



## KOLTE-PATIL DEVELOPERS LIMITED

November 19, 2007

**Issue Details****Offer Opens** : Nov 19, 2007**Offer Closes** : Nov 22, 2007**Shares offered :**

QIB	9.41mn
Non-Institutional	2.82mn
Retail	6.58mn
Employee	0.19mn
<b>Total Shares</b>	<b>19mn</b>

**Price Band** : Rs125-145**Face Value** : Rs10**Issue Size** : Rs2.37 – 2.75bn**Min Bid Qty** : 40**Equity**

Pre issue : Rs562.50mn

Post issue : Rs752.50mn

**Promoter Stake**

Pre issue : 100%

Post issue : 74.75%

**Company Profile**

Kolte Patil Developers Ltd (KPDL) was incorporated by Rajesh Patil and milind Kolte on November 25, 1991 as a private limited company. The company was converted into a public limited company on April 1, 1995. KPDL is a real estate development company that develops and constructs properties mainly in Pune and Bangalore. As of September 30, 2007, KPDL has developed and constructed 25 projects, including 22 in Pune and 3 in Bangalore, covering a total of approximately 4.01mn sq ft of saleable area. KPDL's completed projects include 16 residential complexes, 4 commercial complexes, 3 complexes designed for mixed residential and commercial use and 2 information technology parks.

As of September 30, 2007, KPDL is in the process of developing 28 projects, including 24 in Pune and 4 in Bangalore, with an aim of generating 17.8mn Sq ft of saleable area on 21.61mn Sq ft of land area. This would include 5 IT parks, 11 commercial complexes, 10 residential complexes, 1 Service Apartment building and 1 integrated township. As on September 30, 2007, KPDL has held development rights or has signed MOU to acquire or develop 21.58mn Sq ft of saleable area on 32.88mn Sq ft of land area. KPDL's joint ventures with real estate equity fund of ICICI Ventures enables them to pursue larger projects such as IT Parks, integrated townships and large-scale residential projects.

**Objects of the issue**

- Acquisition of development rights (Rs1.76bn)
- Development and construction costs for existing projects and for forthcoming projects (Rs1.49bn)
- Issue expenses & for general corporate purposes.

**Valuation**

At a band of Rs125-145, KPDL is priced at 11.3x-13.1x FY07 post issue diluted EPS. KPDL's ongoing relationship with ICICI Venture, which enables them to pursue larger projects & land reserves of approximately 32.88mn Sq ft in Pune and Bangalore, are its key positives. Significant concentration of project portfolio in Pune region (approximately 92%), and potential demand slowdown in real estate sector are key risks for the company.

**Financial Highlights**

	FY05	FY06	FY07
Net Revenues	305	531	2294
Other Income	22	20	221
<b>Total Income</b>	<b>327</b>	<b>551</b>	<b>2515</b>
EBIDTA	46	61	1125
EBIDTA Margins (%)	15.1	11.5	49.1
<b>Normalized Net Profit</b>	<b>24</b>	<b>28</b>	<b>835</b>
Equity (Rs mn)	55	55	563
<b>Normalized EPS (Rs)</b>	<b>4.4</b>	<b>5.1</b>	<b>14.8</b>
P/E at Lower Band (x)	28	24	8
P/E at Upper band (x)	33	28	10
Book NAV (Rs)	29	34	32
RONW (%)	15	15	46

Source : KPDL RHP, Financials as per Restated Statement of Accounts

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*Analyst holding in stock : Nil*