KOLTE • PATIL
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

07 November 2017

Sub: Financial Results presentation Q2 FY2018

Ref: NSE Symbol and Series: KOLTEPATIL and EQ
BSE Code and Scrip Code: 9624 and 532924

Dear Sir/Madam,

Please find attached herewith copy of Q2 FY 2018.financial result presentation.

This is for your information and record.

Kindly acknowledge the receipt of the same.

Thanking you,

For Kolte-Patil Developers Limited

Kolte-Patil Developers Ltd. Pune

Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258

Encl: As above

Q2 FY2018 Results Presentation

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.

Table of Contents

1 CEO's Message

2 Operational & 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 Q2 & H1 FY2018, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

"We have seen an uptick in sales velocity during the quarter after a subdued Q1 on account of the uncertainty leading upto GST and the implementation of RERA. New area bookings were higher by 43% QoQ and 3% YoY to 0.59 million square feet translating into a sales value of Rs. 334 crore. 75% of the sales contribution during the quarter has come from our MIG portfolio which continues to find better visibility with buyers. This takes our tally for the first half to ~1 million square feet with a sales value of Rs. 591 crore and healthy collections of Rs. 452 crore, despite the fluid market conditions. We expect to see an uptick in sales and collections going into the second half of the year as customer confidence picks up with low home loan rates and the overall market settles into a RERA-compliant environment.

During the quarter, we successfully completed the strategic divestment of our land parcel in Wakad for a consideration of Rs 161 crore. The strategic sale has been undertaken after evaluating the overall feasibility and is in line with the company's strategy of maintaining a lean balance sheet. The company will continue to explore strategic partnerships under asset light models to enhance its overall portfolio and position the company for sustained growth.

Our financial performance has been strong in Q2 FY18. Topline grew 72% YoY to Rs. 389 crore, bolstered by the strategic divestment. EBITDA grew 22% YoY to Rs. 70 crore while PAT grew 54% YoY to Rs. 29.6 crore. Adjusted for the strategic divestment, EBITDA grew 25% YoY to Rs. 71 crore with margins expanding 600 bps YoY to 31.3% on account of contribution from higher margin projects.

To conclude, this has been a satisfactory quarter. We have seen the implementation of game changing initiatives in the form of GST and RERA during the quarter. We have met all the regulatory changes with ease. We believe these regulations will benefit credible, transparent developers like us and we will see consolidation in the sector going ahead which will further strengthen our market position. We expect consumer confidence to improve in the second half of the year. We have a robust pipeline of projects, a strong balance sheet and will sustain our focus on customer-centricity to deliver high quality products within the committed timelines."

Operational Highlights

New area sales	Q2 FY18	Q1 FY18	Q2 FY17	YoY	QoQ	H1 FY18	H1 FY17	YoY
Volume (million sq. ft.)	0.59	0.41	0.57	3%	43%	1.00	1.23	-19%
Value (Rs. million)	3,337	2,574	3,288	1%	30%	5,911	6,987	-15%
Realization* (Rs./Sq. ft.)	5,703	6,288	5,804	-2%	-9%	5,944	5,701	4%
Collections (Rs. million)	1,988	2,531	2,341	-15%	-21%	4,519	4,635	-3%

**Note: In Q2 FY18, we have started passing on the GST benefits to our customers for under-construction properties as per anti-profiteering guidelines*

Sales

- Seen a 43% QoQ growth in sales velocity in Q2 FY18; volumes grew 3% YoY
- Uptick expected in H2 FY18 as customer confidence picks up with low home loan rates and the overall market settles into a RERA-compliant environment
- 12% sales contribution from Bengaluru during the quarter as project launched last quarter is faring well – helping business diversification
- 75% of the area sold during the quarter was in the MIG/Township segment

Collections

- Increased lead time to RERA and GST implementation led to delay in customer registrations and hence impacted collections during the quarter
- Expected to revert to normalcy in H2 FY18

Divestment

- Successfully completed a strategic divestment of land parcel in Wakad for a consideration of Rs 161 crore
- Undertaken after evaluating the overall feasibility and is in line with the company's strategy of maintaining a lean balance sheet

Awards & Recognition

KOLTE-PATIL DEVELOPERS
BRAND OF THE YEAR (REAL ESTATE)

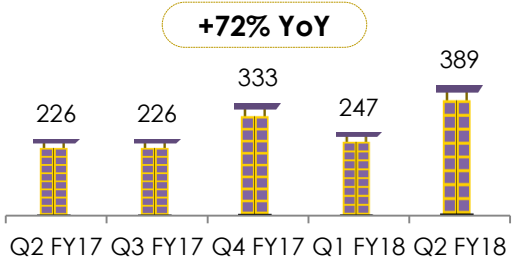
LIFE REPUBLIC
INTEGRATED TOWNSHIP OF THE YEAR

IVY ESTATE
RESIDENTIAL PROJECT OF THE YEAR

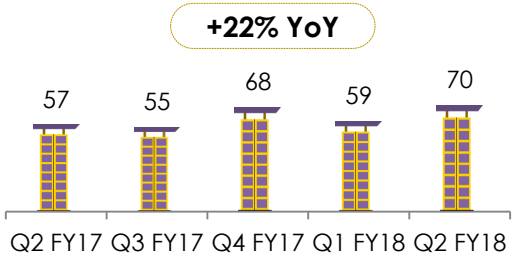
TUSCAN ESTATE
EXCELLENCE IN DELIVERY

Performance Highlights – Q2 FY18

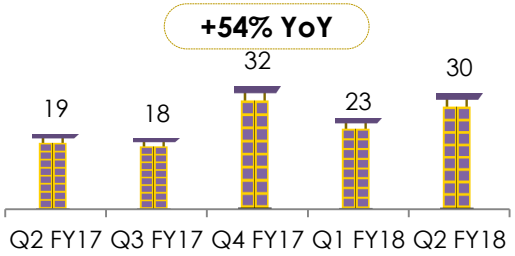
Revenue, Rs. Crore



EBITDA, Rs. Crore

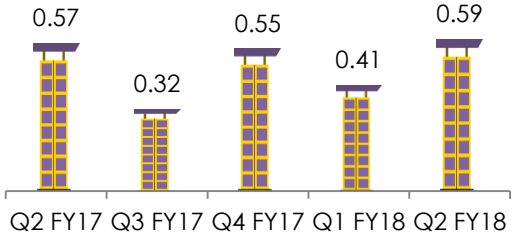


PAT, Rs. Crore

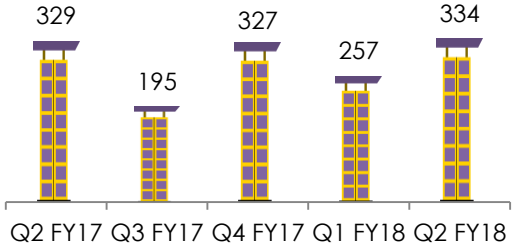


Note: Q2 FY18 numbers include the strategic divestment of land parcel in Wakad for a consideration of Rs. 161 crore. Adjusted for the divestment, revenue grew 1% YoY to Rs. 228 crore, EBITDA grew 25% to Rs. 71 crore; PAT grew59% YoY to Rs.31 crore

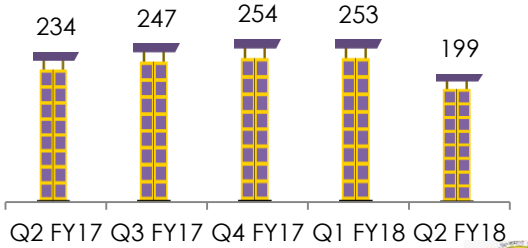
Sales Volume, million sq. ft



Sales value, Rs. Crore

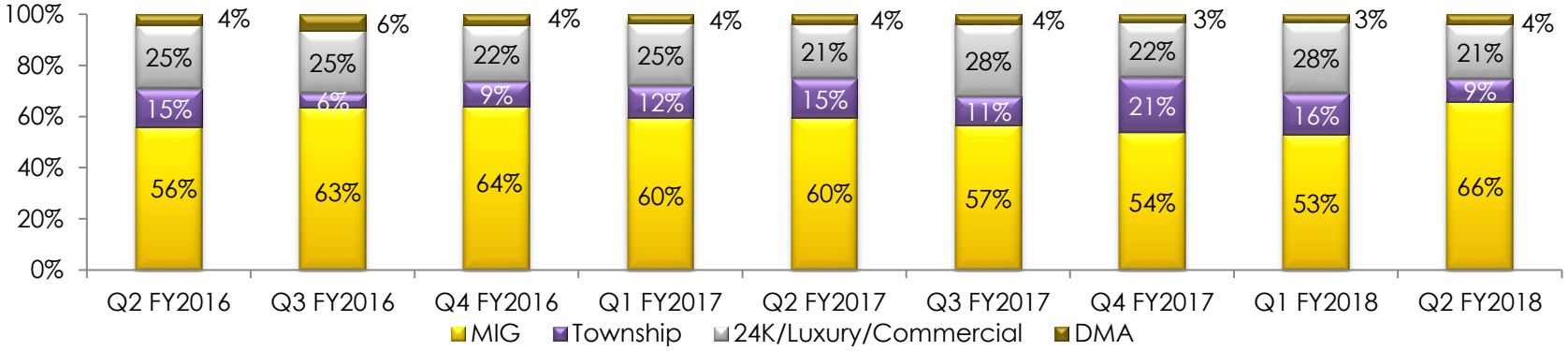


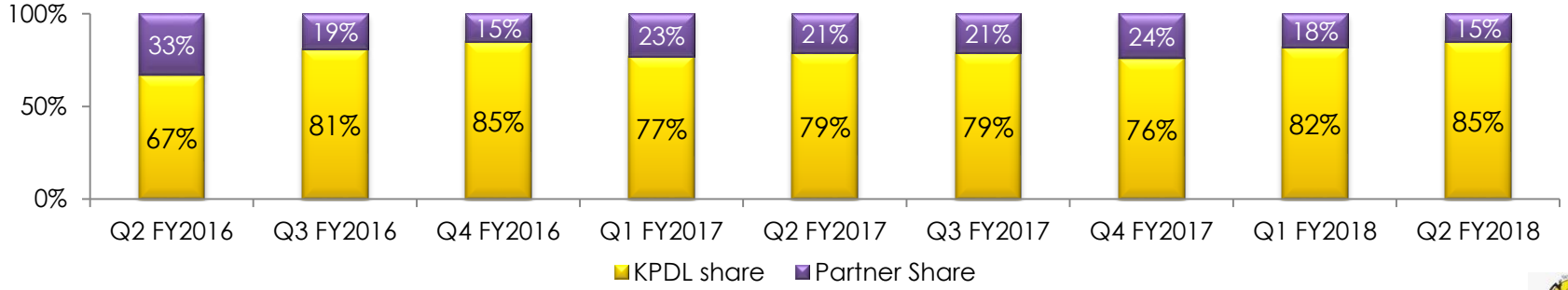
Total Collections, Rs. Crore



New Sales Analysis – Q2 FY18

msf.	0.46	0.52	0.57	0.66	0.57	0.32	0.55	0.41	0.59





Note: Corolla stake has increased from 46.25% in Q2 FY16 to 100% in Q3 FY16

Profit and Loss Snapshot – Q2 FY18 vs Q2 FY17

P&L Snapshot (Rs. crore)	Ind-AS		
	Q2 FY18	Q2 FY17	YoY (%)
Revenue from Operations	**389.0**	**226.0**	**72.1%**
Other income	2.4	2.1	16.1%
Total Income	**391.4**	**228.0**	71.6%
Cost of materials consumed	292.3	143.8	103.2%
Employee benefits expense	9.1	8.3	8.9%
Finance cost	24.9	20.5	21.7%
Depreciation and amortization expense	3.7	3.5	4.9%
Other expenses	17.9	16.8	6.3%
Total Expenses	**347.8**	**192.9**	80.3%
EBITDA	**69.8**	**57.0**	22.3%
EBITDA Margin (%)	**17.9%**	**25.2%**	-7.3%
Profit before tax	**43.6**	**35.1**	24.1%
Total tax expenses	13.5	14.9	-9.7%
Non-controlling interests	0.49	0.94	-47.9%
Net Profit	**29.6**	**19.3**	53.6%
PAT margin (%)	**7.6%**	**8.5%**	-0.9%
EPS	3.91	2.55	

Reasons for Variance

- Adjusted for the strategic divestment in Wakad of Rs. 161 crore, Revenue grew 1% YoY to Rs. 228 crore, EBITDA grew 25% to Rs. 71 crore, EBITDA margins expanded 600 bps to 31.3% and PAT grew 59% YoY to Rs. 31 crore
- Ivy Estate, Life Republic, Stargaze, Opula and Western Avenue projects were the key contributors to the revenue

Profit and Loss Snapshot – H1 FY18 vs H1 FY17

P&L Snapshot (Rs. crore)	Ind-AS		
	H1 FY18	H1 FY17	YoY (%)
Revenue from Operations	**635.5**	**405.8**	**56.6%**
Other income	4.4	3.6	21.2%
Total Income	**639.9**	**409.4**	**56.3%**
Cost of materials consumed	449.4	238.9	88.1%
Employee benefits expense	18.0	17.6	2.1%
Finance cost	48.1	42.1	14.1%
Depreciation and amortization expense	7.2	7.1	1.4%
Other expenses	39.3	33.1	18.8%
Total Expenses	**562.0**	**338.9**	**65.8%**
EBITDA	**128.8**	**116.2**	**10.9%**
EBITDA Margin (%)	**20.3%**	**28.6%**	**-8.4%**
Profit before tax	**78.0**	**70.6**	**10.4%**
Total tax expenses	22.5	31.4	-28.4%
Non-controlling interests	2.7	1.6	64.4%
Net Profit	**52.8**	**37.6**	**40.6%**
PAT margin (%)	**8.3%**	**9.3%**	**-0.9%**
EPS	6.97	4.96	

Reasons for Variance

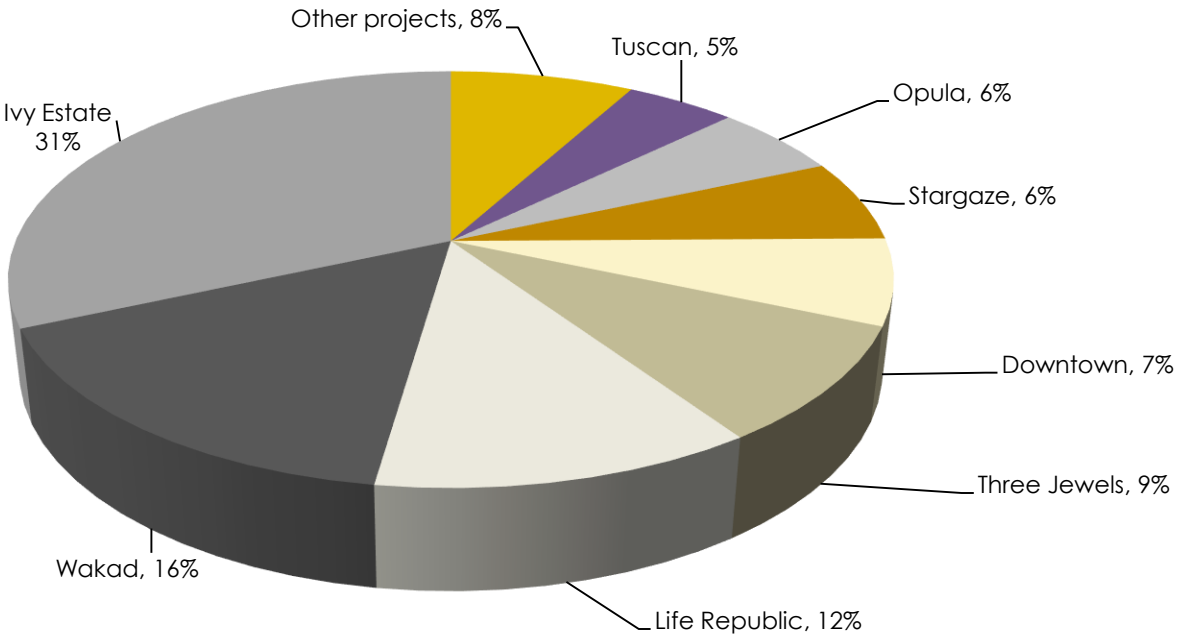
- Adjusted for the strategic divestment in Wakad of Rs. 161 crore, Revenue grew 17% YoY to Rs. 475 crore, EBITDA grew 12% to Rs. 130 crore, EBITDA margins were at 27.5% and PAT grew 43% YoY to Rs. 54 crore
- Revenue growth driven by Ivy Estate, Life Republic, Western Avenue projects and first time recognition of Jai-Vijay Society in Mumbai during Q1 FY18

Consolidated Debt Profile

Balance Sheet Snapshot (Rs. crore)	30th Sep, 2017	30th Jun, 2017	31st Mar, 2017
	Ind-AS (Unaudited)	Ind-AS (Unaudited)	Ind-AS (Audited)
Networth	**915**	899	863
Gross debt	**762**	775	758
Less: OCD / CCD / OCRPS	**229**	229	233
Debt	**534**	547	525
Less: Cash & cash equivalents & Current Investments	**83**	95	73
Net debt	**451**	452	455
Net debt to equity	**0.49**	0.50	0.53
ROE (%) – *(TTM)*	**11.2%**	10.2%	10.1%
ROCE (%) – *(TTM)*	**14.9%**	14.3%	14.5%

Revenue Recognized in Key Projects – Q2 FY18

Divestment Adjusted Revenue Breakup – Rs. 228 cr



Business Outlook

- Consumer confidence expected to improve in the second half of the year on the back of low home loan rates and once overall market settles into a RERA-compliant environment and to result in uptick in sales and collections
- Implementation of RERA and GST will lead to a level playing field and bring about consolidation in the sector and will benefit organized developers like KPDL – evaluating strategic partnerships under asset light models to enhance overall portfolio and position the company for sustained growth
- The company is looking to consolidate its dominant presence in Pune, leveraging its strong brand name, through the execution of ongoing projects and launch of subsequent phases of existing projects
- In addition to Pune, the company has a strong pipeline of projects in Mumbai over 1.2 msf, which will facilitate PAT and ROCE expansion, and reduce working capital cycle for the Company going forward, while providing synergies to the existing Pune operations
- Bengaluru is expected to be an additional growth engine going forward with the launch of the Koramangala project in H2 FY18, in addition to the launch of Exente, Hosur Road in Q1 FY18
- To play on the Government's affordable stimulus theme, the company is also evaluating potential expansion into Affordable Housing in subsequent phases of existing projects as well as new projects which could help drive pre-sales growth
- The company will continue to focus on execution, collections and given the company's asset light approach is expected to generate strong free cash flows over the next few years which will be utilized to strengthen its balance sheet further

Details of Ongoing Projects – Q2 FY2018

Gross Details (including partner's share)

Projects	Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
	Gross	KPDL	KPDL					
Life Republic - Phase I & II	4.0	45%	1.8	Hinjewadi, Pune	0.05	249	4,835	264
Ivy Estate - Phase I & II	3.6	100%	3.6	Wagholi, Pune	0.10	419	4,280	243
Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.04	256	6,905	96
Allura - Phase I & II (24K Glamore)	0.6	75%	0.4	Undri - NIBM, Pune				
Margosa Heights I, II & III	1.0	50%	0.5	Mohamad Wadi, Pune	0.003	14	4,607	44
Downtown - Phase I & II	1.3	51%	0.7	Kharadi, Pune	0.04	231	6,228	229
Giga Residency	0.4	100%	0.4	Viman Nagar, Pune				
Western Avenue	1.3	100%	1.3	Wakad, Pune	0.14	873	6,147	241
Jazz I (Glitterati II) & Jazz II (Opula)	0.9	100%	0.9	Aundh, Pune	0.06	378	6,507	162
Three Jewels*	1.0	70%	0.7	Kondhwa, Pune	0.03	168	5,036	294
Rutu Bavdhan (Stargaze)	0.5	62%	0.3	Bavdhan, Pune	0.03	167	6,056	134
Other Projects (including DMA)	2.1	95%	2.0		0.02	165	6,734	54
Total (Pune Projects)	**17.6**		**13.1**		**0.51**	**2,920**	**5,701**	**1,761**
Ragga	0.65	100%	0.7	Hennur Road, Bengaluru	0.014	69	4,965	44
Mirabilis	0.80	70%	0.6	Horamavu, Bengaluru	0.037	192	5,157	87
Exente	0.59	100%	0.6	Hosur Road, Bengaluru	0.020	107	5,430	3
Total (Bengaluru Projects)	**2.0**		**1.8**		**0.07**	**368**	**5,196**	**134**
Link Palace Society	0.0	100%	0.0	Khar (W), Mumbai				
Jai-Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.002	49	22,884	93
Sagar Vaibhav Society	0.1	100%	0.1	Dahisar (W), Mumbai				
Total Mumbai Projects)	**0.3**		**0.3**		**0.002**	**49**	**22,884**	**93**
Total (Pune + Bengaluru + Mumbai Projects)	**19.9**	**78%**	**15.2**		**0.59**	**3,337**	**5,703**	**1,988**

**100% equity owned by KPDL; 70:30 profit sharing agreement between KPDL and ASK*

Note: Collections do not include contribution from DMA projects

Forthcoming Projects / Future Development Potential

Forthcoming Projects	Saleable Area (msf.)		
	Gross	KPDL Share	KPDL Share
Life Republic Phase III	1.3	45%	0.6
24K Province	0.57	100%	0.57
Kormanagala	0.2	100%	0.2
Three Jewels Phase III	0.4	100%	0.4
Stargaze Phase II	0.6	62%	0.4
Downtown Phase III	0.5	51%	0.2
Ivy Estate Phase III	1.3	100%	1.3
Total	**4.9**	**76%**	**3.7**

Future Development	Saleable Area (msf.)		
	Gross	KPDL Share	KPDL Share
Sanjivani Township, Urse, Pune	15.0	50.50%	7.6
Life Republic - Phase IV^, Pune	14.7	45%	6.6
Ghotawade, Pune	3.2	50%	1.6
Aundh, Pune	1.0	100%	1.0
Kalyani Nagar, Pune	0.6	100%	0.6
Boat Club Road, Pune	0.3	100%	0.3
Mumbai Projects	1.2	100%	1.2
Total	**36.0**		**18.9**

Note: Saleable area based on current FSI norms and subject to change

^Total FSI potential is 1.7 in Life Republic; Current potential has been considered based on a FSI of 1.0

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), incorporated in 1991, is a leading real estate company with dominant presence in the Pune residential market. Kolte-Patil is a 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 over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of over 13 million square feet across Pune and Bengaluru.

Kolte-Patil markets its projects under two brands: 'Kolte-Patil' (addressing the mid-income segment) and '24K' (addressing the premium luxury segment). The Company has executed projects in multiple segments – standalone residential buildings and integrated townships. Several of the company's projects have been certified by the Indian Green Building Council (IGBC).

Consolidating its leadership position in Pune, the company forayed into the Mumbai market in 2013 focusing on low capital intensive society re-development projects. The company has already signed six projects till date at prime locations across the city.

The Company's long-term bank debt and non-convertible debentures have been rated 'A+ / Stable' by CRISIL, the highest rating accorded by CRISIL to any publicly listed residential real estate player in India.

For more details on Kolte-Patil Developers Ltd., visit www.koltepatil.com.

Thank you