Creation, not Construction

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: 19 February 2025

Sub: Transcript of Q3 & 9M FY25 Earnings Conference Call held on 12 February 2025

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

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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 "**Q3 & 9M FY25 Earnings Conference Call**" held on 12 February 2025 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: 2025.02.19 16:03:51 +05'30'

Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258

Kolte-Patil Developers Limited

Q3 & 9M FY25 Earnings Conference Call

February 12, 2025

Moderator: Ladies and gentlemen, good day and welcome to Kolte-Patil Developers Limited Q3 and 9 Months 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 Mr. Smit Shah from Adfactors PR. Thank you, and over to you, sir.

Smit Shah: Thank you, Manav. Good afternoon, everyone, and thank you for joining us on the Q3 and 9M 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 Q3 and 9M 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, sir.

Atul Bohra: Thank you, Smit. Good afternoon and a very warm welcome to everyone present on this call. Thank you for joining us today to discuss operating and financial performance of the Company for the third quarter and nine months ended December 31, 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.

The residential real estate sector in India reached new milestones in 2024, recording its highest annual sales in over a decade. This growth underscores the sector's resilience and the strong appetite of home buyers. Demand remained robust across major cities. The recently announced Union Budget 2025 emphasized inclusive development, economic expansion, and fostering private sector participation while maintaining macroeconomic stability. Among the notable highlights, income tax relief for the middle class and tax benefits for two homes stand out as key drivers that could encourage homeownership. Reduction in Repo rate will further enhance affordability and favourably impact housing demand. The government's commitment to Housing for All, large-scale infrastructure investments, and a business-friendly policy framework are collectively laying a strong foundation for sustained expansion across real estate asset classes. In our core markets of Pune, Mumbai, and Bengaluru, we continue to see strong customer sentiment and absorption rates.

Let me now take you through the operational performance for the quarter and nine months ended December 31, 2024.

Our performance over the nine months of FY25 has reached new milestone in terms of bookings and collections. Sales bookings reached Rs. 2,161 crore. Collections stood at Rs. 1,729 crore, marking a 17% year-on-year growth. This performance highlights our commitment to redefining living, enhancing the customer's price-value proposition, and strong execution capabilities. Average realizations improved 7% during 9M and we have successfully been able to take rational price hikes across projects. As mentioned previously, our endeavour is to balance APR growth and volumes to ensure healthy margins across geographies.

During nine months of the financial year, new launches contributed approximately 31% to the total sales value. Our 24K premium luxury segment continues to gain momentum, reaffirming the growing demand for aspirational living spaces. Here I would like to mention that the Life Republic township project continues to deliver strong performance. During 9MFY25, sales volumes at Life Republic (LR) reached approximately ~1.5 million sq ft, highlighting the township's sustained demand and growing appeal among homebuyers. Life Republic continues to witness growth in realization which has improved by 6% over the same period last year.

Over time, we have strategically widened our price bracket within the township, offering a diverse mix of residential options that cater to a broad spectrum of homebuyers. With the township evolving into a well-established urban hub offering residential and lifestyle amenities, we remain confident in Life Republic's long-term growth potential.

In Q3 FY25, our pre-sales value reached Rs. 680 crore, supported by sales volumes of 0.81 million sq ft. A key highlight of the quarter was the improvement in average realizations, which stood at Rs. 8,394 per sq. ft., marking an 11% year-on-year increase. This uptick was primarily on account of strong traction in our premium and luxury segments. Higher realizations at 'Canvas' - project within Life Republic (LR), along with robust demand for our 24K projects in Baner and Pimple Nilakh, played a pivotal role in driving this growth.

To further enhance our portfolio, we are actively building our business development pipeline that aligns with evolving market preferences in our target markets. The business development pipeline remains robust. As you are aware, we recently signed a ~22 acres joint development project in Pune with the expected GDV of ~Rs. 4,000 crore and potential saleable area of ~5 million square feet. It's a revenue share structure. Strategically located in South-West Pune with strong connectivity and proximity to essential social infrastructure, this development will strengthen our presence in a high-potential micro-market of Pune. This project exemplifies our vision of creating vibrant, community-centric neighbourhoods, while delivering high-quality living spaces. Likewise, we are also focusing on strengthening our presence in Mumbai and Bangalore and are constantly evaluating opportunities.

Moving on to the launches – We are hopeful of launching projects with the GDV of ~Rs. 5,000 crore in FY25. Let me dwell a little on this. For our Pune projects we have secured most of the approvals and are expecting to receive the RERA approval soon. We have mentioned in the past that most of the

Mumbai launches are slated for Q4. However, we have experience regulatory approval delays in the Mumbai projects on account of elections and expect the approvals to come through in the coming couple of quarters. Basis this, we expect the pre-sales number for the year to moderate marginally.

Coming to the financials performance, as highlighted earlier we are on track to close the year with strong deliveries. During the nine months we recognised highest-ever 9 month revenues of Rs. 999 crore. Profitability has been improving – 9MFY25 EBITDA and PAT stood at Rs. 69.5 crore and Rs. 41.3 crore respectively as compared to 9MFY24 EBITDA of Rs. 58 crore and PAT of Rs. -42.3 crore.

Looking ahead, we anticipate the demand momentum to sustain. Additionally, as homebuyers, developers, and landowners increasingly seek partnerships with reputed brands that offer reliability, quality, and financial strength, KPDL is well-placed to capitalize on these opportunities. Our commitment to strong financial discipline is reflected in a resilient balance sheet and robust cash flows, ensuring that we remain agile in capturing new growth prospects while maintaining operational efficiency. Our strong collections, alongside steady sales performance and a disciplined approach to project acquisitions, have positioned us well for sustained growth.

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

Dipti Rajput: Thank you, Atul. Good afternoon, everyone. I'd now like to take you through our financial performance for the quarter and nine months ended 31st December 2024.

Under CCM-based accounting, our Q3 FY25 revenues from operations increased to Rs. 349.7 crore from Rs. 75.8 crore in Q3 FY24, driven by higher deliveries. For the nine months ended December 2024, we recorded milestone revenues at Rs. 998.7 crore, compared to Rs. 845.1 crore in 9M FY24.

Our reported profits have also been improving. EBITDA for Q3 FY25 reported at Rs. 25.5 crore, a significant improvement from a loss of Rs. 36.7 crore in Q3 FY24, while 9M FY25 EBITDA reached Rs. 69.5 crore as compared to Rs. 58 crore for 9MFY24. Our net profit after tax (post-minority interest) stood at Rs. 25.3 crore for Q3 FY25 and Rs. 41.3 crore for the nine-month period.

As you are aware, revenue and profit recognition are determined by project completion as per statutory accounting norms. With continuous progress in construction, we have achieved strong collections, reflecting both efficient execution and high demand for our projects. Strong collections, financial discipline and operational efficiency support healthy cash flows. 9MFY25 operational cash flows stood at Rs. 641 crore. With a disciplined financial strategy, we continue to strengthen our balance sheet, ensuring long-term stability, growth, and expansion opportunities.

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

Moderator: Thank you, Ma'am. We will now begin the question and answer session. We have our first question from the line of Gautam from EverFlow Partners. Please go ahead.

Gautam: I have two questions. My first question was that how are you seeing the demand outlook in Pune and Mumbai markets? Are we on track to achieve our presales guidance that we've given of about Rs. 3,500 crores this year and I think the three-year target of Rs. 13,500 crores. So are we on track to achieve this presales?

Atul Bohra: Thank you, Gautam. In Pune and Mumbai market, we have seen a good traction of demand. So far, Q3 as well as Q4. Q4 eventually has to be one of the most performing quarter always, and we see this momentum will continue. In terms of our sales guidance, we have, as already mentioned in the commentary that in a few of the projects in Mumbai, we see a couple of delays in approval, which may moderately impact our sales guidance.

Gautam: And what about the three-year target? Are we on track to achieve that?

Atul Bohra: Three years target, I think we are in line with our long-term horizon because see, these are the temporary delays like maybe a quarter, or two, nothing beyond that.

Gautam: Understood. And at the current pricing level, what sort of project level margins and company level margins do you expect at the EBITDA level?

Atul Bohra: So far, at least, we have seen a good amount of improvement in our EBITDA margin. This quarter as well, we have touched around 7% - 7.5% of EBITDA margin. And in terms of adjusted EBITDA margin, it is 12% - 12.5%. And going forward, this margin will continue to improve. And we see that as we have already discussed, even over our last call, that we see that in early teens.

Gautam: Okay. Just to clarify project level margins are 12% to 12.5% and company level 7% and 7.5%, just to continue or improve sir?

Atul Bohra: No. So project level, it all depend on the different projects. The redevelopment and the joint ventures have a different margin vis-a-vis for luxury segment. I'm talking about the blended at a group level margin, what we are discussing.

Moderator: Thank you, sir. We have our next question from the line of Shreyans Mehta from Equirus Securities. Please go ahead.

Shreyans Mehta: So Atul Sir, in terms of Mumbai launches, how confident are we in launching it in '26? Because if you see the slide, we've actually moved into strategic rather than under approval?

Atul Bohra: Yes, Shreyans. I think for Mumbai launches, there are few projects we have already secured sanctions like for Laxmi Ratan. But in redevelopment, the process is a little longer. It is not just securing the sanction, but there are vacation process and post that also, there are a few sanctions required.

So we see that couple of projects since there is quite a few EC delay, there is a committee which was formed. But then again, there are a few delays on account of elections. So I think with all these things, we have factored out that maybe there is slight delay in a few of the Mumbai launches. But except that, we don't see any other such kind of changes in our plan.

Shreyans Mehta Got it. So assuming if MMR comes into picture in second half of next year, what should be the presales number ideally we are looking at or what we are targeting?

Atul Bohra: So for next year, you are talking about BD?

Shreyans Mehta: No, presales number, assuming the Mumbai projects come on half year launches?

Atul Bohra: So presale number at a group level, we have a long-term guidance. I think we are still maintaining that guidance.

Shreyans Mehta: Okay. Sure. Second is, sir, in terms of margins, earlier, we were guiding for, say, closer to 12%, 13%. But if I see the first nine month number, we've not even touched 10%. So do you foresee we'll be even closing nearer to 10% for this year?

Atul Bohra: So there is quite a good momentum even in quarter four. We have already secured a lot of completions. So I hope that -- and as I said, that a steadily improving EBITDA margin is definitely on our priority. At the same time, if we go through the adjusted EBITDA margin, till 9 months ended it is 12%. And by the end of financial year, we foresee that there will be marginal improvement in the EBITDA and adjusted EBITDA both.

Moderator: Thank-you, Sir. We request you to rejoin the queue. We have our next question from the line of Rohit from iThought PMS. Please go ahead.

Rohit: Sir, just two questions. In light of the challenge in approvals, I mean, the delay in approval, what kind of pre-sales are we now looking at? We did about Rs. 2,800 crores last year. And we had earlier said that we'll do about Rs. 3,500 crores. So what was the number that you're confident for the last quarter and if you can share that?

And secondly, sir, I mean, last call, you said that in terms of reported numbers, you are confident of doing Rs. 1,800 crore for the year. We have done about Rs. 1,000 crore in the first nine months and 13% is the margin that -- I mean, you said about early teens we'll do the margins. So that would mean that we need to do a very strong EBITDA performance in the Q4 -- so can you just explain that?

I mean, we are talking about this adjusted EBITDA. So, we've not talked about this number before. So what does this adjusted EBITDA mean exactly? Because all along, you are talking about reported EBITDA only so far. So if you can just talk a bit about that. And my understanding was that this 13%, 14% is that we will close this year is on the reported EBITDA basis. So if you can just explain these two points, sir?

Atul Bohra: Thank you, Rohit. So I think on the Mumbai launches, I already explained that we are estimating quite a few approvals delays. And I hope that maybe beginning of next year, it will get launched. However, in terms of the presale guidance, there will be marginal corrections based on those launches that are not coming. So that kind of marginal changes will be there in terms of overall presale guidance.

As far as on the revenue guidance, I think we have already touched approximately Rs. 1,000 crores in first nine months, and we are quite hopeful like around Rs. 600 crores, Rs. 700 crores in Q4, and there is a lot of visibility in terms of obtaining our occupancy certificates. But we are still in the line with our overall revenue guidance.

On the EBITDA part, as I already explained that there is a gradual momentum in that. We have seen EBITDA is picking up quite well. And in Q4 also, you will see a better EBITDA as well. At the last question, adjusted EBITDA is simply the EBITDA and added back our other income and the share of the profit from the joint venture company. Since this is factored out separately, so if we club together, that gives us an adjusted EBITDA.

Rohit: Got it. So sir, from a presales point of view, so this year do you see a growth over FY '24?

Atul Bohra: We have-- first nine monthly we have already seen a growth of almost 4% and I hope that, that will continue in Q4, as Q4 always has better numbers, we will definitely see the growth in presale number.

Rohit: Got it. And sorry, one clarification.

Moderator: Rohit your questions are up.

Rohit: Can I just have one clarification on this adjusted EBITDA, please. So you said adjusted EBITDA is EBITDA plus other income and the share that we have from our partners?

Atul Bohra: Yes.

Rohit: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth: Atul, coming back to the plan launch, which was, say, now we have revised it to Rs. 5,000 crores, and we have done Rs. 2,000 crores. So how confident are we to do, I mean, launches of Rs. 3,000 crores kind of a thing in Q4?

Atul Bohra: Thank you, sir. I think on most of the Pune portfolio, like Little Earth we have secured the sanction and it is in the RERA approval process. Similarly, for 24K Manor, we have secured all the sanction. Altura, we have secured all the sanctions. And NIBM, we have secured the sanction and still we have applied for the RERA.

We are just awaiting. I think in most of this even in Life Republic, we have secured sanction on 3 more sectors, R14 and 34 and as well as R17A. And we are still in the process of obtaining the final RERA consent. So we are quite hopeful that these launches as planned, will hit in Q4.

Bharat Sheth: So balance around, say, Rs. 3,000 crores. So out of that, normally, typically, we do a booking of 30% to 40% on presales. So is that fair understanding that at least Rs. 1,000-plus crores kind of a thing is possible in Q4 in addition to that from the inventory. So our presales target of Rs. 3,500 crores. So does it mean that a single-digit kind of a decline will be there?

Atul Bohra: Yes. So I think there is already 3.6 - 3.7 msf of ongoing portfolio as well as we are adding out of the new launches. So and as you rightly said that, there may be a slight correction in the presale number. So whatever the launches we are missing, maybe to the tune, there will be some correction on that.

Bharat Sheth: Okay. And coming back our last 9 quarters, our run rate of presales has remained around Rs. 700 crores. So when do we expect that to break that kind of a thing? That is first question. And second thing, we had, I mean, guided for Rs. 8,000 crores kind of a business development out of which only Rs. 4,000 crores has been done. So how confident are we of reaching that Rs. 8,000 crores?

Atul Bohra: Yes. So you rightly mentioned that we have already secured Rs. 4,000 crores worth of business development and we are quite hopeful that the guidance for business development for this financial year of Rs. 8,000 crores, we will achieve. There are quite a few deals which has moved to a very advanced stages. So at right time, I think there will be announcements about this deal and transactions. But yes, at least looking at the scenario, we are quite hopeful that this deal will definitely be announced.

Moderator: We have our next question from the line of Nitin R from Frontline Capital. Please go ahead.

Nitin R: I think a few of my questions have already been answered. But in terms of margins, what sort of revenue guidance is the company looking at for the next year? Because this year, I think we had guided for something like Rs. 1,800 crores and we have done something like Rs. 1,000 crore even though the margins were quite well. So have we had an internal calculation as to where our margins and revenue recognition would be for next year? That's my first question

Atul Bohra: Can you please repeat?

Nitin R: I'm talking about the revenue recognition or the expected revenue recognition for the next financial year as well as the margins, which we are expecting?

Atul Bohra: So I think for next financial year, we can provide you a guidance separately, but so far for this financial year, the guidance of revenue recognitions as well as on the EBITDA side, we have already explained, that's roughly around Rs. 1,600 crores to Rs. 1,800 crores is what we are targeting. And we have secured most of the OCs, few in pipeline. So considering that, we are quite hopeful that this year guidance on revenue we will meet.

Nitin R: So next year, we haven't done any internal calculation. Got it. And coming to the launches, we have kind of reversed back our launch pipeline. So in terms of new projects which you are like launching, what sort of internal EBITDA margins are we targeting? Because I think you kind of touched upon this earlier but it wasn't quite audible. So could you please repeat that? What sort of margins are we looking at for the projects which we are launching this year and as well for next year?

Atul Bohra: So the projects which are typically on the outright basis and where we invest on the land, we expect a margin of around 25% to 28%. In redevelopment, joint developments it's not just margin, it is more of an IRR-based business model. So we try to blend it together like it's not just margin-margin.

But at the same time, we have to play a little bit of a capital-light model wherein IRR-based equation works, and we target somewhere around 20%, 25% of IRR on those kind of transactions, even though the margins looks around 14%, 15%, but the IRRs are better in these kind of projects, wherein specifically on joint development and redevelopment sector.

So we have an internal guidance in our selection criteria as to how and what are the financial parameters to meet on every project - we commit to any projects only if our numbers get met or maybe the guidance gets meet internally.

Nitin R: Got it. And one final question. Do we have any unsold inventory because last year, we kind of report losses on our book revenue. So do we have any unsold inventory on those projects which were kind of not viable? So do we have any unsold inventory from pending legacy projects?

Atul Bohra: Hardly, like in most of the projects and even if you see today that the total ongoing unsold is hardly like 3.75 msf. So finished and unsold hardly we have anything in our portfolio.

Nitin R: Okay. Thank you and all the best.

Moderator: Thank you. We have our next question from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth: Sir, you said, we have 3.75 msf kind of unsold inventory. So in value terms, is it possible to quantify? That is first question?

Atul Bohra: Roughly around Rs. 2,500 crores.

Bharat Sheth: Rs. 2,500 crore. And how do we see momentum whatever has been there, I mean, different projects? And is that fair understanding that Life Republic is the largest. So momentum is still, I mean, good from those unsold?

Atul Bohra: Yes. We have seen quite a good momentum, specifically in Life Republic in last nine months itself, we have secured 1.5 million square feet of presale number. And since there are a few more launches in Life Republic in Q4, so we see this momentum is still building well.

Bharat Sheth: And my one suggestion before I go to that we should give project-wise unsold inventory also, please. That will be helpful in understanding from future where we are going, which projects are stuck and second thing, when we are talking of, say, around reaching Rs. 1,800 crores kind of a revenue for full year around say, Rs. 700 crores to Rs. 800 crores in Q4. So in that, what would be the finance cost?

See, last year our finance cost was approximately around Rs. 100 crores whereas currently nine months it is Rs. 35 crores. So if you can give some color because EBITDA margin, we can understand, but finance cost is also very important?

Atul Bohra: I think finance cost is more based on the P&L, whatever is recognized is more based on the utilization of that. So we have rationalized that finance cost based on the utilization on a particular project. So a few costs get charged to P&L and a few finance costs get charged to WIP.

Bharat Sheth: You have fair visibility from which project we are going to get around this Rs. 700 crores, Rs. 800 crores kind of revenue. So based on that, if you can give some ballpark number?

Atul Bohra: I think off the line, Dipti can share with you because there are quite a long list of the projects what the OC is there and the revenue has been planned, not only one or two projects, but by and large Hari Ratan, where we have already secured the OC. Stargaze, we have already secured the OC. A couple of sector in Life Republic, we have secured the OC. So I think Dipti can give you elaborately more in detail.

Bharat Sheth: Fair. And now coming back to this business development pipeline.

Moderator: We have our next question from the line of Vikas Sharda from NT Asset Management. Please go ahead.

Vikas Sharda: Two questions on business development side. So first is that the project acquisition, which you have announced of Rs. 4,000 crores, maybe you could give some more details on the dynamics like when is it likely to be launched?

What are the project economics? What kind of realizations would you be looking at?

And secondly, when you look at the pipeline for business development, so you said this year you're still confident of achieving Rs. 8,000 crores. How does it look for next year and is the pipeline still more in Pune versus, say, Mumbai and Bangalore?

Atul Bohra: So we recently announced a joint development project, which is at Wadgaon which is near to Nanded City township project, which is towards the Pune West- South market. It's one of the prominent market wherein a lot of social infrastructure is well developed. Upcoming IT parks are there, the mall. And I think it is quite accessible from the Pune CBD, Kothrud and Warje and these kind of locations and very near to the Mumbai, Pune, Bangalore highway. This is in a revenue share arrangement with the land owner. And obviously, with certain amount of refundable deposit.

So we are now in phase of securing the further sanctions in terms of height and everything. And this is one from the ongoing acquisition. Now, your second question, which is on the BD pipeline. So we are not just focusing on Pune, but we are still focusing more on Mumbai and Bangalore. As per our internal guidance as well, so far, we are guiding like 70% should be Pune, 30% growth has to come from Mumbai and Bangalore. So keeping this in mind, we are building a strong pipeline in Mumbai and Bangalore as well.

Vikas Sharda: Okay. And when is this project likely to be launched - the Rs. 4,000 crores?

Atul Bohra: So we are expecting around 9 to 10 months. So maybe end of the financial year, we are hoping to launch.

Vikas Sharda: And what kind of realizations would that be?

Atul Bohra: In terms of average price?

Vikas Sharda: Yes.

Atul Bohra: So it's a mixed-use development project, which include retail, commercial and the residential. So the average price, we are hoping around Rs. 8,000.

Vikas Sharda: Okay. Thank you.

Moderator: Thank you. We have our next question from the line of Gautam from EverFlow Partners. Please go ahead.

Gautam: I just wanted to understand regarding a project level like on a blended basis on a project level, what would be our EBITDA margins and where do we see that going? I understood adjusted EBITDA, but like on a project level, how do we see that project level margins and where do we see it?

Atul Bohra: Thank you, Gautam. I think this is fourth time I'm repeating. But as I already mentioned that this project level margin, it depends on the category of the land, either redevelopment, joint venture, outright. I think basis on that, different projects have different margin levels.

But simply like for more details you can interact with Dipti-- but as a guidance, as I already mentioned that on outright, we expect somewhere around 25%. On JDs and redevelopment, we expect somewhere around 15%. And it is not just margin. We have to look at the IRR as well.

Gautam: Thank you, Sir.

Moderator: Thank you. We have our next question from the line of Rohit from iThought PMS. Please go ahead.

Rohit: Sir, just interest cost. So I have just two, three questions. So one was on this interest cost, if you can just maybe explain it like we had earlier said that on a yearly basis, the finance cost would be about Rs. 100 crores.

I understand that some of it goes to WIP, but I'm saying based on our previous calls, etc., it was said that the finance cost would be around Rs. 80 crores to Rs. 100 crores. So I understand that it depends on the project. So can you just tell that for this year, given nine months is already done, I think you have booked around Rs. 40 crores, if I'm not wrong. So what is the number for the entire year based on what you think? So that was one question?

Second was, sir, you mentioned earlier that this unsold inventory is about Rs. 2,500 crores. So can you just broadly tell what is it in terms of LR versus non-LR? And is there any slow-moving inventory? And the last question, sir, I mean, if I look at just reference to the last question, I mean Rs. 2,500 crores of unsold inventory, if you are able to go through that, I mean, our market cap is about Rs. 2,300 crores today.

So I mean, is there any thoughts from the promoter side in terms of buying back or doing something, I mean, which can sort of increase confidence to the shareholders and the general market per say, which is probably we have the cheapest real estate stocks in the listed space. And this is despite whatever we say in terms of balance sheet, etc. So I would love to hear your thoughts on this as well?

Atul Bohra: Thank you, Rohit. I think let me answer one by one because you have asked too many questions at one go. In terms of interest costs, as you rightly said that, okay, based on the utilization, few cost is capitalized and few cost is charged to P&L. And we foresee by the FY '25 year-end, it is as of now already Rs. 36 crores, but somewhere around Rs. 48 crores to Rs. 50 crores should be charged to P&L. and the rest will charge to WIP as and when the project gets recognized, it will recognize.

Coming back to your second question, LR versus non-LR, like out of 3.75 msf of inventory, roughly around 1.6 million msf is in Life Republic and the rest is in the different projects across Mumbai and Pune.

Coming to the last question, which is on the buyback of promoter, so far, internally, this is the promoter's call. So as a professional, I really have limited say in answering this question and maybe not even the right forum to discuss this. So I will really like to skip this question. But rest thing, I think you have the answers.

Rohit: If I just have one discussion on this. So one follow-up was just out of this Rs. 2,500 crores inventory, how much is LR from a value point of view, sir?

Atul Bohra: Roughly around 40%.

Rohit: So about Rs. 1,000 crores is LR?

Atul Bohra: Yes.

Rohit: Sir, basically, I mean, I understand, and my last question in terms of valuation. But sir, I mean, the fleet is generally -- if you look at -- I mean, I'm sure you are doing your internal benchmarking against lot of the other listed guys. And there is definitely something amiss in terms of what the Street is giving us, right?

So I mean, from that perspective, I think as -- I mean, promoters own 70% of the company roughly, so they are going to be the biggest beneficiary if there's any value that gets created. So from that point of view, I mean, if you can pass on this message to them, that would be helpful. Given the fact that we are engaging in these conference calls and doing this effort.

I mean, I think it's also a feedback on how we are doing it in terms of the market, what is giving the value right now. So I mean, I would like put the ball back to you guys to sort of take this as a feedback from a shareholder probably to do something.

Moderator: Sorry to interrupt, Rohit sir. May I please request you to rejoin the queue?

Rohit: Yes, I'm done.

Moderator: Thank you. We have our next question from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

Himanshu Upadhyay: It is more on your thought process. And you have spent nearly now 2.5 quarters. So what is your thought process on strategy, let's say, the type of land bank what you are looking for and the type of projects you are trying to build around the company. And so one is on the quality of land bank and type of projects you are trying to buy. Second is the value addition which happens is on the design and the quality of projects, okay? What progress have you made in last 6 to 9 months? And what are your priorities for next 2 to 3 years?

And third is customer relationship management and sales team management. So what has improved? And what are you doing to, let's say, to improve the customer relationship with you? So on these 3 aspects, can you give your thoughts what has been your strategy and what are you doing?

Atul Bohra: Thank you, Himanshu. I think let me go through one by one. And as you rightly mentioned in terms of our strategy on overall business development and the growth plan. So the few changes what we made is we are not chasing small projects. So our first strategy is scale, which is scalable projects, that is the first strategy. Number 2 is on the location. So we always foresee that there has to be a performing and upcoming locations only while selecting our project.

And the third one is in terms of our financial closure strategies, like a few deals what we are targeting on the outright as well as in JV in order to maintain a healthy capital-light model as well as maintaining the cash flow towards the BD, which will rationalize our long-term acquisition, not only for this financial year, but even for the next financial year.

And we are rationalizing it, not focused too much on Pune, but we are focusing more on Mumbai and Bangalore as well. So going forward, you will see a lot of tractions will come in Mumbai and Bangalore as well.

In terms of the second question regarding design and progressing on design. So we have already submitted a lot of approvals after closure of design, a couple of closures in Life Republic project itself, around three, four more sectors. There are a couple of projects which are lined up like NIBM and Kharadi. And most of these projects where we have secured the sanction as well, not just design closure. But yes, we are progressing quite well in terms of aggressive design closures and approvals.

In terms of your third question in improving our CRM because as you have seen last 9 months, the collection is one of the highest ever collections. We have increased 17% year-on-year. And that is, by and large, to our CRM department who's focusing more on customer centricity and addressing their queries on time.

We are implementing quite a few things in the tech-based solutions of interacting with the customer. I think a lot of initiatives are there in terms of improving our customer centricity as in our initiative and this is a prime focus area of quality and our customer centricity. So thank you for this question. I hope I have answered all your questions.

Himanshu Upadhyay: Why I'm asking this question is, we give our operational updates by third week, or at the end of third week of the quarter. Generally, it is never in the first 15 days, okay? It is post 15 to 20 days. And by that time, many real estate companies and many companies have released their results also. So the question is how good is our MIS internally. If, what type of sales we have done takes three weeks for us to report and to internally finalize, is there a lot of work to be done to achieve the targets?

Atul Bohra: I think we are maintaining that, we will maintain it even in future. So I think the feedback is well taken. We will try to publish before first/second week itself.

Himanshu Upadhyay: Second week you mean?

Atul Bohra: Second week makes sense.

Himanshu Upadhyay: Okay. Thank you.

Moderator: Thank you. We have our next question from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth: Hi Atul, apart from LR, we have a lot of land parcel in the Pune itself and in Ghotawade and all other areas where we were working, I mean, in the planning stage, whether to launch for residential or mixed use or commercial only or going for a rental model. So can you give some color to what stage are we and our strategy is finalized or not?

Atul Bohra: I think on a couple of deals like Boat Club Road we are evaluating since it's a very prime location. So still evaluating internally. But since the location is in a way where it is ideally utilized for residential as well as commercial. But very soon, once we are ready with our plans and strategies on those projects, we will certainly announce.

Bharat Sheth: I believe we are talking since almost around 1year. So when do we expect those strategies really to fructify and as investors we get some color on that?

Atul Bohra: I think gradually, we are getting it as like this quarter, we are having Kharadi as our priority as well as a couple of new projects like Springshire and NIBM. Simultaneously, on a few of these land parcels, we will definitely get back very soon, maybe early next year.

Bharat Sheth: So beginning of the FY '26 or maybe next concall?

Atul Bohra: Yes.

Bharat Sheth: Okay. Thank you.

Moderator: Thank you. We have a follow-up question from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

Himanshu Upadhyay: My question is, again, to Atul only. And one of the things is we have pretty good IRRs in many of the projects. But are we able to get a major share of the profits of that project over a period of time or in trying to be capital light, we are just not able to get as much share of profits.

Because if you see your net worth, even after 25 years of doing a profitable business net worth is still below Rs. 750 crores and if we really want to reach scale in terms of profits and revenues and the size of projects, we need to get more share of the profits also, not just the IRRs. Any thought process on this? Just that I'm not very clear by your reply on the first question, which I asked.

Atul Bohra: So I said it is already noted. Even our recent announcement, you must have recognized that gradually we have to scale up on a bigger acquisitions, which will contribute to higher margins. So I think we are already in line with that strategy of expanding the margin and as well as scaling up the volume.

Himanshu Upadhyay: Okay. So let's say, this Rs. 4,000 crores deal what you did, how different would it have been than your earlier deals, not just in terms of revenue potential, but in terms of your own share and expected profit contribution, what you could get or what you might get now versus historically you would have got in such a deal, which will help us better understand why the things are progressing?

Atul Bohra: I think I have already covered it. It's a revenue share deal with payment on a refundable deposit with the landowner. And estimated EBITDA so far what we have planned in a JV deal is roughly around 15% and as you rightly mentioned there are quite a few factors which attract towards this deal. One is the scale, one is the location and third one is the micro market, upcoming micro market, where a lot of traction and the social infrastructure, upcoming developments are planned. So I think it fits with the strategy.

Himanshu Upadhyay: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today. And I now hand the conference over to the management for closing comments. Over to you, sir.

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 out to Dipti Rajput at KPDL. Look forward to interacting with you next quarter.

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.