Corporate Presentation - July 2013

# Kolte-Patil Developers Limited

# Disclaimer

*Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.*

*Kolte-Patil Developers Limited (KPDL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

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# Company Overview

| | |
|---|---|
| Dominant player in the Pune real estate market | ▪ Undisputed leader in the Pune market with consistent market share ranging between 8-10%<br>▪ Well-reputed, trusted name with proven execution capabilities<br>▪ Successfully executed over 6.2 msf. (KPDL share) of area in Pune |
| Healthy Project Pipeline | ▪ 51.2 msf. of saleable area spread across Pune and Bengaluru (KPDL share of 28.7 msf.)<br>▪ 30 ongoing and forthcoming projects with a total saleable area (KPDL share) of over 15 msf.<br>▪ Future development potential (KPDL share) of 12.4 msf. |
| Judicious and structured land acquisition | ▪ Equity led growth supported by JDAs, JVs and PE partnerships (ICICI Ventures, Portman Holdings, IL&FS)<br>▪ PE investments till date are plain vanilla equity with no guaranteed IRR structure |
| Expanding presence in Bengaluru | ▪ Expanding presence in high demand Bengaluru market, leveraging 19 years of presence in the city<br>▪ 150 member team catering to Bengaluru market<br>▪ Increased contribution expected FY14 onwards with 2.5 msf. of ongoing/forthcoming projects |
| Foray into Mumbai market | ▪ Location agnostic in Mumbai, looking at outright purchases with annual equity commitment upto Rs. 200 crore<br>▪ Exploring JV route as well<br>▪ To aid margin expansion and reduce working capital cycle going forward |
| Supply flexibility based on demand | ▪ Current focus on residential markets with only 10% commercial market exposure<br>▪ Creating availability at every point of price spectrum |

# Company Overview

| | |
|---|---|
| Advanced Construction Technology | ▪ Early adopters of new construction technology<br>▪ Providing strong delivery capabilities<br>▪ Superior quality of construction |
| Robust Balance Sheet Position | ▪ Conservative approach to debt financing based on project execution and cash flow visibility<br>▪ Net debt-equity ratio low at 0.1x as on 31st March, 2013 |
| Strong Operational & Financial Performance | ▪ 2.6 msf. of new area sales in FY13 with on time construction and delivery of 3 msf.<br>▪ Revenue up 192% YoY to Rs. 727.5 crore and PAT growth of 216% to Rs. 107.4 crore in FY13<br>▪ Guidance of 2.5-3.0 msf. of new area sales in FY14 |
| Strong Corporate Governance | ▪ Deloitte and KPMG as statutory and internal auditors<br>▪ Board constitution with 50% Independent Directors<br>▪ Managerial remuneration closely linked with earnings<br>▪ Stated dividend policy of distributing 15-25% of annual profits |
| Increasing organizational competences | ▪ Improving process orientation – implementing ERP, defining SOP's<br>▪ Creating robust knowledge management mechanisms<br>▪ Expanding top/middle management layer to support next level of growth opportunity |

# Key Milestones

### 1989-91

- Setup as a partnership firm in 1989
- Incorporated under the name Kolte-Patil Developers Pvt. Ltd. in Pune in 1991

### 1991-2006

- Forayed into Bengaluru market in 1994
- Completed 4 msf. of construction

### 2006-07

- Successful IPO in 2007 raising US$ 63 million - listed on BSE and NSE
- Signed JV's with ICICI Ventures and Yatra Capital in 2006

### 2008-10

- Signed JV with Portman Holdings in 2009
- Launch of luxury vertical 24K

### 2011

- Launch of 400 acre township "Life Republic"

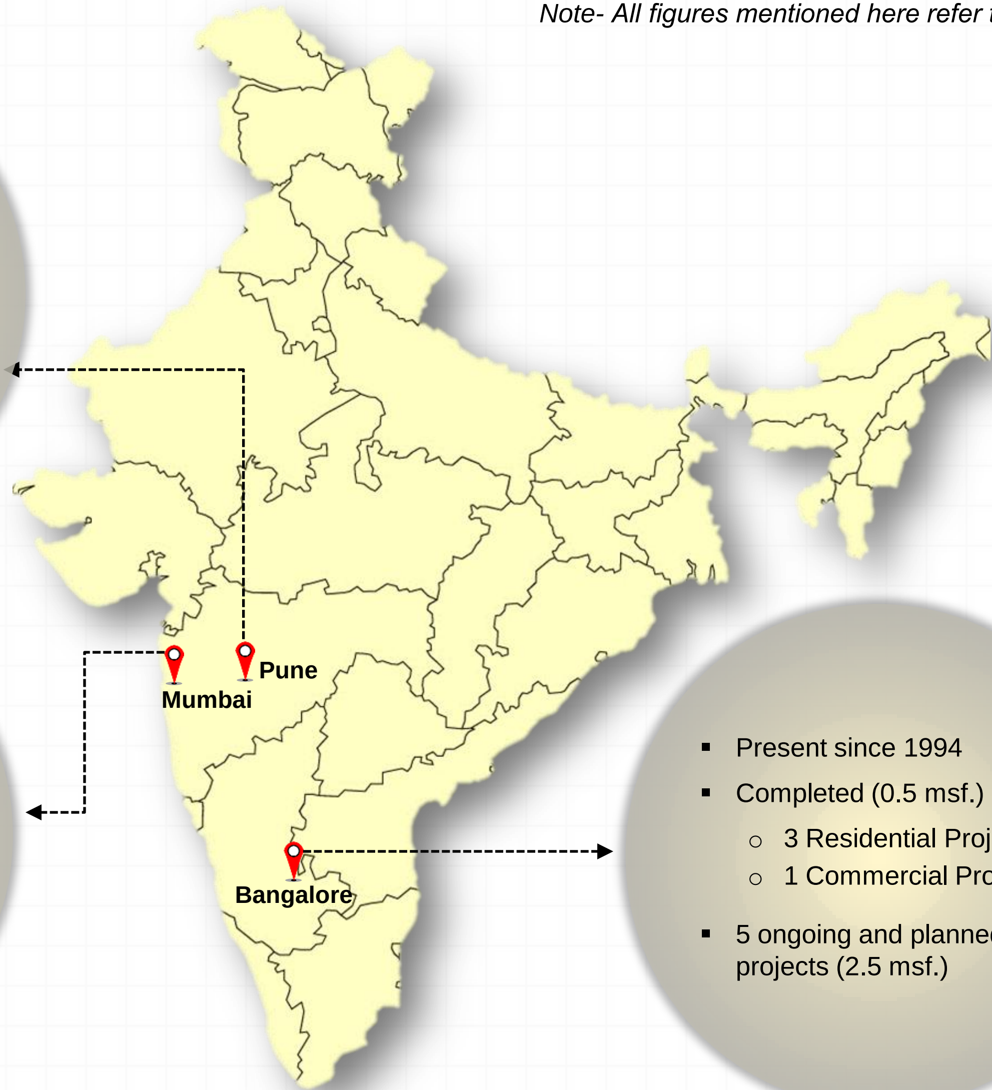
### 2012

- Foray into Mumbai market

# Our Presence

*Note- All figures mentioned here refer to KPDL's share*

- Present since 1989
- Completed (6.2 msf.)
  - 26 Residential Projects
  - 8 Commercial Projects
  - 4 IT Parks
- 25 ongoing and planned projects (13.5 msf)




- Foray in 2012
- Evaluating deals across the city in various sub-markets
- Exploring outright purchases with annual equity commitment up to Rs. 200 crore or JV route

- Present since 1994
- Completed (0.5 msf.)
  - 3 Residential Projects
  - 1 Commercial Projects
- 5 ongoing and planned projects (2.5 msf.)

# Awards and Recognition


"Best Affordable/Budget Housing Developers of the Year – West India" at the 4th Estate Summit and Awards, West India Edition organized by the Bloomberg TV Group

"Best Affordable/Budget Housing Project 2012 – Pune" City Level Award, organized by RR Kabel & CNBC channel at the "CNBC AWAAZ REAL ESTATE AWARDS 2012".

# Management team

## Mr. Sujay Kalele : CEO

- Engineer and Management Post Graduate from Indian School of Business, Hyderabad
- Over 10 years of experience in India and abroad in different sectors, like IT, IPC and Real Estate business
- Responsible for business development and heading the group sales function
- Working with KPDL since Jan 2010

## Mr. Vijay Sane : COO – Pune Operations

- Graduate B.Arch. Pune University and Management Graduate from Financial Services Institute of Australia
- Over 14 years of experience in Indian and International Real Estate
- Responsibilities include construction, D & D, systems and process & strategic planning
- Joined KPDL in June 2011

## Mr. Vasant Gaikwad: CFO

- Chartered Accountant with over 21 years of experience in handling financial accounting, taxation, internal audit and finance
- Responsible for financial health of the organization including raising funds, cash flow, investor relations, financial institutional relations
- Working with KPDL since April 1995

## Mr. Abhay Patil : Sr. VP Projects

- Civil Engineer with18 years of work experience in Real Estate development.
- Responsibilities include handling Planning, Estimation, Design, Execution, Billing, Liaisoning with various local authorities, co-ordination with project architects, structural designers and consultants
- Working with KPDL since April 1995 and currently handling all Group Level Projects

## Mr. Pravin Parandekar : GM Projects – Corolla Realty

- Civil Engineer from Pune University.
- Over 26 years of experience in planning, design & execution of commercial & residential projects
- Handling Corolla Realty Project, a Mini Township of 80 acres in Pune
- Working with KPDL since August 1995

# Management team

## Mr. Pramod Nemade : VP Purchase

- Civil engineer from Pune University with 19 years of work experience as project engineer and in purchase
- Responsibilities include procurement of construction and interior material, execution and management of interior works for all the projects
- Working with KPDL since June 1996

## Mr. Mahesh Saluja : VP Sales

- MBA, Marketing from Symbiosis Inst. Of Management Pune
- Over 18 years of experience in real estate sales across India and UAE
- Responsible for KPDL Western Pune Sales including Township and 24K Projects
- Working with KPDL since September 2010

## Mr. Nelson Misquith : VP Corporate Affairs

- B.Com from Osmania University, Hyderabad with over 19 years of experience in real estate sector
- Handled sales, legal, land and corporate affairs for KPDL
- Currently looks after KPDL Corporate Affairs involving CSR and sales document Management
- Working with KPDL since April 1994

## Mr. Anand Kute : VP Marketing

- MBA, Marketing from Jamnalal Bajaj Institute of Management, Mumbai
- Over 17 years of experience in marketing across sectors like Real Estate, Entertainment and FMCG
- Marketing projects, brand-building and brand management across KPDL
- Working with KPDL sine December 2012

# Bangalore Management team

## Mr. S.K.Prasanna: COO - Bangalore Operations

- Graduate Civil Engineer from Karnataka University, Dharwar, Karnataka.
- Over Two Decades of rich experience in Real Estate Development.
- Roles and responsibility includes conceptualisation, Planning, Liaison, D & D, Construction, Systems and Process & Strategic Planning etc.
- Serving KPDL since March 1997.

## Mr. M.Nagendra Prasad: AVP - Purchase

- Graduate Civil Engineer from Bangalore University, Bangalore.
- Over Two decades of rich experience in Real Estate.
- Roles and responsibility includes Material Procurement and Purchase.
- Serving KPDL since May 1995.

## Mr. Shodhan.J.Lokhande: VP - Land Purchases

- Civil Engineer from Karnataka Technical Board.
- Over 18 years of rich experience in Real Estate.
- Roles and responsibility includes Land Procurement.
- Serving Ankit Enterprises (KPDL) since August 1999.

## Mr. C.M.Prakash: AVP - Projects

- Graduate Civil Engineer from Karnataka University, Dharwar, Karnataka.
- Over 19 years of rich experience in Real Estate.
- Roles and responsibility includes Execution of Commercial and Residential projects, co-ordination with Project Architects, Structural Designers and Consultants etc.
- Serving KPDL since April 1997.

## Mr. Shashidhara.K: AVP - Sales & Marketing

- Management Post Graduate in Marketing from Bangalore University, Bangalore.
- Over 12 years of rich experience in Real Estate.
- Roles and responsibility includes Sales & Marketing.
- Serving KPDL since March 2000.

## Mr. Pawan Kumar Chowgule: AVP - BD

- Management Graduate in Finance & Strategy from HHL-Leipzig Graduate School of Management, Germany.
- Over 10 years of rich experience in Real Estate.
- Roles and responsibility includes Business Development, Corporate finance, Corporate strategy, Investment Management etc.
- Serving KPDL since June 2013

# Key Operational Highlights

**B**reakup of Land Bank

**C**ultivating Long-term Partnerships

**S**trategic Initiatives

**L**eadership in Pune Real Estate Market

**E**xpanding Presence in Bengaluru Market

**F**oray into Mumbai Market

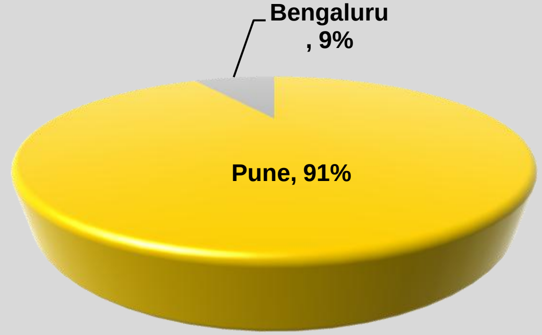
**D**etails of Completed Projects/ Ongoing Projects/ Forthcoming Projects

**F**uture Developmental Potential

# Break-up of Land Bank

| Projects under execution | Overall (msf.) | KPDL share (msf.) |
| --- | --- | --- |
| Ongoing | 8.6 | 4.8 |
| Forthcoming | 18.3 | 11.5 |
| Future Potential | 24.3 | 12.4 |
| **Total Saleable Area** | **51.2** | **28.7** |

**KPDL saleable area of 28.7 million square feet**

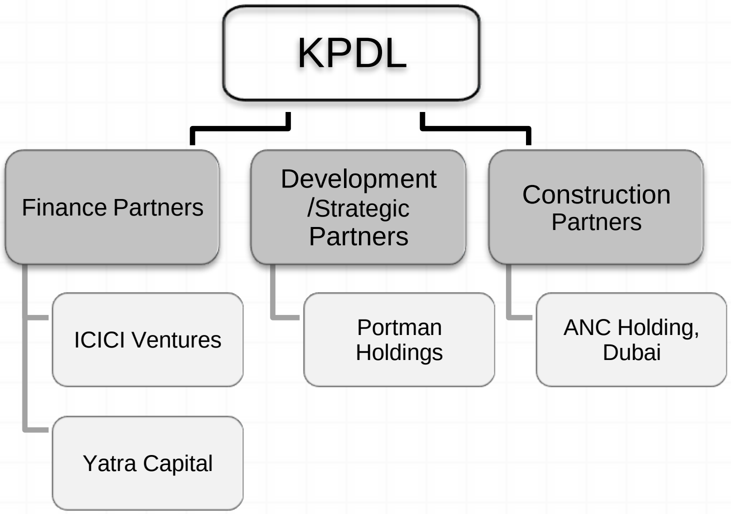



- Forayed in the Mumbai market in FY2013
- Evaluating several projects across various sub-markets

**Land Acquisition Strategy**

- Invest in land parcels devoid of title issues and where most approvals are already in place
- Outright purchases of land preferred when :
  - Reasonable predictability of sales velocity is possible
  - Land acquisition cost is less than 40% of the expected selling price
  - Land parcel falls under correct urbanization zone, increasing visibility of future appreciation potential
  - Most approvals are already in place, providing visibility of commencing construction
- On uncertainty on any of the above issues, JDA/JV route preferred
- Reduces project risk and accelerates translation of land parcels into saleable inventory

# Cultivating Long-term Partnerships




**Details of PE Partnerships**

| Name of SPV | Name of Projects | Stake of PE Fund | Location |
|---|---|---|---|
| Bellflower Properties Private Limited | Margosa | Portman Holdings – 49% | Mohamad Wadi, Pune |
| Tuscan Real Estate Pvt. Ltd. | Tuscan | Portman Holdings – 49% | Kharadi, Pune |
| Corolla Realty Ltd | Corolla | ICICI Ventures – 37% | Wagholi, Pune |
| Kolte-Patil I-Ven Township (Pune) Ltd | Life Republic | ICICI Ventures – 50% | Hinjewadi, Pune |
| Kolte-Patil Real Estate Ltd | Downtown | IL&FS – 49% | Kharadi, Pune |

**Key Objectives**

- Strengthen corporate governance practices
- In line with core strategy of equity led expansion, helping de-risk large scale project execution
- Improve sourcing and execution capabilities
- Facilitate expansion in newer markets

# Key Strategic Initiatives

**Superior construction quality and delivery capabilities**

- Early adopters of new construction technology, invested Rs. 68 crore in FY12
- Setting new benchmarks in terms of high construction quality
- Enabled faster execution of projects and increased delivery capabilities
- Streamlining internal processes and controls to sustain construction quality across projects and reducing cost inefficiencies

**Best-in-class corporate governance practices**

- Appointed Deloitte and KPMG as statutory and internal auditors respectively
- Board constitution with 50% Independent Directors
- Managerial remuneration closely linked with earnings
- Stated dividend policy of distributing 15-25% of annual profits
- Enhancing information disclosure policies

**Increasing organizational competencies**

- Improving process orientation – implementing ERP, defining SOP’s
- Creating robust knowledge management mechanisms
- Expanding top/middle management layer to support next level of growth opportunity

# Leadership in Pune Real Estate Market

# Leadership in Pune Real Estate Market

| | |
|---|---|
| **Market Dynamics/Demand Drivers** | IT and manufacturing hub offering huge employment opportunities and sustaining end user demand |
| | Proximity to Mumbai with the construction of the six lane Mumbai-Pune Expressway |
| | Positive demographic and income trends |
| | Townships with built-in amenities and offering a better living standard luring a large number of buyers |
| **Sales & Realization Trends** | The north-east and north-west sub-markets contributed to majority of sales in CY 2012 – trend to continue |
| | Increased supply in luxury segment, especially in Koregaon Park, Kalyaninagar, Viman Nagar and Boat Club Rd. |
| | Average price rise for residential properties in Pune was around 12% in CY 2012 |
| | Capital values expected to grow at about 12% YoY in CY2013 |
| | Healthy absorption levels with available inventory in CY2013 equivalent to almost 9 months' stock |
| **KPDL Positioning** | High brand recall and track record of timely and good quality execution |
| | Consistently ranked as the only formidable player with market share between 8-10% |
| | Spread over multiple projects ranging from affordable (Umang Homes) to luxury segments (24K) |
| | Successfully completed over 6.2 msf. of saleable area (KPDL share) in Pune |
| | Recorded ~2.4 msf. of new area sales in FY13 |
| | Currently has 4.1 msf. (KPDL share) on-going projects spread across prime locations |
| | 9.4 msf. to come under construction in FY14 including Pune's largest township, 'Life Republic Phase II' (3.1 msf.) |

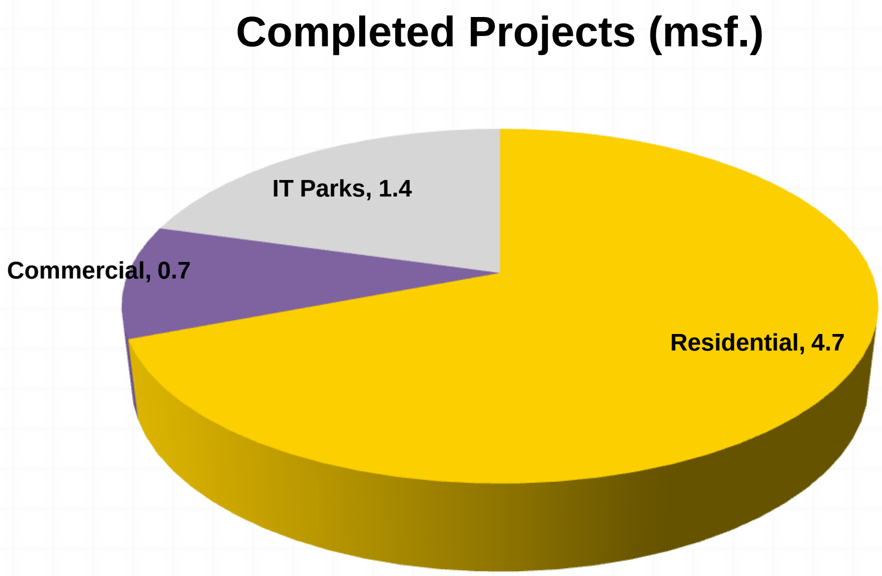
# Expanding Presence in Bengaluru

| | |
|---|---|
| **Market Dynamics/ Demand Drivers** | IT/ITeS sector accounts for about 55% of the total demand for organized real estate market in Bengaluru |
| | Growth plans of several engineering and manufacturing companies based in the city |
| | Demand from new migrants as well as investors |
| | Availability of large parcels of land to drive supply |
| | South-east, east and north key growth regions given proximity to major IT corridors and upcoming infra projects |
| | High floor space index (FSI) allowed for development |
| **Sales & Realization Trends** | Residential units sold in Bengaluru are estimated to have grown at a CAGR of 6% from FY 2008 to FY 2012 |
| | Bengaluru recorded 35,000 residential units launched during 2012 and another 8,000 units in Q1 2013 |
| | Residential households expected to grow at 4-6% over the next 2-3 years |
| | Real estate prices in Bengaluru have grown at 10-12% annually over the last five years |
| | 8-10% annual appreciation expected over the short to medium term |
| **KPDL Positioning** | Expanding presence in high demand Bengaluru market, leveraging 19 years of presence |
| | Completed construction of over 0.5 msf. |
| | Recorded 0.2 msf. of new area sales in FY13 in Bengaluru |
| | Ongoing/planned projects to the tune of 2.5 msf. located at prime locations |
| | Expanding into luxury segment with the launch of 24K project on Hosur Road in FY14 (0.6 msf. of saleable area) |

# Foray into Mumbai market

| | |
|---|---|
| **Market Dynamics/Demand Drivers** | Financial and commercial capital of the country |
| | Upcoming infra projects like Mumbai Metro, Monorail and the Eastern Freeway to boost realty market |
| | Improved regulatory framework to enhance transparency levels, increase consumer confidence and demand |
| | Redevelopment market opening up with recent amendments in the Development Control Rules |
| **Sales & Realization Trends** | Residential market showed signs of revival in 2012 driven by increase in demand and steady pricing |
| | Increased absorption rates in Parel, Wadala, Dadar (E), Sewri and Chembur |
| | Capital appreciation of 9–10% YoY in some of these key markets |
| | South Central Mumbai continues to benefit from competitive pricing and location advantage |
| **KPDL Positioning** | Location agnostic looking at opportunistic deals offering strong value proposition and meets internal criteria |
| | Highly deleveraged balance sheet and surplus investible funds to aid entry |
| | Exploring outright purchases with annual equity commitment upto Rs. 200 crore or JV route |
| | To facilitate margin expansion and reduce working capital cycle going forward |
| | Market entry strategy to focus initially on low risk society re-development projects with complete visibility of approvals |

# Details of Completed Projects




| Pune Projects | Saleable Area (msf.) |
|---|---|
| Residential | 4.2 |
| IT Parks | 1.4 |
| Commercial | 0.7 |
| **Total** | **6.3** |

| Bengaluru Projects | Saleable Area (msf.) |
|---|---|
| Residential | 0.5 |
| **Total** | **0.5** |

- Delivered 42 projects including 30 residential complexes, 8 commercial complexes, and 4 IT parks
- Comprising saleable area (KPDL share) of around 6.8 million square feet across Pune and Bengaluru

# Details of Ongoing Projects

**Details of ongoing projects as on 31st March, 2013**

| Projects | Saleable Area (msf.) | Location | KPDL Share (msf.) | Total Area sold (msf.) | Sales Value (Rs. mn.) | Collections (Rs. mn.) | Revenue recognized (Rs. mn.) |
|---|---|---|---|---|---|---|---|
| Life Republic - Phase 1 | 2.6 | Hinjewadi, Pune | 1.2 | 2.5 | 9,741 | 5,280 | 4,027 |
| Corolla - Phase 1 | 1.9 | Wagholi, Pune | 0.7 | 1.6 | 4,744 | 4,345 | 2,083 |
| Tuscan - Phase 1 | 0.4 | Kharadi, Pune | 0.2 | 0.3 | 1,528 | 1,276 | 995 |
| Allura - I | 0.3 | Undri - NIBM, Pune | 0.2 | 0.2 | 902 | 702 | 545 |
| Margosa | 0.7 | Mohamad Wadi, Pune | 0.4 | 0.6 | 2,189 | 1,865 | 1,703 |
| Downtown - Phase 1 | 0.7 | Kharadi, Pune | 0.3 | 0.4 | 1,790 | 1,028 | 966 |
| Glitterati 24K | 0.5 | Aundh Annexe, Pune | 0.5 | 0.4 | 1,739 | 1,452 | 1,704 |
| Green Olive | 0.2 | Hinjewadi, Pune | 0.1 | 0.1 | 393 | 364 | 393 |
| Green Groves | 0.3 | Wagholi, Pune | 0.3 | 0.3 | 593 | 594 | 584 |
| Ragga | 0.7 | Hennur Road, Banglore | 0.7 | 0.1 | 385 | 81 | 0 |
| Cilantro | 0.1 | Wagholi, Pune | 0.03 | 0.03 | 97 | 57 | 46 |
| City Bay | 0.1 | Boat Club Road, Pune | 0.1 | 0.02 | 172 | 78 | 131 |
| City Centre | 0.1 | Hinjewadi, Pune | 0.1 | 0.01 | 52 | 33 | 50 |
| **Total** | **8.6** | | **4.8** | **6.6** | **24,324** | **17,155** | **13,226** |

# Details of Forthcoming Projects

| Projects | Saleable Area (msf.) | Location | KPDL Share (%) | Total Land Cost * (Rs. Mn) | Approval Status/Expected date of launch |
|---|---|---|---|---|---|
| Life Republic - Phase 2 | 6.9 | Hinjewadi, Pune | 45% | 3,400 | • 2 msf. expected in Q2 FY2014 |
| Corolla - Phase 2 | 2.5 | Wagholi, Pune | 37% | 946 | • 1.5 msf. expected in Q3 FY2014 |
| Tuscan - Phase 2 | 0.4 | Kharadi, Pune | 51% | 676 | • In process, expect partial approval through Q3 FY2014 |
| Allura II | 0.3 | Undri , NIBM, Pune | 75% | 20 | • Approved |
| Margosa III | 0.3 | Mohamad Wadi, Pune | 50% | 464 | • In process, part expected in Q2 & Q4 FY2014 |
| Downtown - Phase 2 | 1.1 | Kharadi, Pune | 51% | 1,980 | • In process, expected partly in Q1, Q2 & Q3 2013-14 |
| Jazz | 0.9 | Aundh, Pune | 100% | 375 | • In process – approvals expected by Q3 FY2014 |
| Atria | 0.2 | | | | • Approvals expected by Q3 FY2014 |
| Glitterati 2 | 0.3 | | | | • Part approval expected by Q3 FY2014 |
| Giga Residency | 0.4 | Viman Nagar, Pune | 100% | 900 | • In process – part approvals expected in Q2 FY2014 |
| Green Oilive- Phase 2 | 0.1 | Hinjewadi, Pune | 60% | 25 | • Approval expected by end-FY2014 |
| Wakad | 2.0 | Pune | 100% | 3,100^ | • In process, partly expected in Q2 & partly Q3 FY2014 |
| Bavdhan | 1.1 | Pune | 62% | 90 | • In process, expected in Q2 & Q3 2013-14 |
| The Classique | 0.2 | Kormanagala, Bengaluru | 100% | 130 | • Expect to launch the project by the end of Q2 FY2014 |
| Mirabilis | 0.6 | Horamavu, Bengaluru | 100% | 70 | • In process, expected in Q3 FY2014 |
| Hosur Road | 0.6 | Bengaluru | 100% | 600 | • Expect to launch project by early FY2015 |
| Alyssa | 0.4 | Richmond Road, Bengaluru | 100% | 105 | • Expected in Q1 FY2014 |
| **Total (msf.)** | **18.3** | | **11.5** | | |

**This is the land cost for all phases of a particular project*
*^Please note that the land cost for all projects has already been incurred. Only Rs. 550 million for the Wakad project remains to be paid upon receipt of final approvals.*

# 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 | • 50:50 profit sharing JV with Sanjivani Remidies, a Pune based Pharma firm<br>• Launch targeted by end FY14<br>• Awaiting land clearance from the Department of Urban Development |
| Ghotawade, Pune | JV | 3.2 | 50% | 1.6 | • JV with a petroleum company<br>• Target to launch a residential project by 1QFY15<br>• Awaiting zone clearance from the Department of Urban Development |
| Sadapur, Lonavala | JDA | 4.0 | 33.3% | 1.3 | • Target launch of residential project in 2014<br>• At the design drawing level. |
| Lohgad, Lonavala | JDA | 0.2 | 33.3% | 0.1 | |
| Aundh, Pune | JV | 1.0 | 100% | 1.0 | • Not under approval stage for next one year |
| Kalyani Nagar | Owned | 0.6 | 100% | 0.6 | • Not under approval stage for next one year |
| Boat Club Road, Pune | Saledeed | 0.3 | 100% | 0.3 | • 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) | 12 | Saledeed | 100% | 12 |
| Fursungi | Fursungi (Pune) | 35 | Saledeed/ MOU | 100% | 35 |
| Kalus-Kharpudi | Chakan, Pune | 44 | Saledeed | 100% | 44 |
| Yavat | Solapur Road, Pune | 7 | Saledeed/POA | 100% | 7 |
| **Total** | | **97** | | | **97** |

# Key Financial Highlights

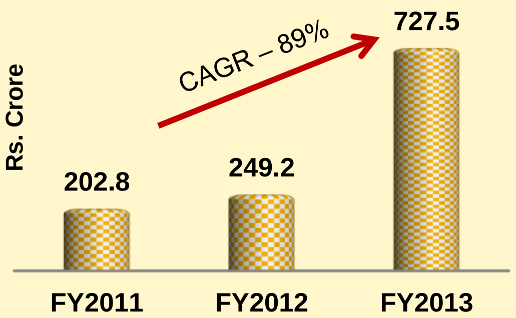
**S**trong Financial & Operating Performance

**R**obust Balance Sheet Position

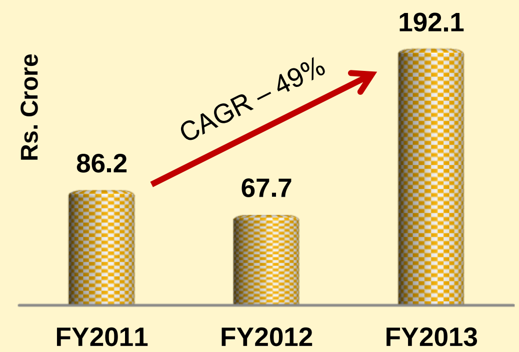
**G**enerating Strong Cash Flows

# Strong Financial & Operational Performance

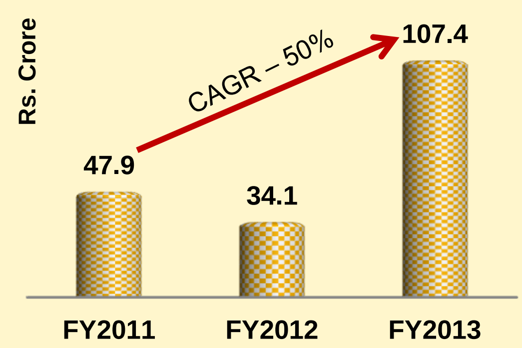
**Operating income**



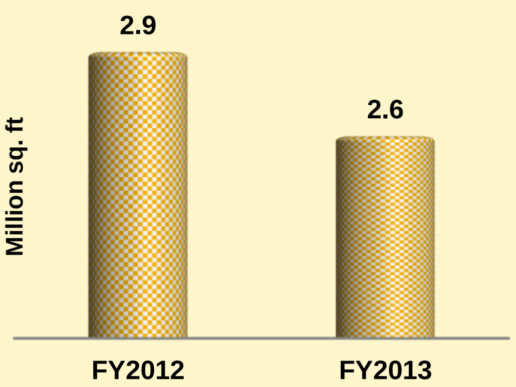

**EBITDA**



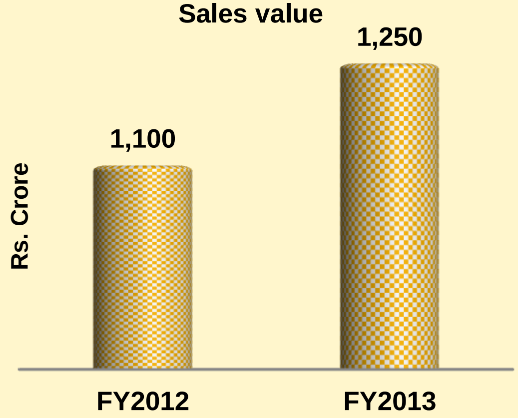

**PAT**



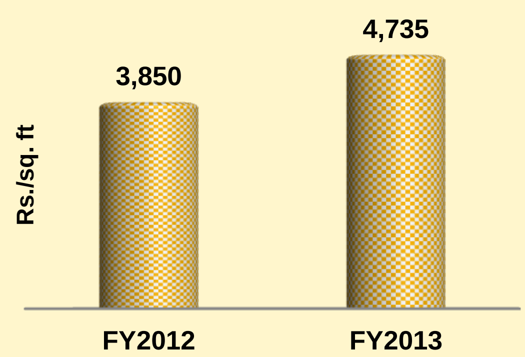

**Sales Volume**




**Sales value**




**Price realization**



# Profit and Loss Snapshot

| P&L Snapshot (in Rs. cr unless otherwise mentioned) | FY2013 | FY2012 | FY2011 | CAGR (%) |
|---|---|---|---|---|
| **Total operating income** | 727.5 | 249.2 | 204.5 | 89% |
| **Total Expenses** | 541.3 | 183.6 | 120.0 | 112% |
| **EBITDA** | 192.1 | 67.7 | 86.2 | 49% |
| **EBITDA Margin (%)** | 26.9% | 28.9% | 45.4% | - |
| **EBIT** | 186.2 | 65.6 | 84.5 | 48% |
| **EBIT Margin** | 26.1% | 28.0% | 44.5% | - |
| **Profit before tax** | 186.4 | 49.8 | 82.2 | 51% |
| **Profit after tax** | 123.9 | 35.8 | 52.5 | 54% |
| **Minority Interest** | 16.5 | 1.7 | 4.6 | 90% |
| **Adjusted PAT after minority interest** | 107.4 | 34.1 | 47.9 | 50% |
| **PAT margin (%)** | 15.1% | 14.6% | 25.2% | - |
| **Basic EPS** | 14.18 | 4.50 | 6.32 | 50% |

- Till FY11, sales generated on historical land bank acquired at lower costs led to higher margins
- High inflationary environment has led to an increase in construction costs in FY12 and FY13
- Margins expected to stabilize going forward

# Robust Balance Sheet Position

| Balance Sheet Snapshot (in Rs. cr unless otherwise mentioned) | 31st March, 2013 | 31st March, 2012 | 31st March, 2011 |
|---|---|---|---|
| **Net Worth** | 717.2 | 708.1 | 699.5 |
| **Deferred tax liabilities** | 0.8 | 0.2 | 0.0 |
| **Gross debt** | 174.5 | 228.2 | 176.6 |
| **Cash & cash equivalents** | 112.2 | 46.4 | 41.2 |
| **Net debt** | 62.4 | 181.8 | 135.3 |
| **Current Investments** | 7.6 | 40.6 | 45.4 |
| **Inventories** | 982.6 | 989.2 | 873.8 |
| **Debt/Equity (x)** | 0.1 | 0.3 | 0.2 |
| **ROE (%)** | 15.0% | 4.8% | 6.8% |
| **ROCE (%)** | 20.9% | 7.0% | 9.6% |

- Conservative debt policy based on project execution and cash flow visibility
- Judicious structuring of every project to deliver higher capital efficiencies
- Balancing growth aspirations with market uncertainties
- Enhancing shareholder value through means like dividend payments
- Open to evaluating long-term debt financing options at favorable rates on a project-to-project basis
- To maintain debt at reasonable levels

# Generating Strong Cash Flows

| Cash Flow Snapshot (in Rs. cr unless otherwise mentioned) | FY13 | FY12 | FY11 |
|---|---|---|---|
| **Opening cash and cash equivalents** | 46.4 | 41.2 | 31.6 |
| **Net cash from/(used In) operating activities** | 158.1 | 15.4 | 177.1 |
| **Net cash from investing activities** | -57.4 | 2.7 | -47.6 |
| **Net cash from financing activities** | -35.0 | -13.0 | -119.8 |
| **Closing cash and cash equivalents** | 112.2 | 46.4 | 41.2 |

- Healthy cash generation expected to continue as land parcels move to launches / revenue recognition stage
- Stated dividend policy to distribute 15-25% of net profits annually
- Balance amount to be used for land acquisition and other corporate purposes
- Proposed dividend of Rs. 3.5/share for FY13 amounting to dividend payout of ~25%

# Project Snapshots – Key Ongoing Projects

**Life Republic - Pune's largest residential township**

**Phase I - Saleable area 2.6 msf ; area sold 2.5 msf.; 36% construction complete**







**Current Progress of Phase I**

**Perspective on completion of all phases**

# Project Snapshots – Key Ongoing Projects

**Downtown: Saleable area 0.7 msf. ; area sold 0.4 msf. ; 25% construction complete**

### Arissa

4th Slab in May 2013

### Langston

Site progress - June 2013

### Beryl

External Paint till 11th floor

### Cheryl

Site progress - June 2013

**Corolla: Saleable area 1.9 msf ; area sold 1.6 msf.; 66% construction complete**

### Ivy Apartments

Flooring completed till 10th floor

### Umang Premier

Site progress - April 2013

### Ivy Botanica

Plaster till 6th floor & tiling work till 4th floor completed

# Outlook for FY2014

## Operational Parameters

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

## Demand environment

- Expectations of lower interest rates and moderating inflation to improve buyer sentiment

## New Sales and Realization

- Sales momentum to continue with expectations of 2.5-3.0 million square feet of new area sales
- Average realized rate expected at Rs. 5,000/sq. ft.

## Geographical Expansion

- Evaluating various 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 (KPDL share) of over 6.7 million square feet across Pune and Bengaluru.*

*The company has been accredited in the real estate and construction industry with an ISO 9001 (2000 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, constructions 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.*

***For further information, please contact:***

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# THANK YOU