

Kolte Patil to raise stake in Pune Township project

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Kolte Patil Developers Limited has entered into share purchase agreement with ICICI Venture Funds Management Company Limited to acquire 50 per cent equity stake in Kolte Patil I-Ven Townships (Pune) Limited (KPIT).

KPIT is developing approximately 400 acre township in Hinjewadi,

Pune, developing under Special Township Policy 2005 of State of Maharashtra. The township – Life Republic comprises of residential, commercial, shopping malls, etc. Phase 1 of 147 acres has been developed and delivered and is currently home to 8,000 residents and future development is expected in phase wise manner.

Kolte Patil Developers is a promoter of KPIT holding 45 per cent stake in it. With this acquisition, the controlling stake will reach 95 per cent.

For the acquisition of 50 per cent stake, the consideration of Rs. 140 crore would be paid in cash. Also, the earlier payment of Rs. 70 crores towards Convertible Preference Shares and Debentures will also be considered as a part of the agreed payment of Rs. 210 crore. It will be funded partly through internal accruals and bank borrowings. The flagship project is expected to continue to drive the company's revenue, profits and cash flows in a significant manner over the next 12-15 years.

On Wednesday, the stock of Kolte Patil opened at Rs. 247.70 per share and was up 2.6 per cent at Rs. 252.20 from its previous close of Rs. 245.70.