firmly believe that economic and sectoral optimism will continue to drive growth during the course of the year. With a growing project development potential, strong Balance Sheet, a validated governance structure, and a strong brand connect across geographies, we believe that Kolte-Patil is attractively placed to deliver sustainable growth over the coming years.

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

**Dipti Rajput:**

Thank you, Atul. Good evening, everyone. I will now briefly take you through our financial performance for the quarter ended 30th June 2024. Based on CCM-based accounting, in Q1, we reported revenues of Rs. 341 crores. Q1 FY25 EBITDA was recorded at Rs. 28 crores. Our net profit after tax post minority interest stood at Rs. 6.2 crore.

Here, 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. We ensured the continuity of construction activities at a healthy pace. An improved momentum in sales, registrations, construction and CRM drove Q1 FY25 collections up 19% YoY to a record Rs. 612 crore. The liquidity in our business operations remains strong, resulting in further reduction in net debt. Our net debt to equity stands at -0.05x as on June 30, 2024. Further, the Operating Cash Flow for the quarter stood at Rs. 247 crore.

Our focus will remain on maintaining sales performance, timely execution and deliveries, strengthening the business development efforts, as indicated by Atul earlier, which will continue to drive overall performance of the Company.

**Moderator:**

First question is from the line of Dhananjay Mishra from Sunidhi Securities.

**Dhananjay Mishra:**

My question is with respect to this quarter number. So I mean, last time also we had some legacy project delivery issues, and because of that margin got impacted. So in this quarter also, we had some delivery from legacy projects where the margins are lower? Or it is something normal quarterly phenomenon?

**Atul Bohra:**

This quarter, we have slightly improved EBITDA margin of 8.2%. And as you have seen like last 2 years, the APR has marginally improved on most of our projects. And with those recognition coming up to the P&L, we are confident that this year, we will match our margins to the guidance.

**Dhananjay Mishra:** Okay. And secondly, in terms of launch, in first quarter, we have done close to 2 million square feet in terms of volume. And we are targeting Rs. 8,000 crores revenue potential for the full year. So Mumbai project, I mean, we have not launched any big project after Goregaon. So how confident that whatever target we have for 1.5 million and which will have a revenue potential of Rs. 2,600 crores as per PPT. So how confident that all these projects will be launched?

**Atul Bohra:** So as you rightly said that the first quarter, we already have 2 million square feet, which has launched with the GDV potential of Rs. 1,500 crores. This year, we have a strong target and strong pipeline of launches of Rs. 8,000 crores. Particularly as your questions is towards Mumbai side, we have planned for mostly Q4, we have the Mumbai launches, which is at Jal Mangal Deep at Goregaon, Jal Nidhi at Goregaon, then Nand Dham at Dahisar, Vishwakarma, which is at Mulund, project with 6.1 lakh square feet and GDV potential of Rs. 900 crores. So I think more or less, these are all under the approval phases. And looking at the current scenario, we are pretty confident that by year-end or quarter 4, we will launch most of the Mumbai projects.

**Moderator:** Thank you. Next question is from the line of Hemanth Agarwal from Leo Capital.

**Hemanth Agarwal:** Yes. So my question was, is there any change in the strategy with the new management team? And with regard to society redevelopment projects or type of projects like luxury versus mass market and also on the financing structure. Is there any change with respect to these at the company level?

**Atul Bohra:** So in redevelopment space, as you are aware, like we have already delivered 3 projects and other 5 projects are under the ongoing pipeline and in the final league of completion as well. And with another 6 projects which we have concluded and in the phase of launches, the upcoming acquisition strategy towards redevelopment is more or less focusing on the larger scale because the team is quite confident, we have established a strong team to take care of redevelopment vertical, and we are pretty confident on this segment.

**Hemanth Agarwal:** Okay. Got it. And my next question was like the 2 million square feet of Rs. 1,500 crores worth of inventory that was launched last quarter. How much of the presales has the company collected from these?

**Atul Bohra:** So these launches has got tremendous success. But yes, at the right time, we will announce those numbers.

**Moderator:** Next question is from the line of Pritesh Sheth from Motilal Oswal.

**Pritesh Sheth:** So first question is, again, on business development. So our Rs. 8,000 crore guidance. How much visibility do we have or the confidence in terms of signing up these projects this year itself? Like all Rs. 8,000 crores, are currently under discussion. And just in the last stage where probably we are just waiting to announce that? Or we will still look to gather some of that in terms of pipeline and evaluate over the course of the year?

**Atul Bohra:** Thanks, Pritesh. Very important question, because in real estate, the business development until the final definitive agreement happens, it will be too early to announce. But yes, as a pipeline, what the BD pipeline we had and the term sheet we signed a few deals, what we see has reached to the advanced stage and considering all those - for Rs. 8,000 crores we are pretty confident that we will meet these BD guidelines.

And at the same time, we are not too fussy, like, okay, we want to be in this region or that region. We always believe that whichever gets closed faster and our, always, thrust is on the location. We never compromise on the location. At the same time, we always go with the clear title and prudent financial feasibility. And with all these things, I'm confident that Rs. 8,000 crore number, we will achieve for this financial year.

**Pritesh Sheth:** Sure. That's helpful. And second, we had some Rs. 140-odd crores of land spend this quarter. Is it all related to whatever you have in the pipeline? Or we have also paid something in advance for certain projects that we are looking to tie up once DA is signed?

**Atul Bohra:** So a few of these advances are paid towards obtaining the approvals in TDR and a couple of payments is towards our commitment towards the existing land bank.

**Moderator:** Next question is from the line of Shreyans Mehta from Equirus Securities.

**Shreyans Mehta:** So just wanted to understand what was the contribution of new sales for the quarter? Or how much of whatever we launch Rs. 1,500-odd crores, how much was the contribution?

- Atul Bohra:** Yes. So for the quarter 1, it is mainly from the sustenance sale. As I said that this quarter 2, we have launch of R5 and Wagholi and Altura - 3 projects. Like that, for every quarter, we have certain pipeline. So you will see contribution from the new launches from the next quarter onward.
- Shreyans Mehta:** Sir, my question is, I mean, in the slide, where we are showing that FY '25, you launched 2.09 million square feet or Rs. 1,500-odd crores worth of inventory. So is it towards the second quarter that you've launched towards July, August?
- Atul Bohra:** Yes, this is towards second quarter, yes, Rs. 1,500 crores, this is towards quarter 2. So it is mentioning till date. So that has happened in quarter 2.
- Shreyans Mehta:** Got it. Sure. And second question is just to, I mean, highlight, reiterate our numbers or guidance. Can you just highlight or reiterate the guidance that you have given in terms of how we look at the P&L from the revenue and EBITDA perspective for this year and next year also, that would be helpful?
- Atul Bohra:** I think for that also, we had given guidance of P&L. For the full financial year, we foresee at Rs. 1,800 crores to Rs. 1,900 crores, and EBITDA margin in the early teens.
- Moderator:** Next question is from the line of Deepak Poddar from Sapphire Capital.
- Deepak Poddar:** Sir, just first, I just wanted to understand, I mean, Rs. 13,500 crores of presales we are targeting over the next 3 years. So generally, what is the embedded EBITDA margin or embedded PAT margin that is inherent in those presales?
- Atul Bohra:** So most of these Rs. 13,500 crores of the project, we always see a visibility of the project, almost 60%, 70% of the visibility we have from our approved land bank and upcoming launches. With the embedded margin, as your question like it is too early to comment because it comes from a different segment, but we target somewhere around 18% to 20% of the margins.
- Deepak Poddar:** EBITDA level?
- Atul Bohra:** Yes.
- Deepak Poddar:** And at the PAT level?
- Atul Bohra:** At PAT level around 10%, 11%.



**Deepak Poddar:** At the PAT level around 10% to 11%. So how does this translation happen to your P&L? I mean, although I understand there might be some lag or incremental cost that comes from your new launches? But this transmission from the embedded EBITDA PAT to your reported EBITDA and PAT. So there is always a lag, right, in terms of your reported, you always lag behind because of the nature of the business.

**Atul Bohra:** Not the correct way of looking at it because for every quarter once we scale up our revenue. I think this number will be realigned properly. At present, because there are certain fixed overhead cost and the employee cost and the marketing costs, which sits in your P&L. And in any quarter, if the revenue doesn't get recognized to the tune of that, so at present, we don't see any margin pressure on margin as a concern for us because of whatever projects we have.

As I said that, we have a prudent financial control and the financial mechanism we have established, and we always looked at the margin at a GP level, about 27% - 28%. And when it incorporate into P&L, it all depend on in what phases it's recognized. So still at a full financial year for upcoming financial year, we are pretty confident that we will meet our guidance of the.

**Deepak Poddar:** '26, when we say we will do about what we have earlier said about Rs. 3,000 crores of revenue recognition, right?

**Atul Bohra:** I think these questions may be, offline, Dipti can handle with you.

**Moderator:** Next question is from the line of Dhruvesh Sanghvi from Prospero Tree.

**Dhruvesh Sanghvi:** Sir, just to understand, because there has been 3 to 4 change in the last 15 years in the management. And generally, in the real estate companies, we have found promoters to come out and speak and that has not been the case in Kolte. And just to try and understand what are the roles of management and promoter? And what is the participation of the promoter? Is it only up to the land identification stage? If you can throw some light that will probably give us extended confidence in terms of what is going on? And then I have 1 more follow-up question.

**Atul Bohra:** So Kolte-Patil with a 30 years of old legacy, the promoter and the Board always been guiding and governing the professionals driving. So Mr. Rajesh Patil, who is CMD guiding on the strategic level. Mr. Yash Patil, who is at a group

strategy and operation level; Mr. Nirmal Kolte, who takes care of 24K brand, Mr. Virag Kolte, who is leading on the Life Republic vertical. I think there is an active participation as well as there is right amount of delegations to the professional to drive the business on the operational level as well as driving the growth.

**Dhruvesh Sanghvi:** Sure, sir. And then how does the coordination happen in terms of, let's say, a land or a project is being discussed. Do we have to go back to the Board for the final approval? Or is it like Atul ji will just broadly, I mean, take a call that this is a done deal and it's a fantastic project and here are the timelines and the launch dates, and this is the amount required and sanctioned from the Board.

**Atul Bohra:** I think based on the vision and the broader level plan we always go and obtain the Board's approval since these are substantial transactions. But yes, at the strategic level, the Board always approve the transaction. But at commercial level or maybe from the operational angle, the CXO's team or maybe the professional teams takes care.

**Moderator:** Next question is from the line of Bharat Sheth from Quest Investments.

**Bharat Sheth:** Atul, I have just two broader question. First is, I mean; to understand you narrated us there **is stave in** the industry, we have an established brand value also as well as management capability of delivery. But I find some disconnect vis-a-vis industry, if you look at this, we are talking of launching Rs. 8,000 crores of project, including some previous year spillover also, but booking guidance at a presales levels is not even 50%, despite having an inventory also. So I just want to get some understanding given the disconnect, I mean, either we are too conservative in giving the guidance, what kind of environment, I mean, do you face?

**Atul Bohra:** So guidance is pretty much defined Rs. 3,500 crores, which is 25% annual year-on-year growth. At the same time, these launches, all launches are not coming in quarter 1 or quarter 2, it is spread across the financial year. So it never happened that the entire launches we target to sell in 1 financial year because the project gets settled and the pricing appreciations happen only once you show the confidence to the customer.

So the target is to Rs. 8,000 crore launches, pre-sales of Rs. 3,500 crore for FY25, Rs. 13,500 crore sales guidance for FY25 to FY27. What we are

launching is not just a story for this year, but we always keep it for an inventory for upcoming financial year. So it cannot be the last mile inventory we can only launch.

**Bharat Sheth:** This we can understand. But I mean, for 3 years, I mean, guidance also having GDV value of Rs. 25,000 crores. Don't you think when there is a good time in the industry is it too conservative or we are not really confident of achieving that?

**Atul Bohra:** No. So I think more or less, those projects are bigger volume projects, cannot be launched at one go. So we always go with a strategic thought of launching this into different phases. I think like Rs. 8,000 crores when we are targeting this financial year, it is always with the guidance of how much we can absorb and how much we can sustain on the operations side.

**Bharat Sheth:** Atul, in the past, I mean, we have done a lot of structure deal, which has also affected profitability, I mean, on reported number because the interest costs we have to recognize without recognizing the revenue. So what is your sense? I mean, going ahead on the structure when we are having such a good Balance Sheet?

**Atul Bohra:** No, the structured deal is mainly for the growth capital. And rather than focusing completely on the debt, it gives a very good amount of balance to grow your business as well as to maintain the profitability and the costing control.

**Moderator:** Next question is from the line of Pritesh Sheth from Motilal Oswal.

**Pritesh Sheth:** So just on the presales again, so it has been like almost 7 quarters since we have sustained this Rs. 700 crores plus/minus kind of run rate. With these launches ramping up now from second quarter onwards, do you think we can breach this run rate in coming quarters, from second quarter itself? Or we will still have to wait another quarter to scale up on that sense?

**Atul Bohra:** So we will scale up definitely quarter 3 onwards because this is more festive seasons and where the sales are higher. So we are pretty confident that the guidance we will meet. And usually, the sales number get distributed equally. But yes, the launches are on time and definitely some dependency on the approval. But still that also, we are confident of launching on this Rs. 8,000

crore of inventory. And you will definitely see an uplift in the sales volume and the values.

**Pritesh Sheth:** Sure. So just to clarify, you said scale up will happen from Q3 and Q2 might still be a similar run rate?

**Atul Bohra:** No, it will be definitely on the higher side.

**Pritesh Sheth:** Okay. And just on the launches, the Rs. 8,000 crores. So is it that all of that will get launched this year itself? Or some of them will have certain phases which will come next year, and hence, this Rs. 8,000 crores might not be the effective number, but probably it would be Rs. 6,000 crores, Rs. 7,000 crores this year and rest next -- carry forward to next year?

**Atul Bohra:** Good questions. We are constantly working on launching in this financial year itself. But as I said, there are a few dependency on the approvals and all. So maybe it's too early to comment. But yes, the target is to launch entire Rs. 8,000 crores in this financial year, maybe spread across different quarters.

**Pritesh Sheth:** Sure. So all of the phases?

**Atul Bohra:** So when we launch, we always launch on the phases wise itself.

**Moderator:** Next question is from the line of Himanshu Upadhyay from Buglerock PMS.

**Himanshu Upadhyay:** So my question was in redevelopment projects. where does it take more time, let's say, this Jal Nidhi and all those in Goregaon, has been following it for 1 more year or for last 1 year. And still, we think it will happen in by Q4. But what pace once the deal is done, the time it takes? And anything we can do on reducing the time between finalization of the BD and the launch of the project?

**Atul Bohra:** So sir, there are a lot of dependencies in between after acquisitions till the launches. And we are definitely working towards shortening those timeline but yes, in a few instances, the timeline goes beyond control, maybe 1 or 2 incidents. But yes, this year, we already have that in pipeline. Sometimes it delays in design. Sometimes the approvals get delayed, like recently after the elections and all, few approvals already got delayed. But yes, more, or less now what we are targeting in the Q4, it will come.

**Himanshu Upadhyay:** No, I take your point. But my question was just to understand the landscape of it, how much time it takes for the approval or let's say, the finalization to launch? Is there any.

**Atul Bohra:** Like in initial stages of design finalization, it needs consent of the members as well and then the approval process started. But typically, this phase is in the range of 12 to 15 months.

**Moderator:** Next follow-up question is from the line of Shreyans Mehta from Equirus Securities.

**Shreyans Mehta:** So just on the launch, I wanted to understand how are we placed as far as our Mumbai launches are concerned. So specifically, the bigger size like Vishwakarmanagar and Vashi. So how confident are we on launching those? Are the approvals in place? At which stage are we?

**Atul Bohra:** So Vishwakarma, we are confident that quarter 4, we have already targeted the launch or maybe it is in our pipeline of launch for targeted at quarter 4. And vis-a-vis for Vashi, we have quarter 3 as our internal timeline for launch.

**Shreyans Mehta:** Got it. And second, in case, I mean, can I ask a question? So just in the previous participant, you highlighted that the PAT margin targeted are closer to 10%. And we are indicating closer to mid-teens EBITDA margins. So even if I get the higher end of the margin, and even if I take interest and tax, probably we are trying to understand or reconcile between the EBITDA to PAT, how should one look at it?

**Atul Bohra:** So I already answered that. It can be handled offline along with Dipti.

**Moderator:** Ladies and gentlemen, we will take this as a last question for the day. I would now like to hand the conference over to Mr. Atul Bohra for the 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 to Dipti Rajput at Kolte-Patil Developers Ltd. Look forward to interacting with you next quarter. Thank you very much.



**Moderator:**

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

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