



Kolte-Patil Developers Limited | Annual Report 2016-17

Building

AN INSTITUTION

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construction





The year 2016-17 was one of the most challenging for India's real estate industry. Marked by various factors that contributed to a low sectoral confidence. *Sluggish offtake*. Declining realizations. *Challenged cash flows*. Weak growth outlook. *Stressed Balance Sheets*. Downgraded credit rating.

The year 2016-17 was one of the best at Kolte-Patil Developers Limited, marked by highest-ever revenues. Steady apartment offtake. Robust and timely collection. Aggressive project execution. Moderated debt. Protected credit-rating.

The result: Kolte-Patil reported profitable growth. Revenues increased 28.1%; profit after tax strengthened 48%.

This contrarian performance was derived from a simple priority. At Kolte-Patil we didn't just endeavor to play the game better; we resolved to change it.

And that made all the difference.



Corporate overview

Kolte-Patil Developers Ltd. is the largest real estate developer in Pune, with a presence in Bengaluru and Mumbai.

Headquartered in Pune, the Company has been engaged in creating realty landmarks for over 25 years.

At Kolte-Patil, we are driven by the philosophy of seeing what we do not as 'construction', but as 'creation'.

From our humble beginnings in 1991 till the present day, we have completed 1.5 crore sq. ft. of infrastructure development spanning residential, commercial, townships and IT park projects.

The Company went public in 2007; its shares are listed on the BSE and NSE, enjoying a market capitalization of ₹1,380 cr as on 31 March 2017.



Visionaries

Headed by a dynamic team of visionaries, Kolte-Patil seeks to create structures which blend with their surroundings, enjoy aesthetic appeal and are not just built for today but also for the future.

Values

The values which drive our company and its strong workforce are honesty, innovation, excellence, technology, sustainability, value and commitment to schedules.

Principles

Drawing inspiration from our corporate philosophy, we follow principles which guide everything that we do. We are driven by the

principles of aesthetics, standards, technological innovation, sustainability, harmony with nature and enhancing value in everything we do. Our priority are our customers who are at the helm of everything we create. Our vision is to make KPDL a brand which associates and stakeholders can recognize and be proud to be associated with.

Presence

Kolte-Patil is an established real estate developer in Pune, with the Company extending its presence to Mumbai through society redevelopment and with two ongoing and two forthcoming residential projects in Bengaluru.

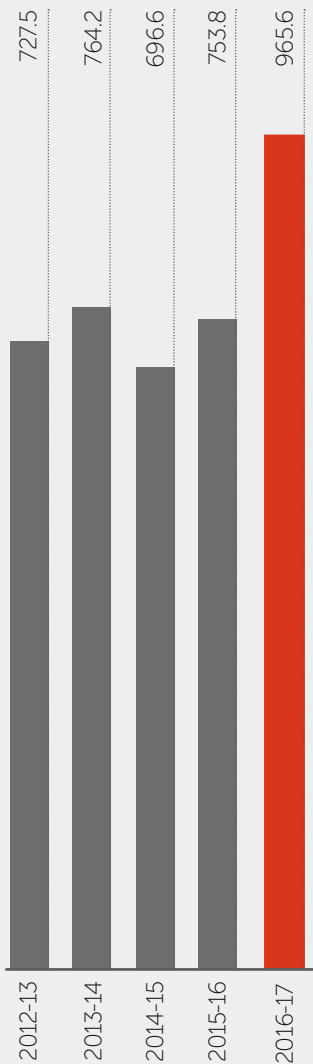
Company ethos - VCARE

	V alue for money – Delivering premium value
	C ustomer delight – Using customer insight and design philosophy
	A gility – Through responsive systems and processes, innovation and thought leadership
	R eliability – High professionalism and 360-degree transparency
	E thics – Focus on corporate governance, environment and safety

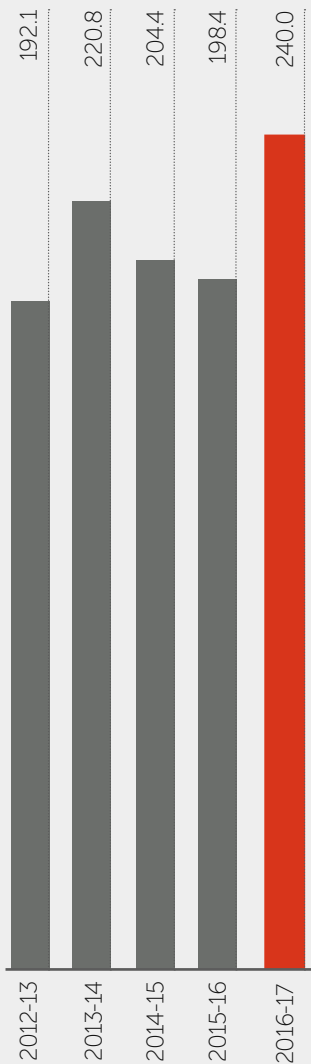
Financial highlights

Kotte-Patil adopted Ind-AS framework starting Q1 FY17. The FY16 numbers have been restated to facilitate an easy comparison. However, prior period numbers are not strictly comparable.

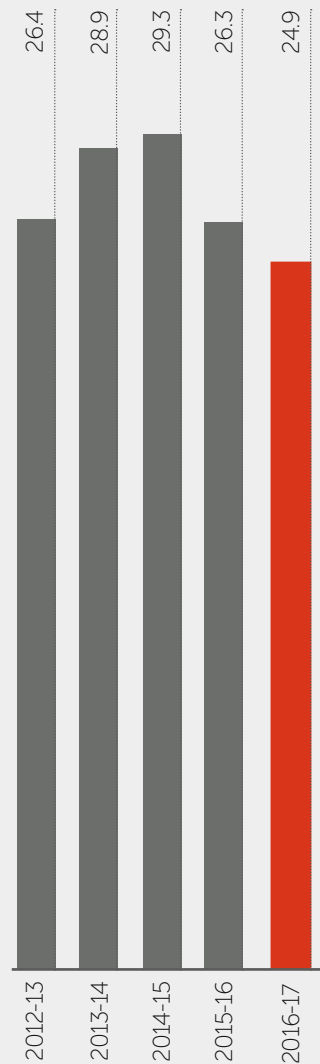
Revenues (₹ Cr)



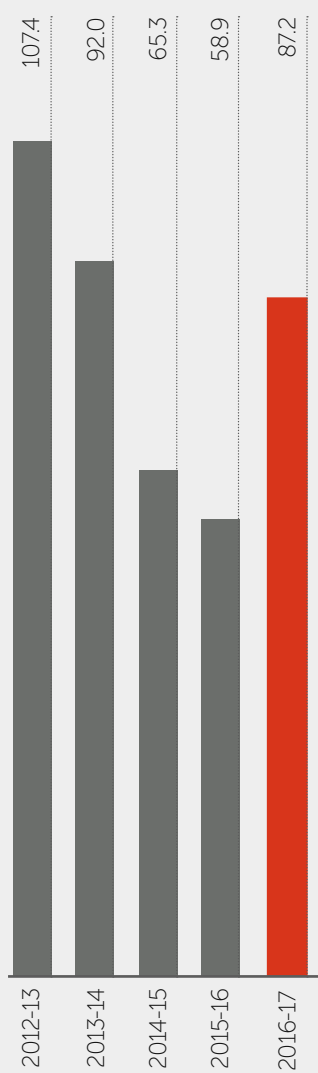
EBITDA (₹ Cr)



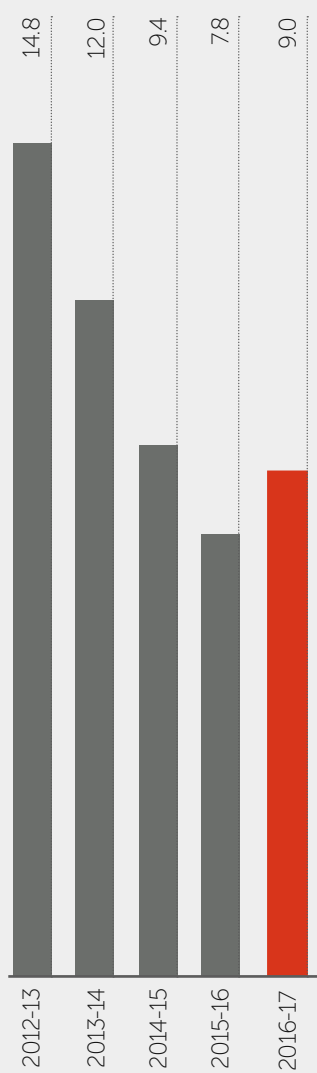
EBITDA margin (%)



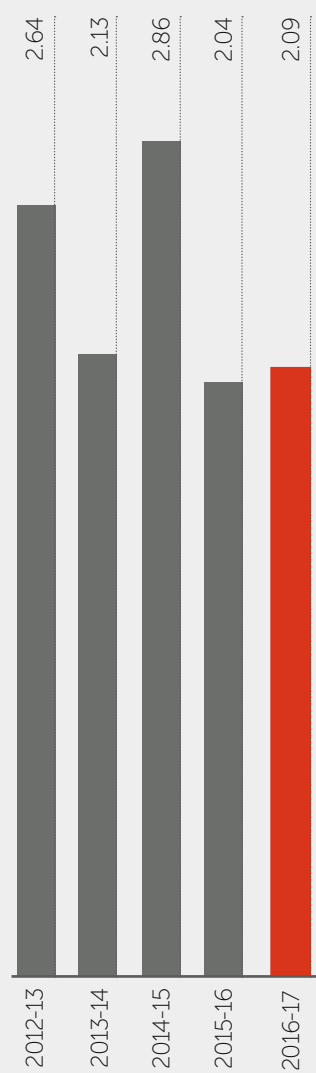
PAT (₹ Cr)



PAT margin (%)



Total area sold (in million square feet)





Kolte-Patil. Where we have followed industry best practices for years

The introduction of the Real Estate (Regulation and Development) Act, 2016 (RERA) represents a challenge for much of India's real estate sector.

Because it does not just warrant incremental changes in the sectoral business model; it demands a complete reinvention.

At Kolte-Patil, we have an interesting reality to present: business as usual.

Because Kolte-Patil went into business with the singular objective to present a credible sectoral alternative to people who needed to trust real estate companies with their hard-earned money.

The result was that the Company selected to conduct its business through cheque payments when dealing in cash would have been convenient. The Company selected to be transparent in terms of

pricing when it would have been more profitable in the short-term to be different. The Company selected to invest higher in timely apartment construction and handover when time-overruns were the norm. The Company employed fiscal discipline in using proceeds from customers for the projects they were intended for when temporary diversions could have accelerated growth. The Company launched projects only after municipal

We believe that by the virtue of having been an early-mover in growing our business in a credible way, we have grown faster, more sustainably and emerged as one of the most respected developers in India's real estate sector.

clearances had been received when it may have been more tempting to do otherwise.

The result is that when RERA made all these provisions mandatory starting May 2017, our past practices made the transition smooth.

On the contrary, we believe that by the virtue of having been an early-mover in growing our business in a credible way, we have grown faster, more

sustainably and emerged as one of the most respected developers in India's real estate sector.

More importantly, RERA represents a landmark sectoral opportunity for our company: as much of the sector struggles to keep in step with the new rules of the game, the sectoral shakeout could lead to opportunities related to consolidation, acquisition, alliances and market share accretion.

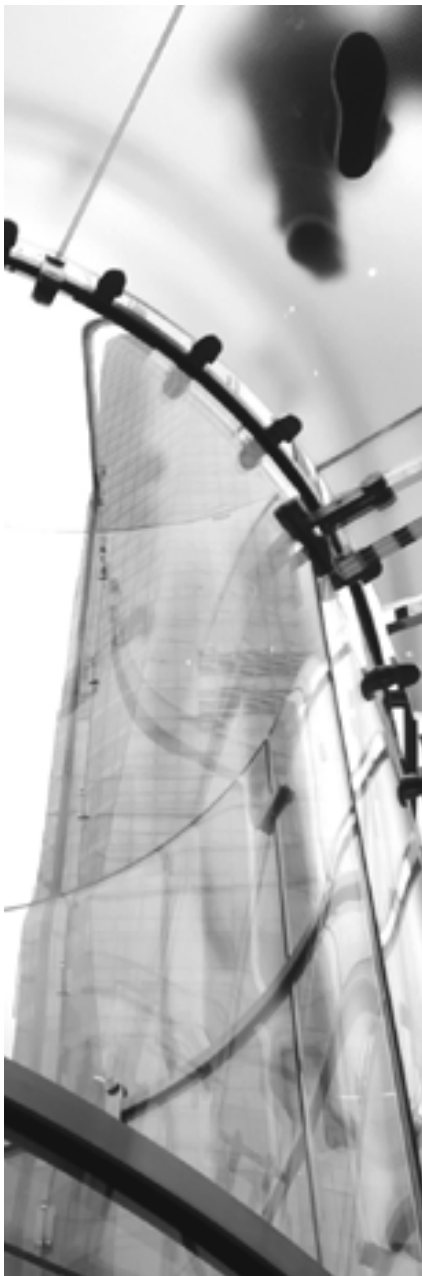
The message that we wish to send out: even as we may have grown attractively in the last few years, we are likely to grow even faster now.



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At a time when business growth warranted larger borrowings, we increasingly utilized our accruals instead.



Our Credit Rating that
was maintained through
2016-17 by CRISIL

→ **A+ Stable**