

Q4 FY2014 Results Presentation

Kolte-Patil Developers Limited



**LEAPING
FORWARD**



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Table of Contents

- 1 CEO's Message
- 2 Business update & Performance Highlights
- 3 P&L / Balance Sheet Snapshot
- 4 Project-wise Details
- 5 Outlook
- 6 About Kolte-Patil Developers Ltd.

CEO's Message



Commenting on the performance for Q4 & FY2014, Mr. Sujay Kalele, CEO, Kolte-Patil Developers Ltd. said,

“This has been a landmark year for the Company as we successfully completed the delivery of 10 msf. of construction. The company handed over projects encompassing a saleable area of 3.6 msf. in FY14 and further expects deliveries of over 5 msf. to take place in FY15. We have also had an encouraging Mumbai foray winning three projects at prime locations.

This has been an investment year for the company as we took a contrarian view to the market and closed two land deals in Pune at attractive terms, replenishing our inventory of city limit land parcels. We have maintained the strength of our balance sheet even post the acquisitions with our net debt/equity at 0.17x as on 31st March, 2014.

On the operational front, we have registered new sales volumes of over 2.1 msf. at an average selling price of Rs. 5,412/sft. in FY14, despite approval delays. With the improvement in the regulatory environment, we saw traction in sales bookings in Q4, recording 0.79 msf. of new area sales.

A significant development during the quarter has been the receipt of ‘Locational Clearance’ for our Township project, Life Republic, which will provide a great fillip to our growth in coming years.

With a healthy mix of township and non-township projects in our launch pipeline, in high growth markets, we are entering into our next phase of growth.”

Business updates in Q4 FY2014

New Sales Bookings / Collections

- Recorded 0.79 msf. of new sales booking
- New sales value of Rs. 423 crore
- Average price realization (APR) at Rs. 5,374/sft.
 - APR for residential projects at Rs. 5,015/sft.
 - APR for commercial projects at Rs. 10,739/sft.
 - Collections stood at Rs. 243 crore

Mumbai Expansion

- Expanded Mumbai presence by signing two new redevelopment projects
 - Jay Vijay (Ville Parle East) with the total area of 3.4 lakh square feet (economic interest of 0.16 msf.)
 - Jumbo Darshan (Andheri East) with a total area of 2.6 lakh square feet (economic interest of 0.12 msf.)

Land Acquisition

- Partnered with ASK Real Estate Special Opportunities Fund to acquire a 30 acre land parcel in Kondhwa, Pune for Rs. 160 crore
 - KPDL owns 100% equity in the project

New Launches

- Soft launch of Kondhwa Phase I (total saleable area of 0.7 msf.)

Financial Performance

- Revenues down 19% YoY to Rs. 171 crore
- EBITDA down 41% YoY to Rs. 40 crore on the back of a 130% increase in selling expenses
- Subsequently, PAT (after minority interest) was down 71% YoY to Rs. 13 crore

Dividend

- Declared final dividend of Rs. 1.6/share
- Total dividend for FY14 at Rs. 3.1/share amounting to a payout of 25% at the upper end of stated policy (29% including DDT)

Key Approvals Received - Strong Launch Pipeline

Township Projects

- ✚ Location clearance from UDD for Life Republic Township Phase II – 6.9 msf.

Other Key Approvals

- ✚ Jazz Phase II – 0.7 msf.
- ✚ Atria – 0.2 msf.
- ✚ Giga Residency – 0.4 msf.
- ✚ Bavdhan Phase I – 0.5 msf.
- ✚ Kondhwa Phase I – 0.7 msf.
- ✚ Hills and Dales Phase IV – 0.3 msf.
- ✚ Corolla Phase II – 3.1 msf.



Translates into strong launch pipeline for FY15

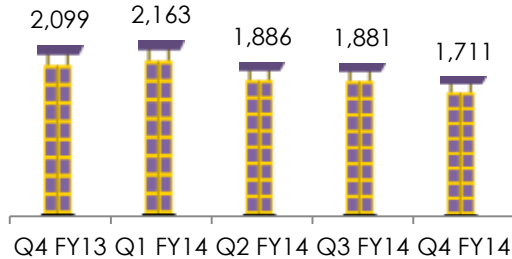
Commitment to Sustainable Development

Project	IGBC Rating	Rating
Life Republic	Completed	Gold Rating
Sanjivani	Completed	Gold Rating
Giga Residency	Completed	Gold Rating
Downtown (City Vista)	Completed	Gold Rating
Jazz Phase II	Completed	Silver Rating
City Bay	At Final Stage	-
Bavdhan	In Process	-
Ghotawade	In Process	-
Kondhwa	Soon to initiate	-

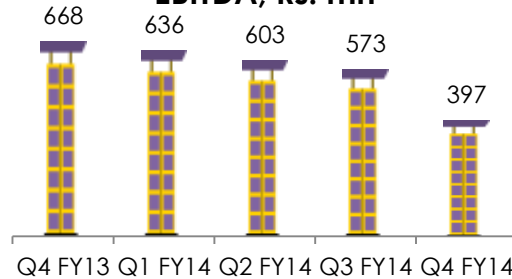
- ✚ The Leadership in Energy and Environmental Design (LEED-INDIA) Green Building Rating System is an internationally accepted benchmark for the design, construction and operation of high performance green buildings
- ✚ LEED-INDIA promotes a whole-building approach to sustainability by recognizing performance in the following five key areas:
 - Sustainable site development
 - Water savings
 - Energy efficiency
 - Materials selection
 - Indoor environmental quality
- ✚ LEED-INDIA rating system provides a roadmap for measuring and documenting success for every building type and phase of a building lifecycle.

Performance Highlights

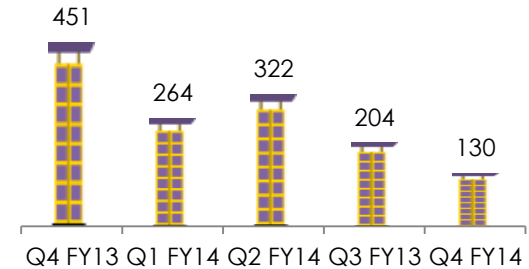
Revenue, Rs. mn



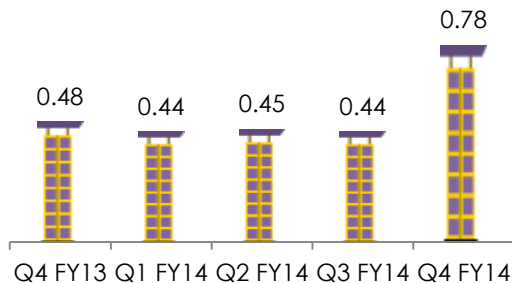
EBITDA, Rs. mn



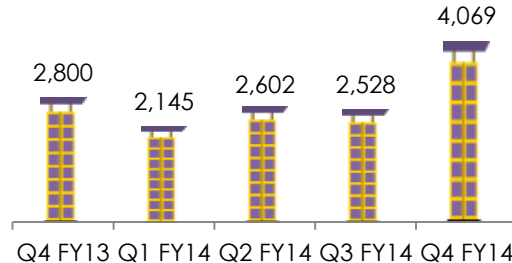
PAT, Rs. mn



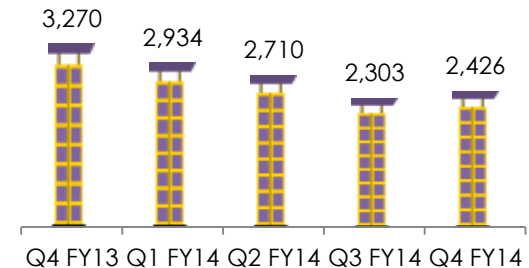
Sales Volume, million sq. ft



Sales value, Rs. mn



Total Collections, Rs. mn



New Sales Analysis – Q4 FY14

msf.

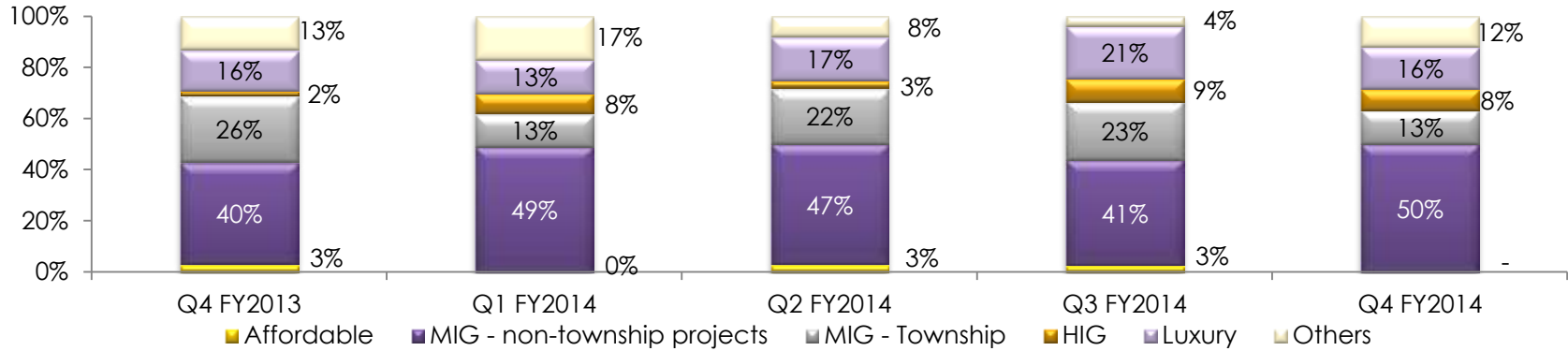
0.48

0.44

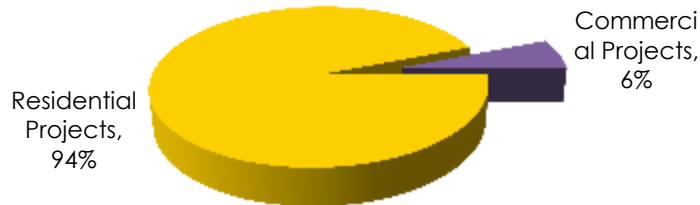
0.45

0.44

0.79



Split by project type – Q4 FY14 (%)



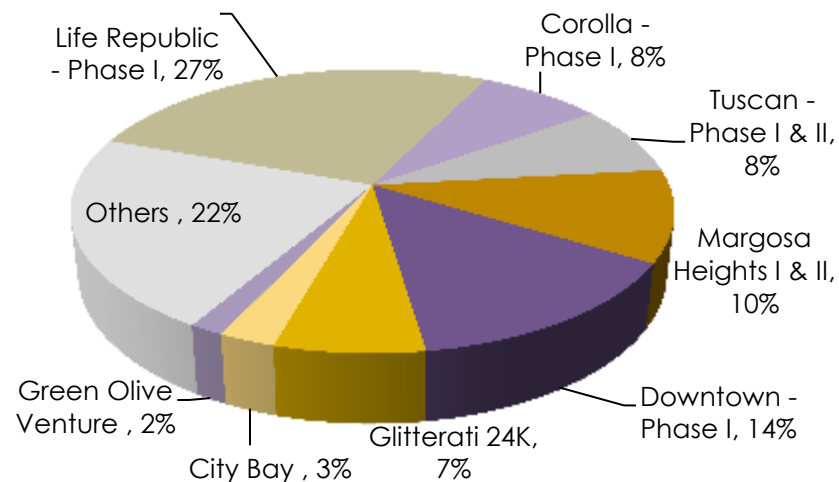
Split by share – Q4 FY14 (%)



Revenue recognized

Projects	Revenue recognized in Q1 FY14 (Rs. cr.)	Revenue recognized in Q2 FY14 (Rs. cr.)	Revenue recognized in Q3 FY14 (Rs. cr.)	Revenue recognized in Q4 FY14 (Rs. cr.)
Life Republic - Phase I	49	63	47	46
Corolla - Phase I	22	19	10	11
Tuscan - Phase I & II	15	11	19	16
Margosa Heights I & II	27	23	18	13
Downtown - Phase I	38	10	41	17
Glitterati 24K	13	11	16	12
City Bay	3	7	2	7
Green Olive Venture	2	2	2	6
Others	48	43	33	44
Total	216	189	188	171

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



Profit and Loss Snapshot – FY14 vs FY13

P&L Snapshot (Rs. crore)	FY2014	FY2013	YoY (%)
Total operating income	764.2	727.5	5.0%
Total Expenses	550.5	541.3	1.7%
EBITDA	220.8	192.1	15.0%
EBITDA Margin (%)	28.9%	26.4%	+250 bps
EBIT	213.7	186.2	14.8%
EBIT Margin (%)	28.0%	25.6%	+240 bps
Profit before tax	183.2	186.4	-1.7%
Profit after tax	116.9	123.9	-5.7%
Minority Interest	24.9	16.5	51.0%
Adjusted PAT after minority interest	92.0	107.4	-14.3%
PAT margin (%)	12.0%	14.8%	
Basic EPS	12.14	14.18	

Profit and Loss Snapshot – Q4 FY14 vs Q4 FY13

P&L Snapshot (Rs. crore)	Q4 FY2014	Q4 FY2013	YoY (%)
Total operating income	171.1	209.9	-18.5%
Total Expenses	133.5	145.7	-8.3%
EBITDA	39.7	66.8	-40.7%
EBITDA Margin (%)	23.2%	31.8%	-8.6% ppt.
EBIT	37.6	64.3	-41.5%
EBIT Margin (%)	22.0%	30.6%	-8.6% ppt.
Profit before tax	30.6	74.3	-58.7%
Profit after tax	15.1	50.5	-70.1%
Minority Interest	2.1	5.5	-61.7%
Adjusted PAT after minority interest	13.0	45.1	-71.1%
PAT margin (%)	7.6%	21.5%	
Basic EPS	1.72	5.95	

Balance Sheet Perspective

Balance Sheet Snapshot (Rs. crore)	31st March, 2014	31st December, 2013	31st March, 2013
Net Worth	806	787	717
Gross debt	337	240	175
Cash & cash equivalents	70	42	112
Current Investments	15	36	8
Net debt**	136	127	21
Inventories	1,269	1,243	983
Net debt/Equity (x)**	0.17	0.16	0.03
ROE (%)	11.4%	15.8%	15.0%
ROCE (%)	18.7%	23.4%	20.9%

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

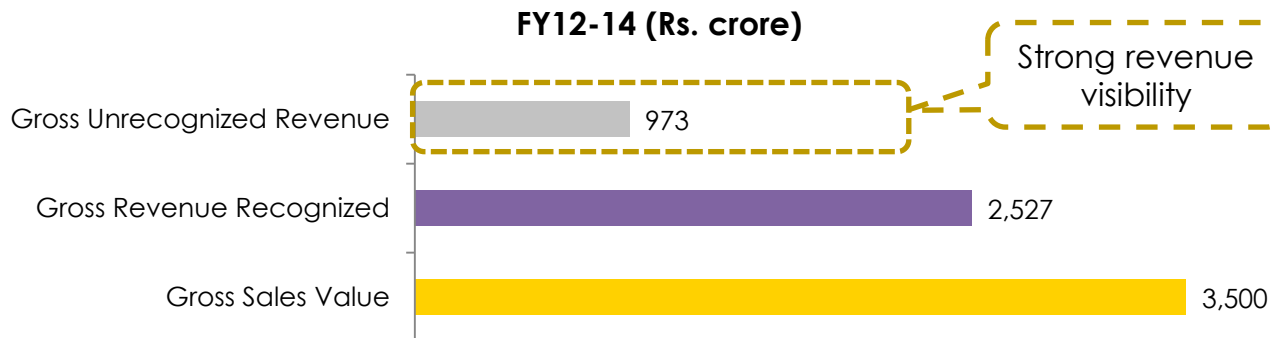
****Net debt figure given here excludes CCD's & NCD's; Please refer to the next slide for a detailed break-up**

Consolidated Debt Profile

Debt Profile (in Rs. Crore)	As on 31st Mar, 2014	As on 31st Dec, 2013
Secured Loan From Banks	120	107
Secured Loan From Others	74	58
Public Deposits	14	14
Cash Credit and OD from Bank	10	15
Unsecured Loan from Others	3	10
Compulsorily convertible debentures (CCDs)	34	34
Non-convertible debentures (NCDs)	82	0
Total Debt	336	238
Gross debt excluding CCDs & NCDs	221	204
Less:		
Cash & cash equivalents	70	42
Current investments	15	36
Net Debt	136	126

Performance Review FY2012-14 – Planned vs. Actual

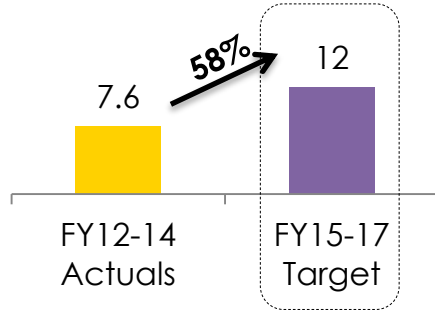
Parameter	Planned	Actual	Variance	Remarks
Sales Volume (msf.)	8.1	7.6	-6.0%	Target not achieved on account of approval delays in FY14
Sales Value (Rs. crore)	3,500	3,500	-	Achieved sales target on account of higher price realization
APR (Rs./sft.)	4,321	4,602	+6.5%	
Net debt-equity (x)	0.1-0.3x	0.1x		In line with target



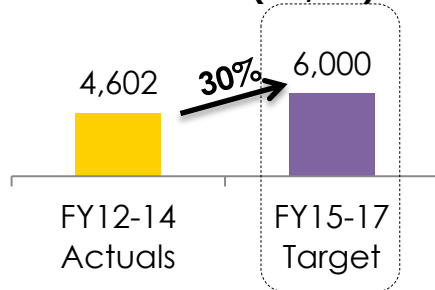
Note – These are gross numbers including partner's share (KPD L share ~70%)

3 Year Growth Outlook – FY2015-17

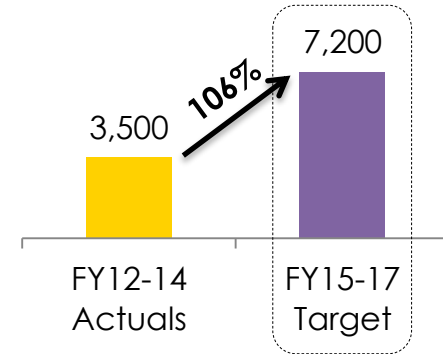
Sales volumes (msf.)



Average Price Realization (Rs./sft.)



Sales Value (Rs. crore)



3 Year Growth Outlook – FY2015-17

- ✚ Consolidate stronghold in a stable Pune market driven by strong employment and economic drivers
- ✚ Building brand presence in Bengaluru – increased contribution through activation of all projects in pipeline
- ✚ In Mumbai, add new projects in the redevelopment space while launching projects won last year
- ✚ To support significant volume growth owing to large number of project launches, Board has sanctioned a net debt to equity between 0.2-0.5x – approach to remain conservative based on future cash flow visibility
- ✚ Focus on reducing finance cost utilizing maiden credit rating (CRISIL A+/Stable)
- ✚ Leverage strong brand and execution capabilities to enter into Development Management Agreements (DMAs) in Pune and other regions
- ✚ Focus on strengthening corporate governance practices and increasing organizational competences through technology enablement and people training

Details of Ongoing Projects – Q4 FY2014

Details of ongoing projects in Q4 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	0.12	579	4,919	730
Life Republic - Phase I - R3 Avenue	0.3		0.1				
Corolla - Phase I	1.9	Wagholi, Pune	0.7	0.08	341	4,175	235
Tuscan - Phase I & II	0.8	Kharadi, Pune	0.4	0.07	386	5,892	210
Allura - Phase I	0.3		0.2	0.01	35	5,064	51
Allura - Phase II	0.3	Undri - NIBM, Pune	0.2	0.05	276	5,520	114
Margosa Heights I, II & III	1.0	Mohamad Wadi, Pune	0.5	0.05	215	4,763	162
Downtown - Phase I & II	1.8	Kharadi, Pune	0.9	0.11	694	6,575	350
Glitterati 24K	0.5	Aundh Annexe, Pune	0.5	0.01	89	6,450	153
Green Olive Venture	0.1		0.1	0.00	13	4,582	24
Green Olive Commercial	0.1	Hinjewadi, Pune	0.1	-	-	-	-
Cilantro	0.1	Wagholi, Pune	0.1	0.00	5,90	3,540	6
City Bay	0.1	Boat Club Road, Pune	0.1	0.00	17	8,258	55
City Centre	0.1	Hinjewadi, Pune	0.1	0.00	21	5,763	21
Giga Residency	0.4	Viman Nagar, Pune	0.4	0.01	132	24,047	42
Wakad	2.3	Wakad, Pune	2.3	0.04	244	6,096	63
Jazz	0.9	Aundh, Pune	0.9	0.05	309	5,985	61
Kondhwa	1.4	Kondhwa	1.4	0.11	509	4,804	16
Total (Pune Projects)	15.0		10.3	0.70	3,865	5,526	2,294
Ragga	0.7	Hennur Road, Bengaluru	0.7	0.04	155	4,271	117
Mirabilis	0.9	Horamavu, Bengaluru	0.6	0.05	208	4,078	15
Alyssa	0.04	Richmond Road, Bengaluru	0.04	-	-	-	-
Total (Bengaluru Projects)	1.6		1.4	0.09	364	4,158	132
Link Palace, Mumbai	0.02	Khar (W), Mumbai	0.02	0	0	0	0
Total (Pune + Bengaluru + Mumbai Projects)	16.7		11.7	0.79	4,228	5,374	2,426

Details of Ongoing Projects - till 31st March 2014

Details of ongoing projects as on 31st March, 2014

Projects	Saleable Area (msf.)	Location	KPDL Share (%)	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
Life Republic - Phase I	2.6	Hinjewadi, Pune	45%				
Life Republic - Phase I - R3 Avenue	0.3	Hinjewadi, Pune	45%	2.78	11,662	4,189	9,468
Corolla - Phase I	1.9	Wagholi, Pune	37%	1.90	6,065	3,070	5,536
Tuscan - Phase I & II	0.8	Kharadi, Pune	51%	0.52	2,369	4,554	1,822
Allura - Phase I	0.3	Undri - NIBM, Pune	75%	0.23	1,106	4,843	1,040
Allura - Phase II (24K Glamore)	0.3	Undri - NIBM, Pune	75%	0.11	608	5,380	163
Margosa Heights I, II & III	1.0	Mohamad Wadi, Pune	60%	0.83	2,997	3,607	2,594
Downtown - Phase I & II	1.8	Kharadi, Pune	51%	0.68	3,627	5,340	1,971
Glitterati 24K	0.5	Aundh Annexe, Pune	100%	0.46	2,390	5,154	2,192
Green Olive Venture	0.1	Hinjewadi, Pune	60%	0.10	450	4,324	456
Green Olive Commercial	0.1	Hinjewadi, Pune	60%	-	-	-	-
Cilantro	0.1	Wagholi, Pune	50%	0.04	132	2,968	120
City Bay	0.1	Boat Club Road, Pune	100%	0.04	365	8,215	302
City Centre	0.1	Hinjewadi, Pune	100%	0.05	307	5,909	206
Giga Residency	0.4	Viman Nagar, Pune	100%	0.11	598	5,516	122
Wakad	2.3	Wakad, Pune	100%	0.15	939	6,254	310
Jazz	0.9	Aundh, Pune	100%	0.08	477	6,068	111
Kondhwa	1.42	Kondhwa	100%	0.11	509	4,804	16
Ragga	0.7	Hennur Road, Bengaluru	100%	0.28	920	3,245	369
Alyssa	0.04	Richmond Road, Bengaluru	100%	0.00	0	-	0
Mirabilis	0.9	Horamavu, Bengaluru	70%	0.05	208	4,078	15
Link Palace, Mumbai	0.02	Khar (W), Mumbai	100%	0.00	76	34,375	40
Total	16.6		70%	8.62	35,805	4,154	26,853

Revenue Recognition in Key Projects

Gross Revenue (including partner's share) recognized in key projects

Projects	Cumulative Revenues Recognized (FY12-14)	Cumulative Revenues Recognized (FY10-14)
Life Republic - Phase I	8,558	8,558
Corolla - Phase I	4,752	4,885
Allura - Phase I & II	1,251	1,883
Tuscan - Phase I & II	1,592	1,592
Margosa Heights I & II	2,192	2,508
Downtown - Phase I	2,026	2,026
Glitterati 24K	2,039	2,222
City Bay	326	326
Green Olive Venture	385	385
Raaga	366	366
Other projects	1,788	3,700
Total	25,274	28,452

Details of Forthcoming Projects

Projects	Saleable Area (msf.)	Location	KPDL Share (%)	KPDL Share (msf.)	Land cost (Rs. mn.)	Approval Status/Expected date of launch
Life Republic - Phase II	6.9	Hinjewadi, Pune	45%	3.1	3,400	- Received LC in Mar-14 - Launch expected in H2 FY15
Corolla - Phase II	3.1	Wagholi, Pune	37%	1.1	946	SEAC approved
Atria	0.2	Aundh, Pune	100%	0.2	375	Approved – to be launched in H2 FY15
Glitterati II	0.3		100%	0.3		Launch expected in FY16
Green Olive - Phase II	0.1	Hinjewadi, Pune	60%	0.1	25	Launch expected in FY16
Bavdhan	1.1	Pune	62%	0.7	90	Launch expected in Q1 FY15
The Classique	0.2	Kormanagala, Bengaluru	100%	0.2	130	Launch expected in FY16
Hosur Road	0.6	Bengaluru	100%	0.6	600	Launch expected in FY16
Jay-Vijay Society	0.2	Ville Parle (E), Mumbai	100%	0.2	NA	Launch expected by Q4 FY15
Jumbo Darshan	0.1	Anderi (E), Mumbai	100%	0.1	NA	Launch expected by Q4 FY15
Total (msf.)	12.8			6.6	5,566	

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

Future Development Potential

Project	Title/MOU/DAPA /Saled deed/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 Remedies, a Pune based Pharma firm
Ghotawade, Pune	JV	3.2	50%	1.6	- JV with a petroleum company - EC applied for in April 2014 – launch in FY16
Sadapur, Lonavala	JDA	4.0	33.3%	1.3	Target launch of residential project in FY16
Lohgad, Lonavala	JDA	0.2	33.3%	0.1	At the design drawing level
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	Saled deed	0.3	100%	0.3	Not under approval stage for next one year
Total		24.3		12.4	

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 48 projects including 35 residential complexes, 9 commercial complexes, and 4 information technology parks covering a saleable area (KPD share) of over 10 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, 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.

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