

Q3 & 9M FY2014 Results Presentation

Kolte-Patil Developers Limited



LEAPING
FORWARD



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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.

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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

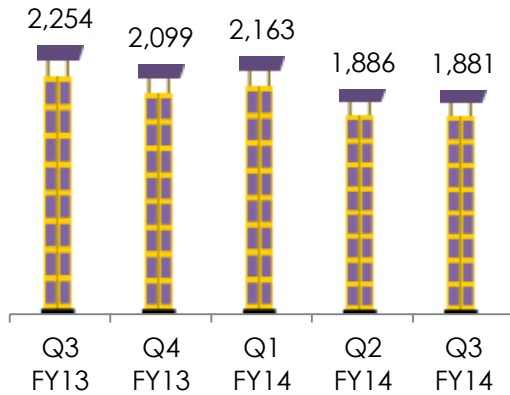


Awards and Recognition

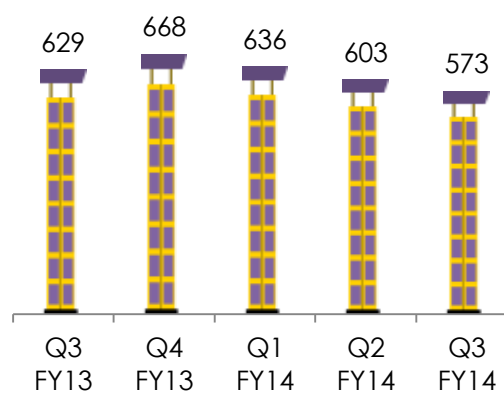


Performance Highlights

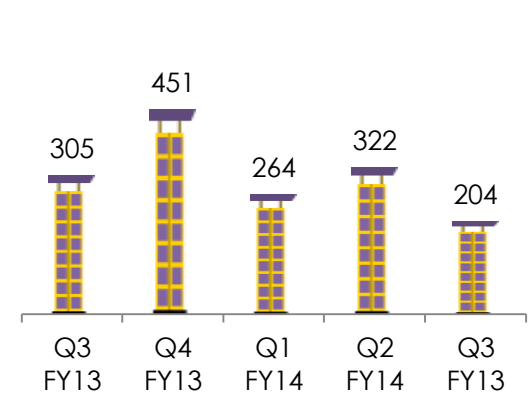
Operating income, Rs. mn



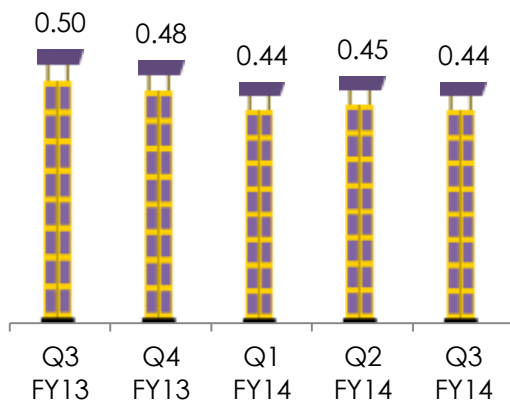
EBITDA, Rs. mn



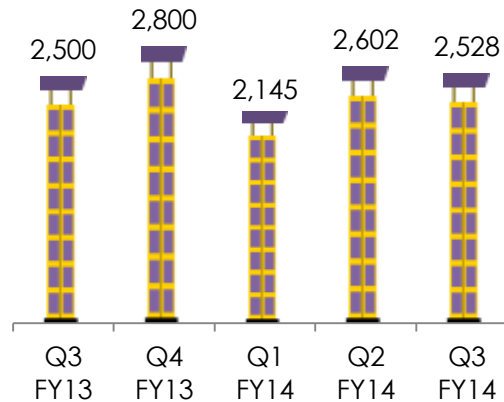
PAT, Rs. mn



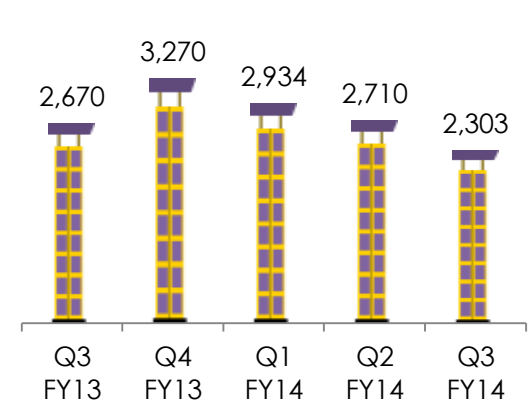
Sales Volume, million sq. ft



Sales value, Rs. mn



Total Collections, Rs. mn



New Sales Analysis - Q3 FY14

msf.

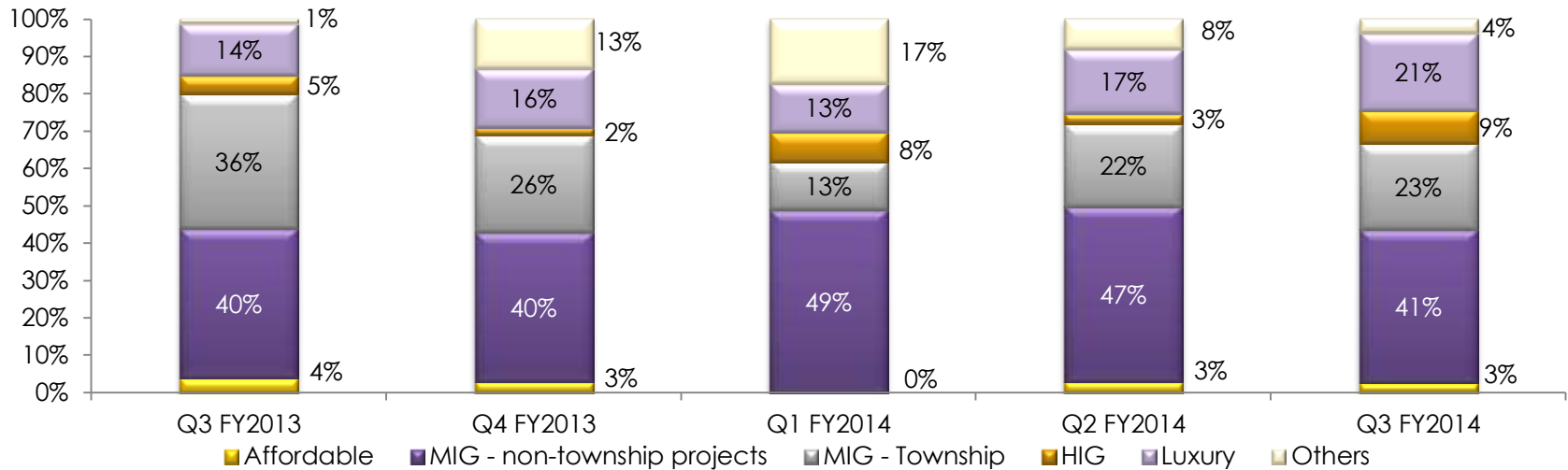
0.50

0.48

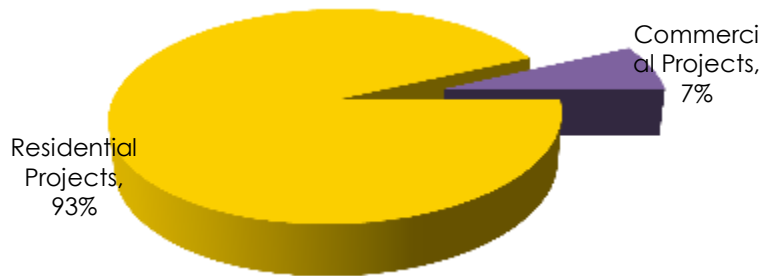
0.44

0.45

0.44



Split by project type – Q3 FY14 (%)



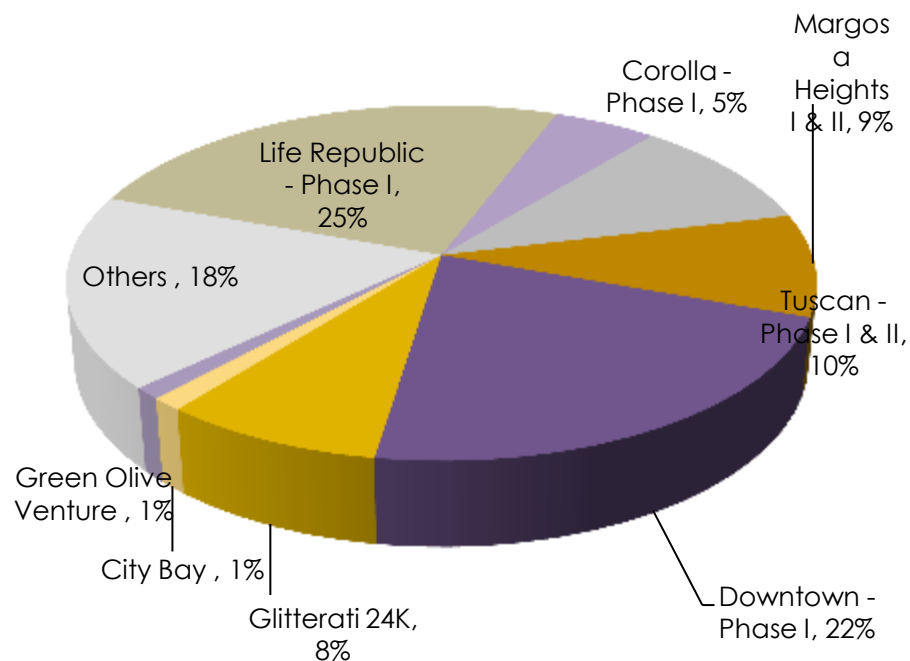
Split by share – Q3 FY14 (%)



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 |
| Lohgad, Lonavala | JDA | 0.2 | 33.3% | 0.1 | <ul style="list-style-type: none"> At the design drawing level |
| 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.

For further information, please contact:

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Creation, not Construction