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

Date: 14 August 2018

Sub: Q1 FY2019 Financial Results Presentation of Kolte-Patil Developers Limited

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

Dear Sir/Madam,

Please find enclosed herewith softcopy of **"Q1 FY2019 Financial Results Presentation"** of the Company and the presentation also being posted on the company's website: - www.koltepatil.com.

This is for your information and record.

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

KOLTE • PATIL

Creation, not Construction

KOLTE-PATIL DEVELOPERS LIMITED

Q1 FY2019 Results Presentation

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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Kolte-Patil Developers: At a Glance

#1

Residential real estate player in Pune

(Awarded as Most Reputed Brand in Pune)

2+

Decades of presence being incorporated in 1991

Pipeline

30 million square feet of projects under execution and approval

NSE/BSE Listed

IPO in Dec 2007

>15MSF

of units delivered across Pune, Bengaluru and Mumbai

18.4%

ROCE - one of the highest in the industry

A+/Stable

Highest rated residential player By CRISIL

Shareholding

Promoters	DII/Others	FII's
74.5%	12.4%	13.1%

Diversifying Presence

Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

Key Investors

1. Pabrai Funds - 7.2%
2. Goldman Sachs - 4.3%

Impact of Application of IND AS-115

- MCA (Ministry of Corporate Affairs, Government of India) notified IND-AS 115 (Revenue from Contracts with Customers) on 28th March 2018, applicable for the sector beginning on or after 1st April 2018

- In the erstwhile accounting standards coupled with the guidance note of ICAI (Institute of Chartered Accounts of India), revenue used to be recognized based on Percentage of completion method (POCM)

- As per AS-115, Revenue shall be recognised when the entity transfers the control of goods or services to the customer. In other words, entity shall "satisfy its performance obligation" to the customer to recognise the revenue. "Satisfying the performance obligation" in the context of real estate industry means, completion of all obligations by a developer and intimating the customers our readiness for handing over the unit

- The Group has applied the modified retrospective approach to contracts that were not completed as of April 1, 2018. The transitional adjustment of Rs. 217 crore [net of deferred tax] has been adjusted against opening balance of retained earnings in accordance with the requirements of IND AS 115 based on performance obligation satisfied at a point in time.

- There is no impact on agreements with our customers and the consequent cash flows which continue to be robust

CEO's Message

Commenting on the performance for Q1 FY2019, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

"This has been a transitory quarter in terms of shifting to the new accounting standard based on completion of contracts. As a result, although the revenue and profit numbers are not directly comparable with previous periods, our focus has remained on sales, cash flows and collections – and we have delivered strong performance on these parameters during Q1. Deliveries have also been healthy at 0.72 msf.

Collections continue to be robust at Rs 309 crore this quarter and Rs. 1,165 crore over the last four quarters on a trailing basis, up 22% and 18% respectively year-on-year, and expect further acceleration in the coming quarters. Mumbai and Bengaluru accounted for 16% of overall collections. As a result, net debt has remained stable, despite the buy-out of our partner's 49% stake in the Downtown project for an initial payment of Rs. 24.5 crore. This project, being a significant contributor to sales and cash flows, has the visibility to finance the balance payment of Rs. 33.0 crore towards partner buyout required to be made over the next two quarters. Subsequently, our cash flows will stand further enhanced based on our 100% ownership in Downtown.

Sales during Q1 came in at 0.46 million square feet, which was achieved in the backdrop of limited inventory available in existing projects/phases and the absence of any new launches for some time. Sales during the quarter were driven by Stargaze, Ivy Estate, Life Republic and Downtown projects in Pune. In addition, Bengaluru projects continued to deliver strong traction, contributing almost 20% of sales volumes and diversifying the base. Apart from Bengaluru, we expect Mumbai projects to pick up in the second half of FY19 with new launches supported by resolution of dumping ground issues and implementation of DP2034.

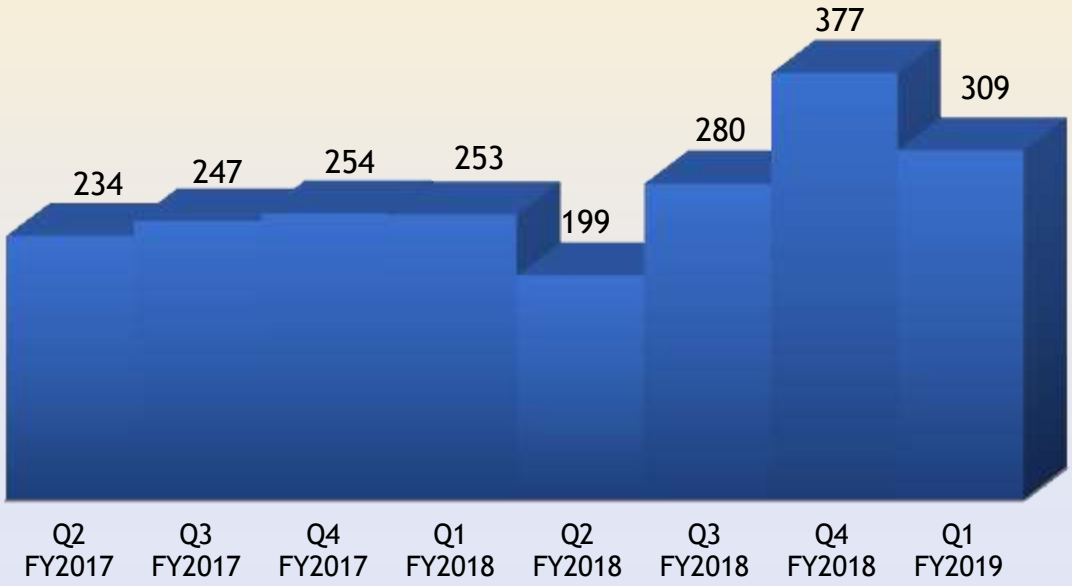
We are greatly encouraged by the sharp spurt in sales delivered during July of 0.25 msf. We had a teaser campaign at R9 sector at Life Republic, our flagship township project, where we sold 130 units. We expect to deliver further momentum at this location with the full-fledged launch of R9 sector later this month, and subsequent sectors during the course of the year. We have a slew of launches aggregating to ~4 msf in FY19.

We are on a strong footing as after two years, we have a pipeline of new launches in the offing, and based on current visibility, we are confident of seeing acceleration in our quarterly sales run-rate to 0.7 msf, and achieving between 2.5 to 3 msf in FY19. Our 360 degree business model comprehensively covers the entire spectrum of demand focused on residential real estate across price points in key micro-markets within Pune, Mumbai and Bengaluru. This gives us confidence that FY19 will be a year of another record performance across key operational parameters and provide us the momentum to achieve further milestones in the medium to long term."

Robust Momentum in Customer Collections

- Trailing twelve month collections at Rs. 1,165 crore, up 18% YoY
- Sustained momentum in Q1 FY19, up 22% YoY to Rs. 309 crore
- Mumbai and Bengaluru contributed to 16% of the overall collections in Q1 FY19
- Collections trajectory to remain strong on the back of healthy launch pipeline

Collections (Rs. Crore)



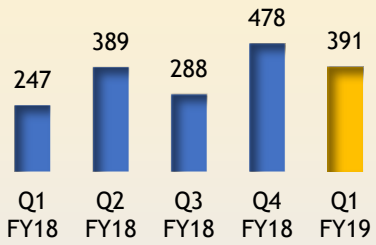
Operational Highlights

New area sales	Q1 FY19	Q4 FY18	Q1 FY18	YoY	QoQ
Volume (million sq. ft.)	0.46	0.49	0.41	13.4%	-5.3%
Value (Rs. million)	2,590	2,785	2,574	0.6%	-7.0%
Realization (Rs./Sq. ft.)	5,580	5,673	6,288	-11.3%	-1.6%
Collections (Rs. million)	3,093	3,772	2,531	22.2%	-18.0%

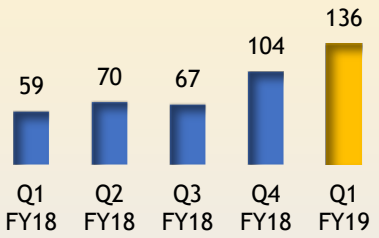
- Strong traction in Bengaluru continues; contribution during Q1 FY19 at ~20% of sales volumes
- Overall quarterly sales during Q1 came in at 0.46 million square feet, which was achieved in the backdrop of limited inventory available in existing projects/phases and the absence of any new launches over the last year
  - Q1 FY19 sales driven by Stargaze, Ivy Estate, Life Republic, Downtown and Bengaluru projects
- Q2 FY19 to see a slew of launches to the tune of 1.33 msf (Life Republic – 0.73 msf, Stargaze – 0.60 msf) to result in traction in sales volumes – already seen strong sales in July ’18 to the tune of 0.25 msf.
  - Significant uptick expected in H2 FY19 on the back of further planned launches to the tune of ~2.6 msf
  - Teaser campaign at R9 Sector at Life Republic witnessed good response with sale of 130 units until 12th August, 2018; formal launch to follow end August
- Delivered 0.72 msf (686 units) for possession in Q1 FY19 at Ivy Estate, Stargaze, Life Republic, Tuscan and Raaga-I
- Announced exit to K2A Residential Ltd, acting through its investment manager IL&FS Investment Advisors LLC (IL&FS) holding 49% equity stake in its subsidiary, Kolte-Patil Real Estate Private Limited (KPRE) for a total consideration of Rs. 57.5 crore to be paid over the next two quarters

Performance Highlights – Q1 FY19

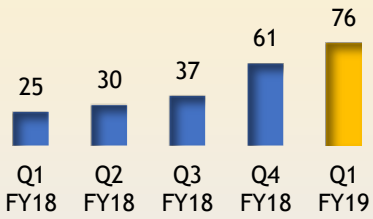
Revenue, Rs. Crore



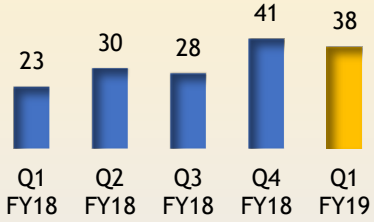
EBITDA, Rs. Crore



PAT (Pre-MI), Rs. Crore



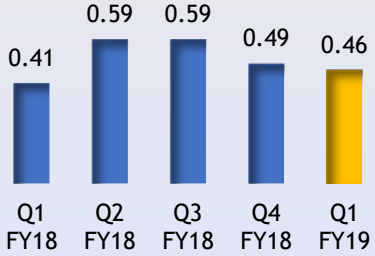
PAT, Rs. Crore



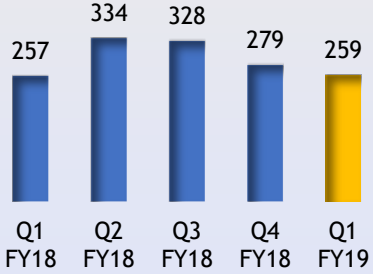
Note 1: Q2 FY18 and Q3 FY18 numbers include the strategic divestment of land parcel in Wakad for a consideration of Rs. 161.0 crore and Rs. 21.3 crore respectively.

Note 2: Since there is a change in accounting standard for revenue recognition, the Q1 FY19 numbers as per AS-115 can not be compared with previous year figures (refer slide 5)

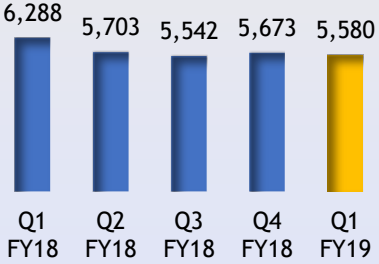
Sales Volume, mn sq. ft



Sales value, Rs. Crore



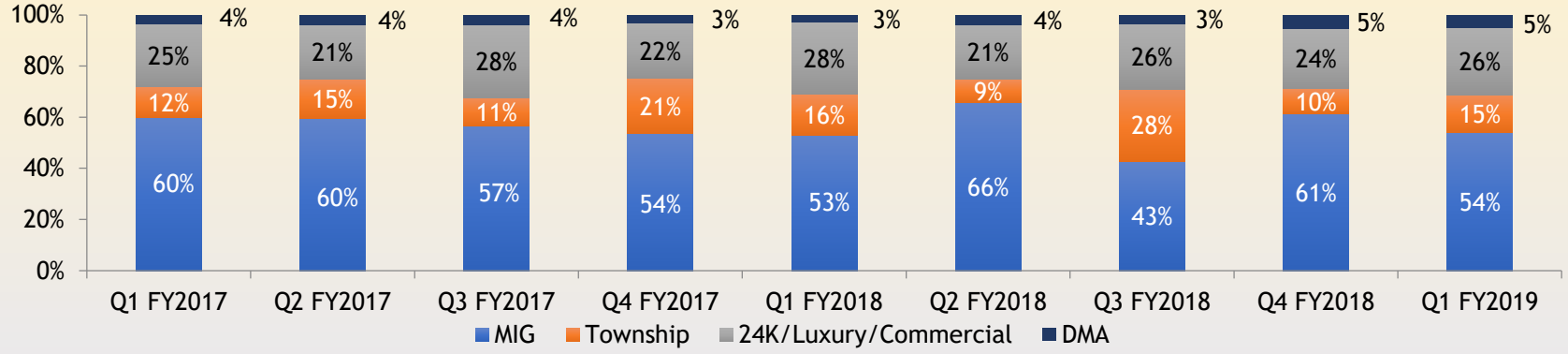
APR, Rs./sft

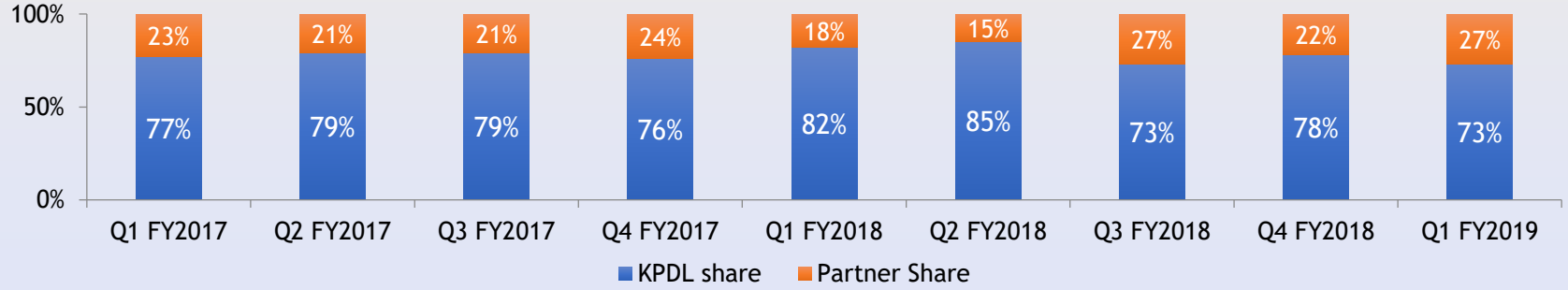


Note: Volume in million square feet is based on saleable area

New Sales Analysis - Q1 FY19

msf.	0.66	0.57	0.32	0.55	0.41	0.59	0.59	0.49	0.46





Note: Volume in million square feet is based on saleable area

Profit and Loss Snapshot – Q1 FY19 vs Q1 FY18

P&L Snapshot (Rs. crore)	Q1 FY19*	Q1 FY19^	Q1 FY18	YoY
Revenue Recognition Method →	Reported CCM	POCM	POCM	POCM
Revenue from Operations	390.6	278.1	246.6	12.8%
Cost of materials consumed	219.2	186.4	157.2	18.6%
Employee benefits expense	13.5	13.5	8.9	51.7%
Depreciation	3.7	3.7	3.6	3.7%
Other expenses	22.3	22.3	21.4	4.1%
Total Expenses	**258.7**	**225.8**	**191.0**	18.2%
EBITDA	**135.6**	**55.9**	**59.1**	-5.4%
EBITDA Margin (%)	**34.7%**	**20.1%**	**24.0%**	-3.9%
Finance cost	20.3	20.3	23.2	-12.5%
Other income	1.9	1.9	2.0	-8.4%
Profit before tax	**113.5**	**33.8**	**34.4**	-1.7%
Total tax expenses	37.2	11.8	9.0	30.6%
Net profit after tax (pre-MI)	**76.3**	**22.0**	**25.4**	**-13.1%**
PAT margin (pre-MI)	**19.5%**	**7.9%**	**10.3%**	**-23.0%**
Non-controlling interests	38.32	3.6	2.2	62.1%
Net Profit (post minority interest)	**37.9**	**18.5**	**23.2**	-20.2%
PAT margin (%)	**9.7%**	**6.6%**	**9.4%**	-2.8%
EPS	5.00	2.44	3.06	

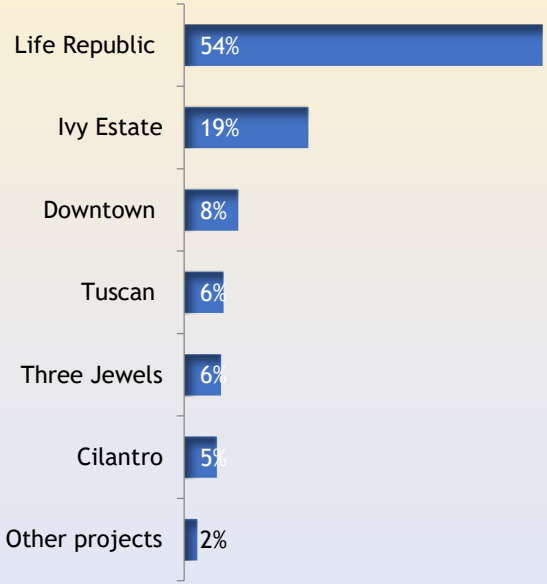
REASONS FOR VARIANCE

- Revenue growth of 12.8% on POCM basis driven by Western Avenue, Life Republic, Ivy Estate and Tuscan projects
- EBITDA margin impacted on account high contribution of low margin projects and increase in employee expenses on account of annual salary increments and performance incentives paid out during the quarter

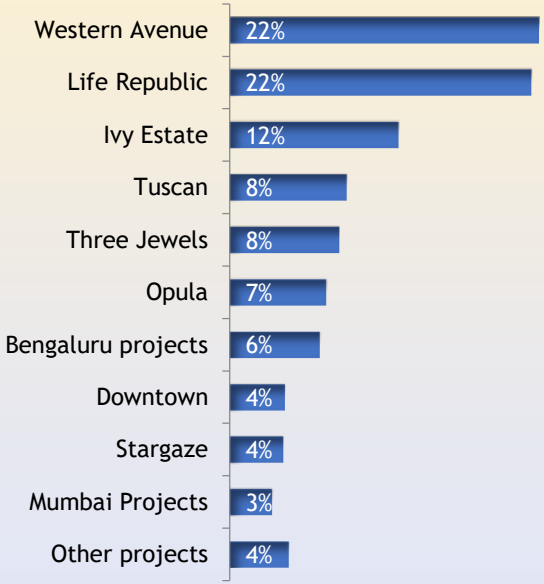
**Note: The Company has adopted IND AS 115 (Completion Contract Method – CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.*

Revenue Recognition – Q1 FY19 vs Q1 FY18

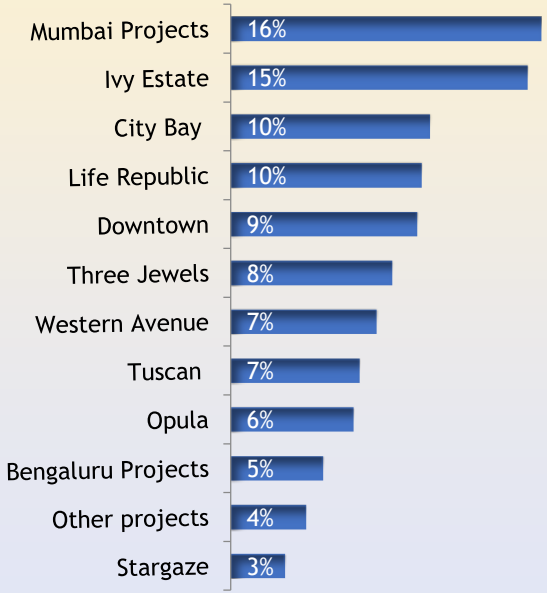
Q1 FY19 – Rs. 391 crore (CCM)



Q1 FY19 – Rs. 278 crore (POCM)



Q1 FY18 – Rs. 247 crore (POCM)



**Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison, financials based on the erstwhile applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.*

Consolidated Debt Profile

Consolidated Debt Profile (Rs. crore)	30th Jun, 2018 (Un-Audited)	31st Mar, 2018 (Audited)
Networth	**809**	984
Gross debt	**662**	689
Less: OCD / CCD / OCRPS / Zero Coupon NCD*	**279**	289
Debt	**383**	400
Less: Cash & cash equivalents & Current Investments	**94**	117
Net debt	**289**	283
Net debt to equity	**0.36**	0.29

**Issued to KKR in Life Republic Township*

Notes:

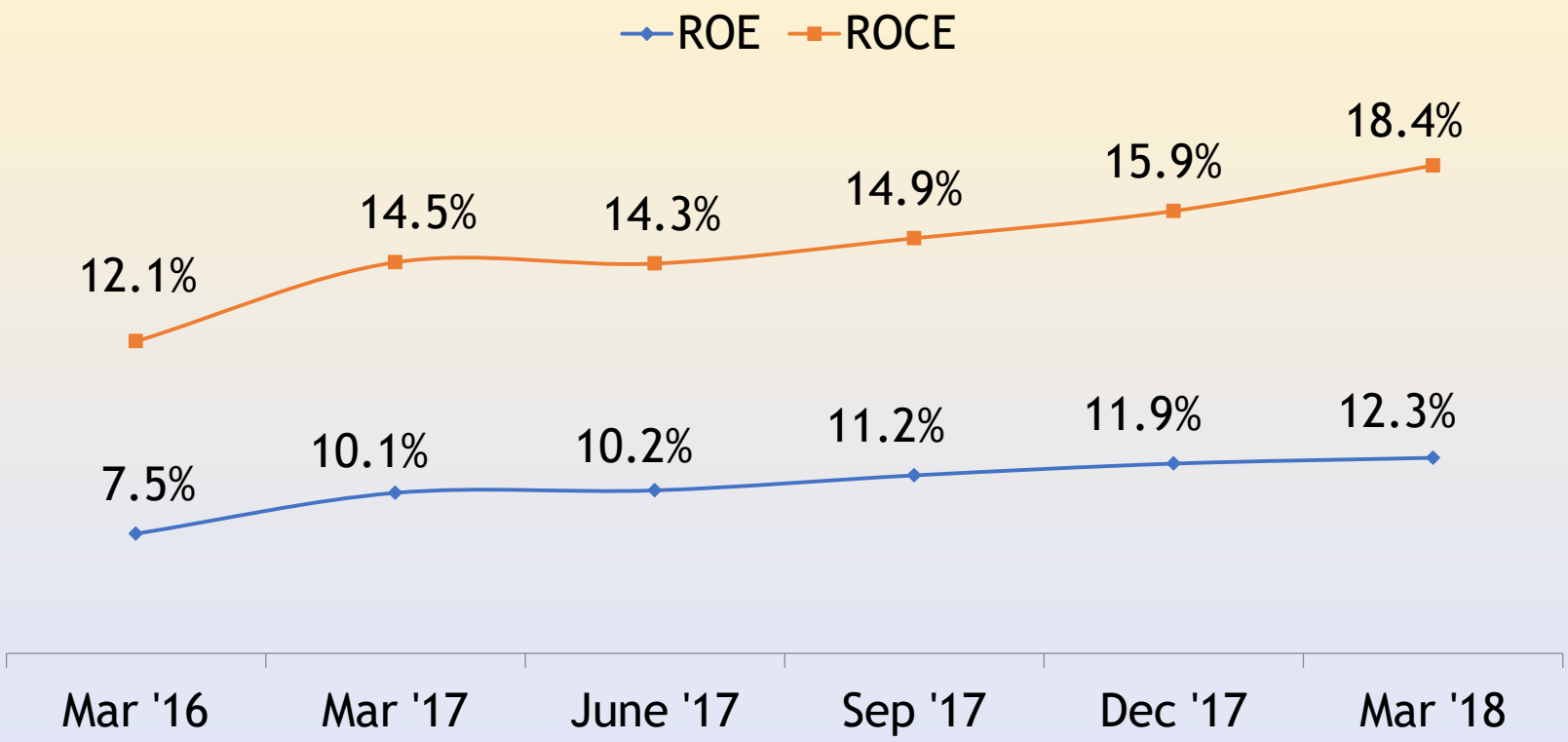
- The Ministry of Corporate Affairs ("MCA") in March 2018 notified Ind AS 115, Revenue from Contract with Customers w.e.f. 1st April 2018. The Group has applied the modified retrospective approach under Ind AS 115 to contracts that were not completed as at 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April 2018 in accordance with IND AS 115 as an adjustment to opening balance of retained earnings.

- The transitional adjustment of Rs. 217 crore [net of deferred tax] has been adjusted against opening balance of retained earnings in accordance with the requirements of IND AS 115 based on performance obligation satisfied at a point in time and resulted in the notional increase in net debt to equity.

Abridged Cash Flows

Abridged Cashflows - Unaudited (Rs. crore)	30th Jun, 2018 (Un-Audited)
Opening Balance	**117**
Operating Cashflow	
Collections	309
Construction Cost	153
Other Expenses and Taxes	61
Finance Cost	
Interest	12
OD/CC Movement	18
OCD/CCD Redemption	10
Investment/Capex	
Land/TDR/Premium Costs	41
Payment to JV Partner	38
Closing Balance	**94**

Improving Return Ratios



Business Outlook

SECTOR CONSOLIDATION

- Implementation of RERA and GST has consolidated demand to organized, execution-focused developers like KPDL

DIVERSIFYING GEOGRAPHICAL PRESENCE

- 1.4 msf across 14 asset-light society redevelopment projects in Mumbai
- To launch upscale Koramangala project in Bengaluru in FY19
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

EFFICIENT CAPITAL DEPLOYMENT

- Continue to evaluate strategic and financial partnerships that enable us to scale our operations while limiting capital commitment

IMPROVING CONSUMER CONFIDENCE

- Based on RERA-compliant business environment and increased transparency, resulting in uptick in sales and collections

AFFORDABLE HOUSING OPPORTUNITIES IN EXISTING PROJECTS

- ~3 msf in subsequent phases of existing projects Life Republic and Ivy Estate likely to get classified under Section 80 IB Affordable Housing Scheme wherein there will be zero tax outgo

ROCE EXPANSION

- Successful implementation of strategy driving industry leading ROCE of 18.4% in FY18
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

CONSOLIDATING DOMINANT POSITION IN PUNE

- KPDL is leveraging its strong brand name/market position to accelerate development and launch subsequent phases of ongoing projects

NEW PROJECT ACQUISITION

- Potential acquisition of 10-12 msf additional land bank through outright purchases/JDA with land owners – ~1.5 msf for luxury projects, ~3.5 -4 msf for affordable housing, remaining for MIG housing

FUND RAISING PLANS

- Board has passed an enabling resolution/s for fund raising up to Rs. 500 crore by various modes

Sales & Collections - Ongoing Projects - Q1 FY2019

Gross Details (including partner's share)

Projects	Location	Area Sold (msf.)	Sales value (Rs. mn.)	Avg. Realization (Rs./sft.)	Collections (Rs. mn.)
Life Republic	Hinjewadi, Pune	0.07	318	4,678	464
Ivy Estate	Wagholi, Pune	0.05	212	4,077	392
Tuscan	Kharadi, Pune	0.01	92	6,386	201
Downtown	Kharadi, Pune	0.04	315	7,299	232
Western Avenue	Wakad, Pune	0.02	179	7,430	577
Jazz II (Opula)	Aundh, Pune	0.03	169	6,655	279
Three Jewels	Kondhwa, Pune	0.01	34	4,392	215
Rutu Bavdhan (Stargaze)	Bavdhan, Pune	0.08	480	6,146	75
Other Projects (including DMA)		0.06	338	5,575	149
Total (Pune Projects)		**0.37**	**2,139**	**5,721**	**2,584**
Raaga	Hennur Road, Bengaluru	0.02	91	4,692	57
Mirabilis	Horamavu, Bengaluru	0.05	256	5,068	222
Exente	Hosur Road, Bengaluru	0.02	104	5,090	10
Total (Bengaluru Projects)		**0.09**	**451**	**4,992**	**289**
Link Palace Society	Khar (W), Mumbai				39
Jai-Vijay Society	Ville Parle (E), Mumbai				181
Sagar Vaibhav Society	Dahisar (W), Mumbai				
Total (Mumbai Projects)					**221**
Total (Pune + Bengaluru + Mumbai Projects)		**0.46**	**2,590**	**5,580**	**3,093**

Note: *Collections do not include contribution from DMA projects; volume in million square feet is based on saleable area*

KPDL Project Portfolio – 30.06.2018

Pune Projects	KPDL Share	Gross Details (including partner's share) Ongoing & Unsold	Under Approval*	Land Bank
Jazz II (Opula)	100%	0.30	-	-
Atria	100%	0.09	-	-
Giga Residency	100%	0.32	-	-
Stargaze	62%	0.08	0.60	-
Western Avenue	100%	0.16	0.35	-
Ivy Estate	100%	0.49	0.82	-
Downtown	51%	0.08	0.60	-
Life Republic^	45%	1.87	2.67	12.00
Tuscan	51%	0.01	0.20	-
Three Jewels	70%	0.72	-	-
Cilantro	50%	0.06	-	-
Green Olive Venture	60%	0.12	-	-
Centria	100%	0.40		-
Ghotawade	50%	-	-	3.20
Aundh	100%	-	-	1.00
Kalyani Nagar	100%	-	-	0.60
Boat Club Road	100%	-	-	0.30
Pune Total:		**4.69**	**5.24**	**17.10**

Mumbai Projects	KPDL Share	Gross Details (including partner's share) Ongoing & Unsold	Under Approval*	Land Bank
Jai Vijay	100%	0.05	-	-
Other Mumbai projects	100%	-	-	1.20
Mumbai Total:		**0.05**	**-**	**1.20**

Bengaluru Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Raaga	100%	0.29	-	-
Mirabilis	70%	0.08	-	-
Exente	100%	0.50	-	-
24K Grazzio	100%	0.20	-	-
Bangalore Total:		**1.07**	**0.00**	**0.00**

Overall Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Total: ~30 million square feet		**5.81**	**5.24**	**18.30**

**Upcoming projects in the next 12 months*

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

Awards & Recognition

Times Business Awards - 2018

I-TOWERS EXENTE

"BEST HIGH RISE PROJECT OF THE YEAR"

RAAGA

"MID RANGE APARTMENT PROJECT OF THE YEAR 2018"

MIRABILIS

"BEST DESIGN APAPRTMENT PROJECT OF THE YEAR 2018"

Awards & Recognition

Times Business Awards - 2018

24K by Kolte Patil – Luxury Developer of the Year -Times Network Marketing Excellence Awards, 2018

24K Opula - Luxury Project of the Year- Times Network Marketing Excellence Awards, 2018

Kolte-Patil Developers Ltd- Most Trusted Real Estate Brand – Times Network Marketing Excellence Awards, 2018

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 ~15 million square feet across Pune, Mumbai 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 14 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

For further information, please contact:

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