

Q3 & 9M FY2014 Results Presentation

Kolte-Patil Developers Limited



LEAPING FORWARD



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CEO's Message



Commenting on the performance for Q3 FY2014, Mr. Sujay Kalele, CEO, Kolte-Patil Developers Ltd. said,

“Despite a challenging external environment we have been able to sustain our sales momentum this quarter recording 0.44 msf. of new sales bookings. We believe the regulatory environment is improving and should translate into a series of new approvals – and subsequent launches thereof – encompassing ~8-9 msf. over the next twelve months driving the next wave of growth.

Having identified the strong profit potential for private society redevelopment projects in Mumbai, we continue to explore more such lucrative opportunities after our first project win on Khar-Linking Road, and expect to bag more projects in the near term.

We are strengthening our internal processes and systems, building the engine to deliver on our strategic objectives. We are focused on activating all projects in our pipeline as we look to reinforce our dominant position in the stable Pune market, while expanding our presence and brand across Mumbai and Bengaluru.”

Business updates in Q3 FY2014

Financial Performance

- ✚ Revenues down 17% YoY to Rs. 188 crore impacted by delay in receiving OC's at some projects
- ✚ EBITDA down 9% YoY to Rs. 57 crore; margins expand 250 bps to 30.4%
- ✚ PAT (after minority interest) down 33% YoY to Rs. 20 crore

New Sales Bookings / Collections

- ✚ Recorded 0.44 msf. of new sales booking
 - Recorded first sale in Mumbai of 2,200 sft. at an APR of Rs. 34,375/sft.
- ✚ New sales value of Rs. 253 crore
- ✚ Average price realization (APR) at Rs. 5,730/sft.
 - APR for residential projects at Rs. 5,421/sft.
 - APR for commercial projects at Rs. 9,932/sft.
- ✚ Collections stood at Rs. 230 crore

New Appointments

- ✚ Ms. Manjusha Raulkar appointed as Chief People Officer

New Launches

- ✚ Launch of Jazz Phase I (0.2 msf. of total saleable area of 0.9 msf.) in January 2014 in Aundh
- ✚ Pre-launch of Mirabilis, Horamavu, Bengaluru (0.6 msf.)

Other business developments

- ✚ CRISIL Ratings assigned "CRISIL A+/Stable" rating to the long-term bank facilities and non-convertible debentures of Kolte-Patil Developers Ltd (KPDL)

Innovation Marketing Campaign

- ✚ Strategic marketing campaign to raise brand awareness and recognition across Mumbai
- ✚ Project-specific campaigns for Tuscan and 24K Glamore in Mumbai generated a strong response

Awards and Recognition



Awards and Recognition

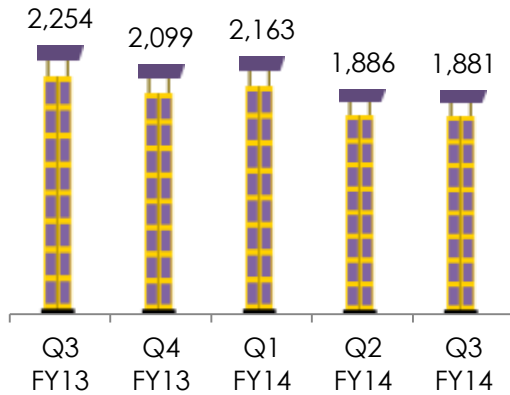


Awards and Recognition

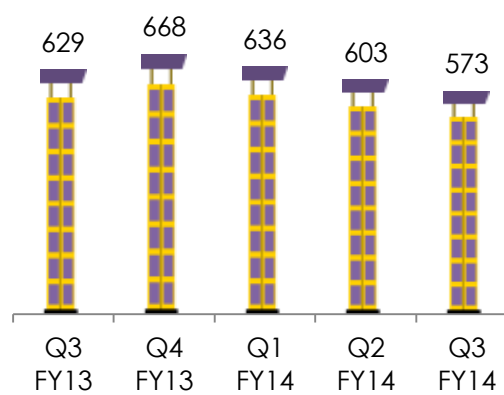


Performance Highlights

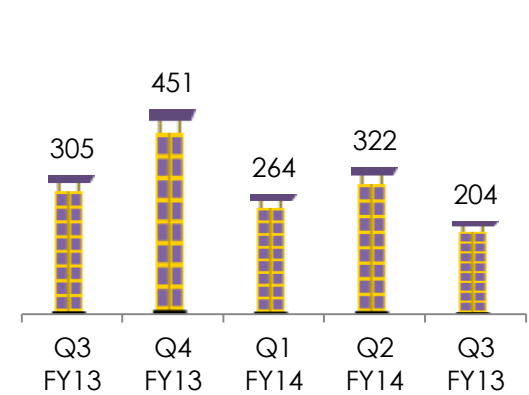
Operating income, Rs. mn



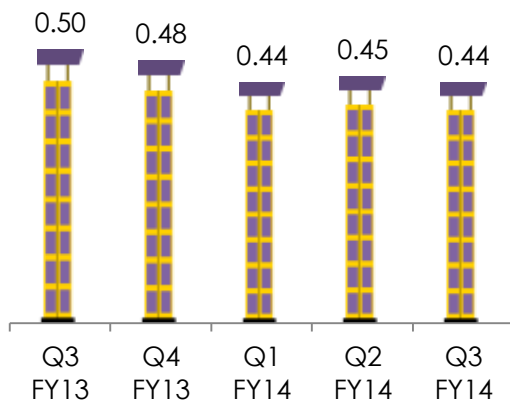
EBITDA, Rs. mn



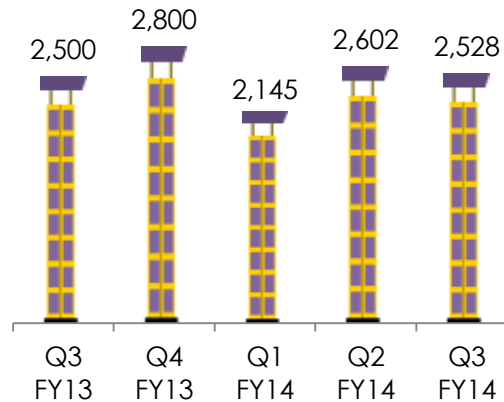
PAT, Rs. mn



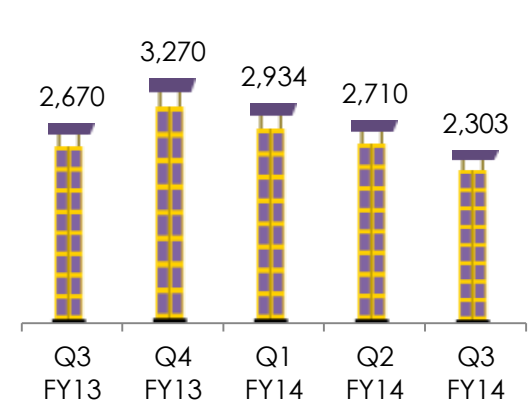
Sales Volume, million sq. ft



Sales value, Rs. mn



Total Collections, Rs. mn



New Sales Analysis - Q3 FY14

msf.

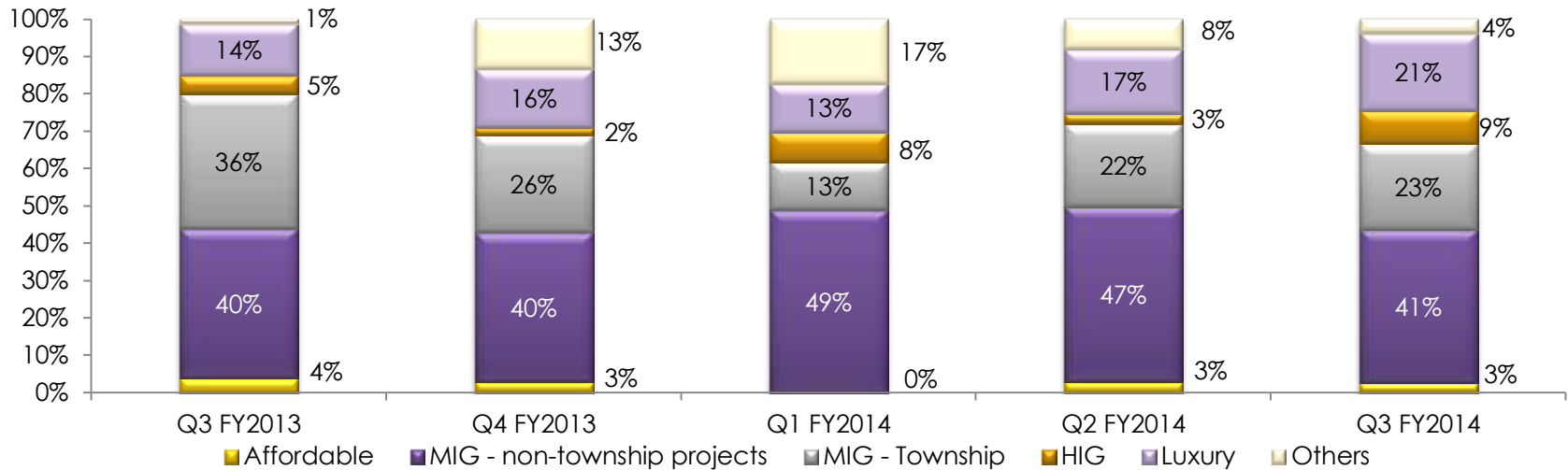
0.50

0.48

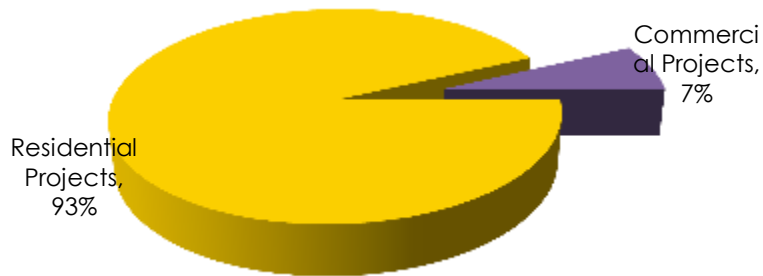
0.44

0.45

0.44



Split by project type – Q3 FY14 (%)



Split by share – Q3 FY14 (%)

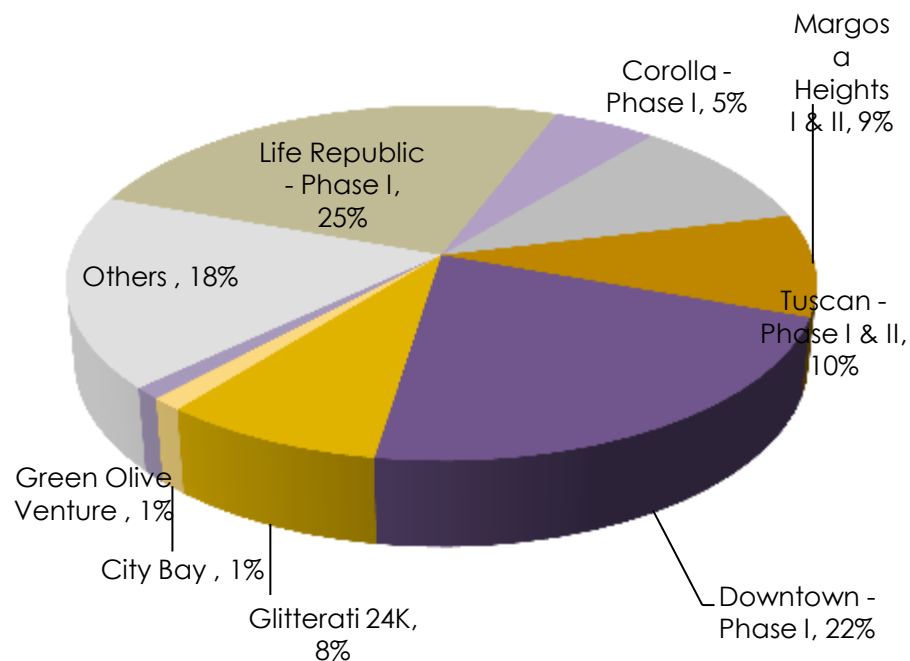


Revenue recognized in Q3 FY14



Projects	Revenue recognized in Q1 FY14 (Rs. cr.)	Revenue recognized in Q2 FY14 (Rs. cr.)	Revenue recognized in Q3 FY14 (Rs. cr.)
Life Republic - Phase I	49	63	47
Corolla - Phase I	22	19	10
Tuscan - Phase I & II	15	11	19
Margosa Heights I & II	27	23	18
Downtown - Phase I	38	10	41
Glitterati 24K	13	11	16
City Bay	3	7	2
Green Olive Venture	2	2	2
Others	48	43	33
Total	216	189	188

Revenue recognized in key projects
(% of total income – Q3 FY14)



Profit and Loss Snapshot – 9M FY14 vs 9M FY13

P&L Snapshot (Rs. crore)	9M FY2014	9M FY2013	YoY (%)
Total operating income	593.1	517.6	14.6%
Total Expenses	417.0	395.6	5.4%
EBITDA	181.2	125.2	44.7%
EBITDA Margin (%)	30.5%	24.2%	
EBIT	176.1	121.9	44.5%
EBIT Margin (%)	29.7%	23.6%	
Profit before tax	152.6	112.1	36.1%
Profit after tax	101.8	73.4	38.7%
Minority Interest	22.8	11.0	107.0%
Adjusted PAT after minority interest	79.0	62.4	26.6%
PAT margin (%)	13.3%	12.1%	
Basic EPS	10.42	8.24	

Profit and Loss Snapshot – Q3 FY14 vs Q3 FY13

P&L Snapshot (Rs. crore)	Q3 FY2014	Q3 FY2013	YoY (%)
Total operating income	188.1	225.4	-16.5%
Total Expenses	132.2	164.1	-19.5%
EBITDA	57.3	62.9	-9.0%
EBITDA Margin (%)	30.4%	27.9%	
EBIT	56.0	61.3	-8.7%
EBIT Margin (%)	29.8%	27.2%	
Profit before tax	45.9	59.6	-23.0%
Profit after tax	30.1	38.9	-22.7%
Minority Interest	9.7	8.3	16.7%
Adjusted PAT after minority interest	20.4	30.5	-33.1%
PAT margin (%)	10.8%	13.5%	
Basic EPS	2.69	4.03	

- ✚ Delay in receiving OC at some projects impacted revenue/PAT to the tune of Rs, 6-8 crore in Q3 FY14
 - Shortfall to be covered in Q4 FY14 – already received majority of the OC's In January
- ✚ Divested 7 acres at Yavat for Rs. 5.5 crore at a profit of ~Rs. 1 crore in Q3 FY14

Balance Sheet Perspective

Balance Sheet Snapshot (Rs. cr)	31st December, 2013	30th September, 2013	31st March, 2013
Net Worth	787	780	717
Gross debt	240	265	175
Cash & cash equivalents	42	58	112
Current Investments	36	24	8
Net debt**	127	149	21
Inventories	1,243	1,269	983
Net debt/Equity (x)**	0.16	0.19	0.03
ROE (%)	15.8%	17.2%	15.0%
ROCE (%)	23.4%	23.5%	20.9%

Note - ROE = PAT/Networth; ROCE = EBIT/Capital Employed; ROE, ROCE are calculated on a TTM basis

****Net debt figure given here excludes CCD's; Please refer to the next slide for a detailed break-up**

Consolidated Debt Profile

Debt Profile (in Rs. Crore)	As on 31st Dec, 2013	As on 30th Sept, 2013
Secured Loan From Banks	107	118
Secured Loan From Others	58	61
Public Deposits	14	15
Cash Credit and OD from Bank	15	18
Unsecured Loan from Others	10	19
Compulsorily convertible debentures (CCDs)	34	34
Total Debt	239	265
Gross debt excluding CCDs	205	231
Less:		
Cash & cash equivalents	42	58
Current investments	36	24
Net Debt	127	149

Details of Ongoing Projects – Q3 FY2014

Details of ongoing projects in Q3 FY2014

Projects	Saleable Area (msf.)	Location	KPDL Share (msf.)	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
Life Republic - Phase I	2.6	Hinjewadi, Pune	1.2	0.10	569	5,614	857
Life Republic - Phase I - R3 Avenue	0.3		0.1				
Corolla - Phase I	1.9	Wagholi, Pune	0.7	0.05	187	3,855	237
Tuscan - Phase I & II	0.8	Kharadi, Pune	0.4	0.04	244	6,066	140
Allura - Phase I	0.3	Undri - NIBM, Pune	0.2	0.01	34	5,169	68
Allura - Phase II	0.3		0.2	0.05	231	5,100	49
Margosa Heights I, II & III	1.0	Mohamad Wadi, Pune	0.5	0.04	188	4,572	175
Downtown - Phase I & II	1.8	Kharadi, Pune	0.9	0.06	419	6,546	313
Glitterati 24K	0.5	Aundh Annexe, Pune	0.5	0.03	148	5,796	164
Green Olive Venture	0.1	Hinjewadi, Pune	0.1	0.00	5	4,900	15
Green Olive Commercial	0.1		0.1	-	-	-	-
Cilantro	0.1	Wagholi, Pune	0.1	-	-	-	17
City Bay	0.1	Boat Club Road, Pune	0.1	0.00	31	12,998	2
City Centre	0.1	Hinjewadi, Pune	0.1	0.01	49	7,136	45
Giga Residency	0.4	Viman Nagar, Pune	0.4	0.00	32	11,000	5
Wakad	2.0	Wakad, Pune	2.0	0.03	221	6,899	75
Jazz	0.9	Aundh, Pune	0.9	0.01	53	5,998	30
Total (Pune Projects)	13.3		8.5	0.43	2,413	5,650	2,193
Ragga	0.7	Hennur Road, Bengaluru	0.7	0.01	40	3,318	69
Alyssa	0.04	Richmond Road, Bengaluru	0.04	-	0	-	-
Total (Bengaluru Projects)	0.7		0.7	0.01	40	3,318	69
Link Palace, Mumbai	0.02	Khar (W), Mumbai	0.02	0.002	76	34,375	40
Total (Pune + Bengaluru + Mumbai)	14.1		9.3	0.44	2,529	5,730	2,303

Details of Ongoing Projects - till Dec 31st 2013

Details of ongoing projects as on 31st December, 2013

Projects	Saleable Area (msf.)	Location	KPDL Share (msf.)	Area Sold (msf.)	Sales value (Rs. mn.)	Collections (Rs. mn.)	Average Realization (Rs./sft.)
Life Republic - Phase I	2.6	Hinjewadi, Pune	1.2	2.67	11,084	8,738	4,157
Life Republic - Phase I - R3 Avenue	0.3	Hinjewadi, Pune	0.1				
Corolla - Phase I	1.9	Wagholi, Pune	0.7	1.89	5,724	5,301	3,022
Tuscan - Phase I & II	0.8	Kharadi, Pune	0.4	0.45	1,983	1,613	4,362
Allura - Phase I	0.3	Undri - NIBM, Pune	0.2	0.22	1,071	989	4,836
Allura - Phase II	0.3	Undri - NIBM, Pune	0.2	0.06	332	49	5,269
Margosa Heights I, II & III	1.0	Mohamad Wadi, Pune	0.6	0.79	2,782	2,432	3,540
Downtown - Phase I & II	1.8	Kharadi, Pune	0.9	0.57	2,933	1,621	5,113
Glitterati 24K	0.5	Aundh Annexe, Pune	0.5	0.45	2,301	2,039	5,115
Green Olive Venture	0.1	Hinjewadi, Pune	0.1	0.10	436	433	4,316
Green Olive Commercial	0.1	Hinjewadi, Pune	0.1	0.00	0	0	
Ragga	0.7	Hennur Road, Bengaluru	0.7	0.25	765	252	3,094
Cilantro	0.1	Wagholi, Pune	0.1	0.04	126	114	2,946
City Bay	0.1	Boat Club Road, Pune	0.1	0.04	348	247	8,213
City Centre	0.1	Hinjewadi, Pune	0.1	0.05	287	185	5,920
Giga Residency	0.4	Viman Nagar, Pune	0.4	0.10	466	79	4,528
Alyssa	0.04	Richmond Road, Bengaluru	0.04	0.00	0	0	
Wakad	2.0	Wakad, Pune	2.0	0.11	695	247	6,312
Jazz	0.9	Aundh, Pune	0.9	0.03	168	50	6,228
Link Palace, Mumbai	0.02	Khar (W), Mumbai	0.02	0.00	76	40	34,375
Total	14.1		9.3	7.8	31,577	24,427	4,031

Details of Forthcoming Projects

Projects	Saleable Area (msf.)	Location	KPDL Share (%)	Land cost (Rs. mn.)	Approval Status/Expected date of launch
Life Republic - Phase II	6.9	Hinjewadi, Pune	45%	3,400	Under approval process
Corolla - Phase II	2.5	Wagholi, Pune	37%	946	Expected by end-FY14
Atria	0.2	Aundh, Pune	100%	375	Under approval process
Glitterati II	0.3		100%		Under approval process
Green Olive- Phase II	0.1	Hinjewadi, Pune	60%	25	Under approval process
Bavdhan	1.1	Pune	62%	90	Launch expected in H1 FY15
The Classique	0.2	Kormanagala, Bengaluru	100%	130	Launch expected by Q3 FY15
Mirabilis	0.6	Horamavu, Bengaluru	100%	70	Launch expected in Q4 FY14
Hosur Road	0.6	Bengaluru	100%	600	Launch expected by Q3 FY15
Total (msf.)	12.5			5,636	

**This is the land cost for all phases of a particular project*

Future Development Potential

Project	Title/MOU/DAPA /Saledeed/JV	Area (msf.)	Share of KPDL	KPDL Share (msf.)*	Comment
Sanjivani Township, Urse, Pune	JV	15.0	50%	7.5	<ul style="list-style-type: none"> 50:50 profit sharing JV with Sanjivani Remedies, a Pune based Pharma firm Launch targeted by end-FY15 Awaiting land clearance from the Department of Urban Development
Ghotawade, Pune	JV	3.2	50%	1.6	<ul style="list-style-type: none"> JV with a petroleum company Awaiting zone clearance from the Department of Urban Development
Sadapur, Lonavala	JDA	4.0	33.3%	1.3	<ul style="list-style-type: none"> Target launch of residential project in 2015 At the design drawing level
Lohgad, Lonavala	JDA	0.2	33.3%	0.1	
Aundh, Pune	JV	1.0	100%	1.0	<ul style="list-style-type: none"> Not under approval stage for next one year
Kalyani Nagar	Owned	0.6	100%	0.6	<ul style="list-style-type: none"> Not under approval stage for next one year
Boat Club Road, Pune	Saledeed	0.3	100%	0.3	<ul style="list-style-type: none"> Launch expected by end-FY2015
Total		24.3		12.4	

Expected divestment of agricultural plots

Project	Location	Area (acres)	Title/MOU/DAPA /Saledeed/JV	Share of KPDL	KPDL Share (acres)
Jambhe	Jambhe (Pune)	6	Saledeed	100%	6
Fursungi	Fursungi (Pune)	35	Saledeed/ MOU	100%	35
Kalus-Kharpudi	Chakan, Pune	44	Saledeed	100%	44
Total		85			85

✚ In Q3 FY14, divested 7 acres at Yavat for Rs. 5.5 crore at a profit of ~Rs. 1 crore

Outlook for FY2014

Operational Parameters

- ✦ Focused on maintaining construction quality and adherence to strict delivery timelines

Demand environment

- ✦ Demand situation impacted by volatile macro environment and slowdown in approval sanctions
- ✦ Customers turning to companies with strong, on-time delivery track record

New Sales and Realization

- ✦ New area sales expectations for FY2014 of ~1.8 - 2 msf.
- ✦ Average realized rate expected at over Rs. 5,300/sq. ft.

Geographical Expansion

- ✦ Evaluating various society redevelopment projects in the Mumbai market

Corporate Governance

- ✦ Focus on strengthening corporate governance practices and increasing organizational competences

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE:532924, NSE: KOLTEPATIL) is a leading Pune-based real estate company incorporated in 1991. Kolte-Patil is a well-reputed, trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. The company has developed and constructed 42 projects including 30 residential complexes, 8 commercial complexes, and 4 information technology parks covering a saleable area (KPD share) of over 7.5 million square feet across Pune and Bengaluru.

The company has been accredited in the real estate and construction industry with an ISO 9001 (2008 series) certification since May 2002. The company has also fostered several long-term relationships with major financial institutions like ICICI Ventures and Yatra Capital, development and strategic partners like Portman Holdings, construction partners like ANC Holdings (Dubai), real estate funds and individual investors as joint venture partners and co-investors in future projects. These partnerships are in line with the core strategy of equity led expansion, improve levels of corporate governance, increase sourcing and execution capabilities, help de-risk large scale project execution and facilitate expansion in newer markets.

Consolidating its leadership position in the Pune real estate market, the Company is expanding in the high demand Bengaluru market, leveraging 19 years of presence in this market. The company has also recently forayed into the Mumbai market where the initial market entry focus will be on low risk society re-development projects. The Mumbai foray is a long term strategy for the Company which will facilitate margin expansion going forward and reduce its working capital cycle.

The Company also believes in following best-in-class practices across every corporate decision. These include fairness in corporate practices, strong internal controls, Board constitution with 50% Independent Directors, managerial remuneration closely linked with earnings, maintaining conservative accounting practices and upholding minority shareholder interest across every decision. The Company has appointed Deloitte and KPMG as statutory and internal auditors respectively.

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Thank you

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FORWARD



KOLTE • PATIL

Creation, not Construction