



KALPATARU[®]



Artist's impression

Kalpataru Ltd

Kalpataru Ltd.

Rating NEUTRAL	Issue Opens On June 24, 2025	Issue Closes On June 26, 2025	Listing Date July 1, 2025	Price Band (INR) 387 - 414	Issue Size (INR Mn.) 15,900
---------------------------------	---	--	--	---	--

Company Overview

- Kalpataru Ltd is a real estate development company engaged in the entire value chain of real estate, including land acquisition, planning, design, execution, sales, and marketing.
- The company has established itself as a prominent developer in the Mumbai Metropolitan Region (MMR), with a strong presence across all micro-markets, led by its "Kalpataru" brand, known for trust, quality, and reliability, stems from its consistent track record of delivering high-quality projects and a customer-centric approach that prioritizes buyer needs and preferences.
- The brand is used by the company under a licensing agreement with Kalpataru Business Solutions Private Limited, a Group Company.
- As per Anarock Report, Kalpataru ranks 5th in the MCGM area and 7th in Thane in terms of residential units supplied between 2019-24.

Outlook

Kalpataru, is a member company of the "Kalpataru Group" (a MNC having operations in EPC contracting for power transmission and distribution, oil and gas, railways, and others). It is one of the prominent real estate company in MMR region with years of experience in delivering quality projects. As of December 31, 2024, it has completed and delivered over 120 projects spanning over 25.9 MSF area.

The Company is known for providing premium, gated residential homes, at an affordable price range. It's revenue and gross profit has grown at 29.4% and 46.8% CAGR between FY22-FY25 (based on annualized 9MFY25 figures), driven by improving projects pipeline, healthy pre-sales traction and robust collections. Despite exhibiting strong operational performance, its EBITDA margin remains very thin due to higher capitalized finance cost compared to its listed peers.

It plans to raise INR 15.9bn funds through initial issue, to fund the repayment of the borrowings worth INR 11.9bn owed by the Company and its subsidiaries. Further, the pre-sales and collections is expected to be stronger in the upcoming years led by completion of ongoing projects. The equity raise and strong operating cash flows will aid in deleveraging of the balance sheet and will support significant savings in interest cost and translate into improved profitability.

Kalpataru's initial issue is priced at 186.3x FY25 EBITDA (annualized 9MFY25), which appears expensive compared to broad set of listed peers operating in mid-to-high end real estate segment. We understand the earnings of the real estate business can be highly volatile led by the nature and value of the projects developed. We assign a "NEUTRAL" rating to the issue, considering the scope of future developments on the land reserve it owns.

Particulars (INR Mn.)	FY22	FY23	FY24	9MFY25
Revenue	10,007	36,332	19,300	16,247
Adj. EBITDA	1,807	19,593	4,488	5,163
Adj. EBITDA Margin (%)	18.1%	53.9%	23.3%	31.8%
Profit After Tax	-1,254	-2,294	-1,165	55
PAT Margin (%)	-12.5%	-6.3%	-6.0%	0.3%
Net Worth	14,362	12,004	9,909	15,485
RONW (%)	-8.7%	-19.1%	-11.8%	0.4%

Source: IPO Prospectus

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn.)	38.4
Fresh issue (# shares) (Mn.)	38.4
Offer for sale (# shares) (Mn.)	0
Price band (INR)	387-414
Post issue MCAP (INR Mn.)	80,718 - 85,241

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	2,88,04,348	11,925	Not less than 75%
NIB	57,60,870	2,385	Not more than 15%
Retail	38,40,580	1,590	Not more than 10%
Net Offer	3,84,05,797	15,900	100%

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoters & Promoter Group	100.0%	81.4%
Others	0.00%	18.6%
Total	100.0%	100.0%

Source: IPO Prospectus

Objects of the Offer	INR Mn.
1. Repayment or prepayment of certain borrowings availed by company	3,333
2. Repayment or prepayment of certain borrowings availed by its subsidiaries	8,592
3. General corporate purposes	3,975

Source: IPO Prospectus

BRLM

- ICICI Securities Limited
- JM Financial Limited
- Nomura Financial Advisory And Securities (India) Private Limited

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	Thursday, 26 th June'25
Basis of Allotment	Friday, 27 th June'25
Initiation of Refunds	Monday, 30 th June'25
Credit of Shares to Demat	Monday, 30 th June'25
Listing Date	Tuesday, 1 st Jul'25

Source: IPO Prospectus

Kalpataru Ltd.

Industry Overview

Indian Real Estate Sector:

- India's real estate sector comprises of four broad segments: residential, commercial, retail, and industrial/logistics. Residential real estate continues to dominate in terms of volume and buyer interest, accounting for a major share of new launches and unit sales. The commercial and retail segments are evolving with increasing participation from institutional investors and REITs.
- Top seven cities—MMR, Pune, Bengaluru, Hyderabad, NCR, Chennai, and Kolkata**—remain the focus of organized developers. Among these, the Mumbai Metropolitan Region (MMR) and Pune are consistently ranked at the top in terms of supply, absorption, and pricing.
- Although India's real estate industry is highly fragmented, post implementation of RERA and tighter financing norms, there has been a gradual shift towards prominent and established developers. Tier-1 developers are gaining market share led by their proven track record, execution capability, build quality, brand recall and trust.

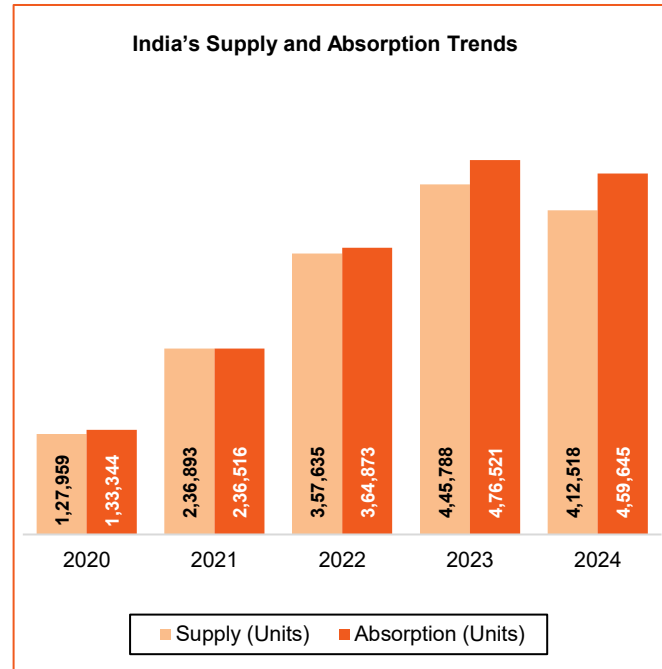
Residential Real Estate Trends:

- Launches and Absorption:** From 2019 to 2024, residential launches and absorption in MMR and Pune have consistently ranked among the highest in India. MMR accounted for the largest share in supply and absorption, followed by Pune.
- Inventory Trends:** The unsold inventory across top 7 cities declined from 638,192 units in 2021 to 553,073 units by 2024, along with steady supply levels across key markets. The overall system inventory stood at 14 months, lowest since 2019 reflecting healthy absorption and stronger demand.
- Pricing Movement:** Between 2019 and 2024, MMR and Pune witnessed average price growth at a CAGR of 5%–7%. Industry expects similar pricing momentum, with a growth of 3-5% CAGR until 2027, driven by supply-demand equilibrium and ongoing infrastructure developments.
- Customer Sentiment:** Risk-averse homebuyers are gradually favoring reputed developers. A growing preference for lifestyle amenities, sustainability features, and community-based housing is influencing product design and sales velocity.

Regulatory and Market Enablers:

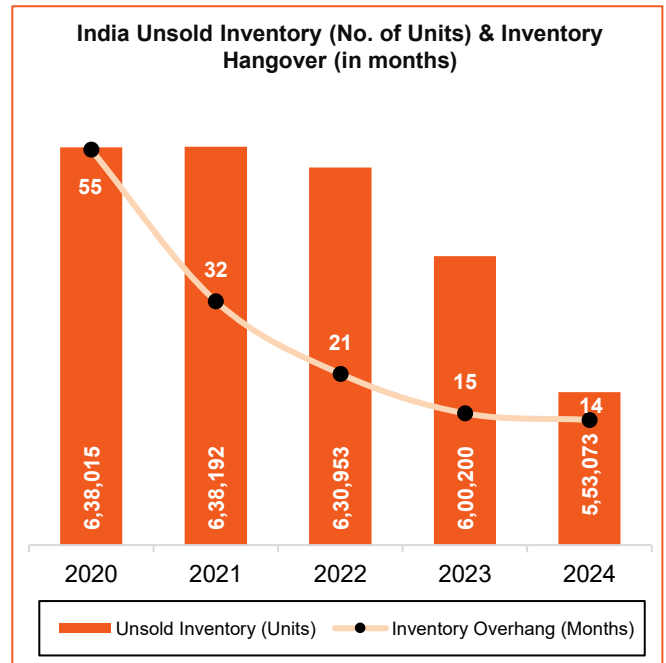
- RERA Impact:** Improved transparency, timely project disclosures, and escrow mechanisms have boosted buyer confidence and reduced execution risks.
- GST and REITs:** While GST altered the input tax credit dynamics, REITs have provided a structured platform for commercial asset monetization, attracting domestic and foreign institutional investors.
- Urban Infrastructure:** Enhancements like metro expansion, coastal roads, and expressways in urban markets like MMR have positively impacted micro-market demand and pricing dynamics.

Supply and Absorption Trends in Pan India (Top Seven Indian Markets Combined):



Source: IPO Prospectus, DevenChoksey Research

The Inventory Overhang Has Been On A Constant Decline On Back Of Higher Absorption Levels As Compared To Supply:



Source: IPO Prospectus, DevenChoksey Research

Kalpataru Ltd.

Industry Overview

Regional Highlights:

- **MMR:** As India's financial capital, MMR remains the largest and most complex real estate market. Despite regulatory bottlenecks and high entry barriers, demand remains resilient across income segments. Micro-markets like Thane, Navi Mumbai, and the Western Suburbs continue to attract both developers and homebuyers, supported by large infrastructure projects such as the Mumbai Trans Harbor Link and Metro lines.
- **Pune:** Pune has emerged as a prominent IT and manufacturing hub, supporting residential demand across mid-income and premium categories. It also benefits from a balanced supply-demand scenario, comparatively better land availability, and faster approval timelines than MMR. The city's liveability index and infrastructure upgrades continue to boost its attractiveness for end-users and investors.

Common Threats and Challenges Across India:

1. Infrastructure and Urbanization:

- **Infrastructure Deficits:** Lack of adequate infrastructure such as roads, public transport, and utilities can make certain residential areas less attractive as it impacts the liveability of the location.
- **Urbanization Challenges:** Rapid urbanization can lead to overcrowding, strain on resources, and unplanned development, affecting the quality of life in residential areas.

2. Social and Demographic Factors:

- **Changing Demographics:** Shifts in demographics, such as the increasing preference for nuclear families, urban migration, and aging populations, can alter demand patterns.
- **Consumer Preferences:** Evolving consumer preferences for amenities, location, and lifestyle can impact the types of residential properties that are in demand.

3. Competition:

- **Market Saturation:** In some urban areas, the market may become saturated with too many residential projects, leading to intense competition and price wars.
- **Emerging Markets:** Competition from emerging markets and new developers can impact established players.

Specific Challenges In Mumbai MMR:

1. High Property Prices:

- Mumbai (MCGM) areas has some of the highest property prices in India, making housing unaffordable for many. High property prices act as Entry barrier for many buyers, who resultantly look for alternatives in Extended Suburbs of MMR like Thane, Vasai-Virar and Navi-Mumbai.
- **Income Disparity:** The disparity between high property prices and average income levels makes it challenging for middle-income buyers to afford homes, especially in central areas of Mumbai.

2. Limited Land Availability:

- **Scarcity of Land:** The geographical constraints and high population density limit available land for new developments.
- **Redevelopment Projects:** Redevelopment of old buildings is complex and time-consuming due to legal and regulatory aspects.

3. Construction Costs:

- **Rise Construction Costs:** Rise in the cost of construction in Mumbai can affect the feasibility of projects as land cost in Mumbai are also high.
- **Delays and Cost Overruns:** Delays in project completion often led to cost overruns, impacting profitability.

Outlook:

The sector outlook remains optimistic, supported by favorable demographic trends, urbanization, and rising nuclear households. New project launches are expected to remain concentrated among organized developers with strong execution capabilities. Cities like Hyderabad, Bengaluru, Noida, and Surat are gaining traction as secondary hubs for expansion beyond MMR and Pune.

Infrastructure investments, such as expressways, regional airports, and mass transit systems, will continue to shape micro-market demand patterns. Additionally, sustainability certifications (LEED, IGBC) and digital transformation in sales and construction processes are gaining importance across the real estate value chain.

Kalpataru Ltd.

Company Overview

Kalpataru Limited is a real estate development company engaged in end-to-end activities including land acquisition, planning, design, execution, sales, and marketing of real estate projects. It is a leading player in the Mumbai Metropolitan Region (MMR), with a presence across all its micro-markets. Between 2019 and December 31, 2024, the company ranked as the 5th largest developer in the MCGM area and 7th in Thane region by units supplied. As of December 31, 2024, Kalpataru has completed 120 projects, covering over 25.9 Mn. Sq. Ft. (MSF) of developable area across major Indian cities including Mumbai, Thane, Pune, Hyderabad, Bengaluru, Indore, and Jodhpur. Kalpataru benefits from the broader Kalpataru Group's global operations and expertise in EPC contracting, infrastructure, logistics, and facility management. The company uses the "Kalpataru" brand under a licensing agreement with Kalpataru Business Solutions Private Limited, a Group Company.

Summary of Ongoing Projects, Forthcoming Projects and Planned Projects as on 31st Dec 2024

Type of Project	Number of Projects	Developable Area (MSF.)
Ongoing Projects		
Residential	23	24.0
Commercial	2	0.9
Sub-total	25	24.8
Forthcoming Projects		
Residential	5	7.4
Commercial	0	-
Mixed-use development	1	9.0
Sub-total	6	16.3
Planned Projects		
Residential	5	7.8
Commercial	0	-
Sub-total	5	7.8
Total	36	49.0

Source: IPO Prospectus, DevenChoksey Research

Kalpataru focuses on the development of luxury, premium, and mid-income residential, commercial, and retail projects, including integrated townships and lifestyle gated communities. Its residential portfolio spans villas, duplexes, apartments, and plots, with 68.3% of the residential developable area located in the Mumbai Metropolitan Region (MMR) as of December 31, 2024. In commercial real estate, the company follows a develop-to-lease or develop-to-sell model, while in retail, it develops and manages leased spaces in shopping malls. Kalpataru also adopts an asset-light strategy for redevelopment through joint ventures (JV), and joint development agreements (JDA), accounting for a combined significant share of its upcoming development pipeline. As of December 31, 2024, the company had a total developable area of approximately 24.8 MSF under Ongoing Projects and 16.3 MSF under Forthcoming Projects, with planned launches across FY 2025–2027. Additionally, it holds 1,886 acres in Land Reserves across key cities. While most of its operations are concentrated in MMR and Pune, the company also has ongoing or planned projects in Hyderabad, Noida, Nagpur, Surat, and Udaipur. Kalpataru's integrated model and research-led design approach support its capabilities across all key functions of real estate development, enabling it to deliver large-scale, innovative projects across diverse geographies.

Summary of Completed Projects as on 31st Dec 2024

Type of Project	Number of Completed Projects	Developable Area (MSF)						
		Mumbai	Thane	Rest of MMR	Total MMR	Pune	Others	Total
Residential	64	4.8	4.0	1.0	9.9	3.9	1.0	14.8
Commercial	10	0.7	0.0	0.0	0.7	0.2	0.0	0.8
Mall	1	0.0	0.4	0.0	0.4	0.0	0.0	0.4
Total	75	5.5	4.4	1.0	10.9	4.1	1.0	16.0

Source: IPO Prospectus, DevenChoksey Research

Sales Summary by Residential Category as on 31st Dec 2024

Category	Unsold Residential Development Units		Residential Sales Value		Saleable Area Sold	
	(MSF)	(% of Total Saleable Area)	INR Mn	(% of Total Residential Sales Value)	(MSF)	(% of Total Saleable Area Sold)
Ultra-luxury	0.7	12.0	10,293.0	40.0	0.4	21.0
Luxury	1.3	21.0	4,848.0	19.0	0.3	17.0
High-end	3.8	59.0	9,546.0	37.0	0.9	46.0
Mid-end	0.5	8.0	1,044.0	4.0	0.3	16.0

Source: IPO Prospectus, DevenChoksey Research

Kalpataru Ltd.

Company Overview

Kalpataru's total development portfolio, encompassing Ongoing, Forthcoming, and Planned Projects, consists of 36 projects with a total developable area of approximately 49.0 MSF as of December 31, 2024.

- **Planned Projects:**

Kalpataru Limited has 5 planned projects with a total developable area of 7.8 MSF as of December 31, 2024, all of which are residential projects located in the Mumbai Metropolitan Region (MMR) and Pune. Construction and sales for these projects have not yet commenced, though preliminary management development plans are in place.

- **Ongoing Projects:**

As of December 31, 2024, Kalpataru Limited has 25 ongoing projects with an approximate developable area of 24.8 MSF, comprising 23 residential and 2 commercial developments, where construction and sales have already begun. These projects are primarily concentrated in the MMR (18 projects, 17.4 MSF) and Pune (5 projects, 5.8 MSF), with some presence in other regions.

- **Forthcoming Projects:**

The company has 6 forthcoming projects with an estimated developable area of 16.3 MSF as of December 31, 2024, which are expected to launch in Financial Years 2025, 2026, and 2027. These projects have preliminary management plans and initiated approval processes, with a significant portion (5 projects, 15.4 MSF) located in the MMR.

Projects by geographical area as of 31st Dec 2024

Location	Plot Area (acres)	Developable Area (MSF)	Number of Projects	Number of Ongoing Projects	Number of Forthcoming Projects	Number of Planned Projects
Mumbai	42.5	8.8	15	11	3	1
Thane	77.6	19.1	6	4	2	0
Rest of MMR	130.0	7.8	5	3	0	2
Pune	192.6	10.8	7	5	0	2
Others	42.7	2.5	3	2	1	0
Total	485.4	49.0	36	25	6	5

Source: IPO Prospectus, DevenChoksey Research

Kalpataru is expanding its real estate development business by venturing into redevelopment, joint venture (JV), and joint development agreement (JDA) projects with other landowners. While these projects represent a smaller portion of its development portfolio in terms of developable area, the company views this asset-light approach as a key driver for future growth.

Redevelopment, JV, and JDA Projects as of 31st Dec 2024

Model of Development	Number of Projects	Developable Area (MSF)
Redevelopment	5	2.4
Joint venture	2	3.6
Joint development agreement	6	6.5

Source: IPO Prospectus, DevenChoksey Research

Kalpataru saw strong performance in the nine months ending December 31, 2024, and reported a sales value of INR 27,272 Mn., along with sale of 2.1 MSF saleable area and 1,407 units sold. The company also managed to collect INR 26,217 Mn in sales, reflecting efficient revenue collection and healthy cash flow. These figures highlight the company's consistent growth and strong demand across its residential projects, demonstrating its solid position in the market and effective operational execution.

Operational metrics

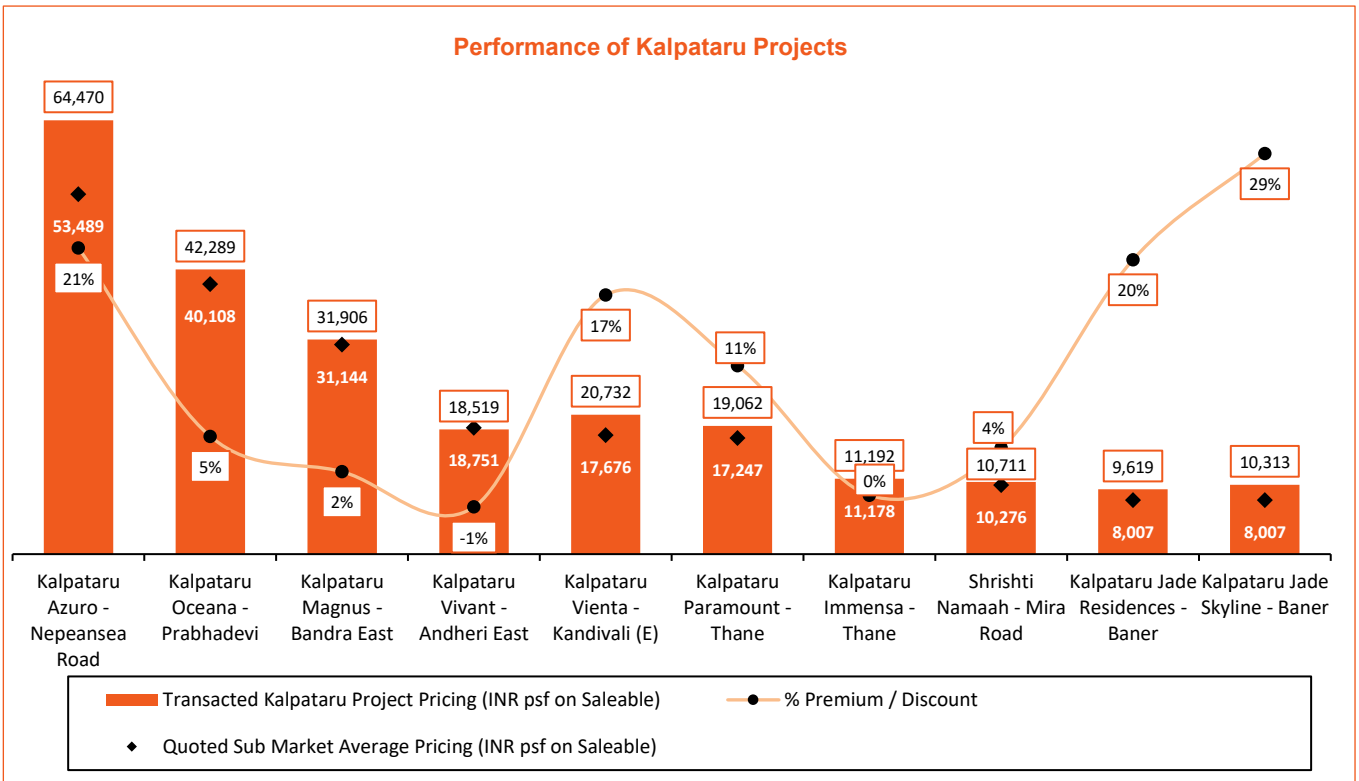
Particulars	FY22	FY23	FY24	9M FY25
Sales value (INR Mn)	21,141	29,574	32,020	27,272
Sales (Saleable Area in MSF)	2.20	2.69	2.83	2.05
Sales (number of units)	1,507	1,821	2,095	1,407
Sales Collections (INR Mn)	15,592	22,074	26,859	26,217

Source: IPO Prospectus, DevenChoksey Research

Kalpataru Ltd.

Company Overview

Kalpataru has built a well-established and trusted brand over its 55-year legacy, which plays a crucial role in influencing buying decisions and enabling premium pricing for its projects. The company markets its real estate developments under the "Kalpataru" brand name, which is licensed through an agreement with Kalpataru Business Solutions Private Limited, a Group Company. Notable branded projects include Kalpataru Avana in Mumbai, Kalpataru Magnus in Bandra, and Kalpataru Park city in Thane. These projects are not only associated with prestigious awards but also command a price premium over other properties in their respective sub-markets. This strong brand presence enables Kalpataru to consistently achieve higher pricing compared to the average market rates in the areas where it operates.



Source: IPO Prospectus, DevenChoksey Research

Kalpataru's focus on developing and marketing its projects as "branded" developments has not only enhanced its market reputation but also allowed it to command premium pricing, setting its properties apart in a competitive market. Kalpataru's ability to achieve a price premium across various sub-markets is a testament to the strength of its brand, which is associated with quality, reliability, and prestige. With a portfolio of award-winning projects in prime locations, Kalpataru continues to leverage its brand equity to drive growth and expand its presence in key cities across India. The company's approach of integrating brand value with high-quality execution positions it for sustained success and leadership in the real estate sector.

Kalpataru Ltd.

Strategies:

Focused Presence in MMR and Pune with Selective Expansion into High-Growth Cities:

- The company focuses primarily on MMR and Pune, which contribute 94.8% of its 46.5 MSF Developable Area. These markets offer strong demand and high entry barriers, favoring established developers.
- With a diversified mix of residential and commercial projects, the company is selectively expanding into high-growth cities like Hyderabad, Noida, Nagpur, Surat, and Udaipur.

Efficient Project Execution and Value Realization from Land Reserves:

- As of December 31, 2024, the company had 485.4 acres under development and 1,886.1 acres in land reserves.
- It plans timely execution of ongoing and upcoming projects and phased development of reserves, with a focus on residential use. Value unlocking strategies include land monetization and third-party development to optimize capital.

Deleveraging the balance sheet:

- As of Dec 31, 2024, Kalpataru's net gearing was 86.5%. The company reduced debt by converting INR 14,400 Mn of CCDs into equity and monetized land worth INR 20,000+ Mn.
- IPO proceeds will partly go toward debt repayment, while for the future they plan to deploy asset-light growth via JVs/JDAs, land sales, and refinancing to lower interest costs and extend maturities.

Asset-Light Growth via Redevelopment, JVs & JDAs:

- Kalpataru is expanding through asset-light models—redevelopment (2.4 MSF), JVs (3.6 MSF), and JDAs (6.5 MSF)—comprising 18.09% of ongoing, 2.2% of forthcoming, and 5.2% of planned development.
- With limited land in key MMR areas, the company sees redevelopment as a key growth driver alongside selective retail development.

Core Focus on Residential with Selective Mixed-Use Development:

- Kalpataru's portfolio remains predominantly residential (95.4% or 46.7 MSF as of Dec 31, 2024).
- The company continues to prioritize residential development while selectively adding retail and commercial components in mixed-use projects based on location potential and market demand.

Focus on Innovation, Quality, and Sustainable Development:

- Kalpataru emphasizes innovative, high-quality, and sustainable real estate projects. The company integrates advanced technologies like wind tunnel testing, energy modelling, and fluid dynamics to enhance structural integrity, energy efficiency, and occupant comfort.
- A dedicated Kaizen team drives continuous improvement. Green design and early trend identification remain core to its strategy, helping differentiate offerings and elevate customer satisfaction.

Risks:

- As of December 31, 2024, 94.8% of the company's projects are in the MMR and Pune, exposing it to region-specific economic, regulatory, and political risks, including land scarcity, demand shifts, financing challenges, and local policy changes.
- The supply of land in MMR and Pune is limited and highly competitive, potentially leading to increased land prices. Expanding into new cities involves challenges like varying competition, regulations, business norms, and difficulties in securing approvals or local partners.
- The company has previously faced penalties for non-compliance with debt terms, and any future lapses could lead to defaults. HDFC Bank's approval for the issue is tied to repaying INR 5,000 Mn from the proceeds. High debt and restrictive loan covenants reduce financial flexibility, while unsecured loans may be recalled anytime, impacting working capital.
- Real estate projects face long timelines and potential delays from land issues, financing, approvals, contractor performance, demand shifts, or legal hurdles. Such delays may result in litigation and RERA penalties.
- The company has pledged equity shares of several subsidiaries as security for loans. Enforcement of these pledges upon default could reduce or divest control and economic interest in these subsidiaries.
- A significant portion of working capital needs are funded by presales. Cancellations or changes in regulations governing presales could increase working capital needs.

Kalpataru Ltd.

SWOT Analysis



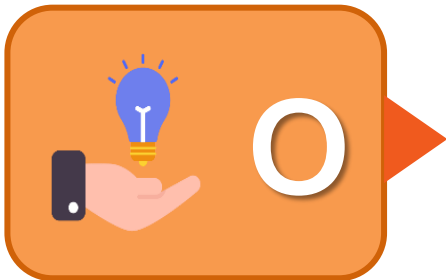
Strengths:

- **Established Brand Reputation** in the Indian real estate market with decades of operational history.
- **Diversified Portfolio** across residential, commercial, and plotted developments in key metro cities.
- **Asset-Light Model** through Joint Development Agreements (JDAs), enabling scalability with lower capital intensity.
- **In-House Execution Capabilities** including construction, design, and procurement, ensuring quality and cost efficiency.



Weaknesses:

- **Geographical Concentration** with a significant reliance on the Mumbai Metropolitan Region (MMR).
- **High Working Capital Cycles** due to nature of real estate development and staggered customer inflows.
- **Inventory Overhang** in some completed or older projects, indicating slower sales or mismatch with demand.
- **Regulatory Dependence** for approvals and clearances, affecting project timelines and costs.



Opportunities:

- **Affordable & Mid-Income Housing Demand** supported by government incentives and urbanization.
- **Redevelopment Potential** in aging metro infrastructure, especially in Mumbai and Pune.
- **Tier II/III City Expansion** offering untapped demand and lower land acquisition costs.
- **Platform and Prop-Tech Integration** to streamline customer onboarding, marketing, and service delivery.



Threats:

- **Interest Rate Hikes** impacting buyer affordability and project financing costs.
- **Regulatory Changes (RERA, GST, Stamp Duty)** introducing uncertainty or delays.
- **Economic Downturns** reducing discretionary income and homebuyer sentiment.
- **Intense Competition** from both established and emerging players in high-demand regions.

Kalpataru Ltd.

Peer Comparison

Peers	Kalpataru	Kolte Patil Developers	Sunteck Realty	Sobha	Signature Global	Brigade Enterprises	Prestige Estates
Market cap	85,241	33,708	64,192	1,63,249	1,78,442	2,83,267	7,34,718
Enterprise Value	1,93,055	40,362	66,036	1,56,995	1,87,434	3,07,496	8,38,832
FY25 Sales	21,663	17,174	9,027	40,387	24,980	50,742	77,355Y
YoY Growth (%)	12.2%	25.2%	46.2%	33.1%	102.2%	3.6%	-5.2%
EBITDA (FY25)	1,036	2,943	1,759	446	2,354	14,142	29,449
EBITDA Margin (%)	4.8%	7.3%	10.2%	1.8%	26.1%	27.9%	38.1%
Net profit (FY25)	73	946	1,066	1,011	1,503	6,858	4,675
Profit Margin (%)	0.3%	2.3%	6.2%	4.0%	16.7%	13.5%	6.0%
Net Worth	15,485	45,605	8,301	7,267	32,600	56,385	1,54,230
ROE (%)	0.4%	2.7%	13.6%	14.9%	4.7%	14.8%	3.5%
ROIC (%)	0.1%	2.2%	11.6%	4.8%	4.4%	7.3%	2.4%
P/E ratio (FY25)	959.8x	168.4x	31.1x	172.9x	42.9x	40.8x	158.2x
P/S (FY25)	3.9x	3.9x	1.9x	7.0x	7.1x	5.5x	9.6x
EV/EBITDA (FY25)	186.3x	52.0x	22.7x	412.4x	28.2x	21.5x	28.7x
EV/Sales (FY25)	8.9x	3.8x	2.3x	7.4x	7.3x	6.0x	10.9x
Realization (INR./Sq. Ft.)	13,304	13,412	7,758	12,457	NA	11,138	14,113
Sales Booking (Mn. Sq. Ft.)	2.1	4.7	3.6	8.3	NA	7.0	12.6
Net Debt / EBITDA	99.1x	-2.1x	3.7x	20.1x	0.8x	1.5x	3.4x
Net Debt / Equity	6.6x	-0.1x	0.8x	1.2x	0.1x	0.4x	0.6x

Note: Kalpataru Ltd's 9M FY25 financial figures are annualized.

Source: Factset, IPO Prospectus, Deven Choksey Research

Kalpataru Ltd.

Outlook:

Kalpataru, is a member company of the “Kalpataru Group” (a MNC having operations in EPC contracting for power transmission and distribution, oil and gas, railways, and others). It is one of the prominent real estate company in MMR region with years of experience in delivering quality projects. As of December 31, 2024, it has completed and delivered over 120 projects spanning over 25.9 MSF area.

The Company is known for providing premium, gated residential homes, at an affordable price range. It's revenue and gross profit has grown at 29.4% and 46.8% CAGR between FY22-FY25 (based on annualized 9MFY25 figures), driven by improving projects pipeline, healthy pre-sales traction and robust collections. Despite exhibiting strong operational performance, its EBITDA margin stands very thin due to higher capitalized finance cost (included in cost of sales and other operating expenses) compared to its listed peers.

It plans to raise INR 15.9bn funds through initial issue, to fund the repayment of the borrowings worth INR 11.9bn owed by the Company and its subsidiaries. Further, the pre-sales and collections is expected to be stronger in the upcoming years led by completion of ongoing projects. The equity raise and strong operating cash flows will aid in deleveraging of the balance sheet and will support significant savings in interest cost and translate into improved profitability.

Kalpataru's initial issue is priced at 186.3x FY25 EBITDA (annualized 9MFY25), which appears expensive compared to broad set of listed peers operating in mid-to-high end real estate segment. We understand the earnings of the real estate business can be highly volatile led by the nature and value of the projects developed. We assign a “**NEUTRAL**” rating to the issue, considering the scope of future developments on the land reserve it owns.

Valuation Table

Company Name	CMP (INR)	Market Cap (INR Mn)	Revenue CAGR (%)	EBITDA CAGR (%)	EBITDA Margin (%)	EV/Sales		EV/EBITDA		ROE	ROIC
			FY23-25	FY23-25	FY25	FY25	TTM	FY25	TTM	FY25	FY25
Kalpataru	414	85,241	-22.8%	NM	4.8%	3.9x	3.9x	186.3x	186.3x	0.3%	0.1%
Domestic Peers											
Sobha	1,490	1,59,351	11.3%	-8.0%	7.3%	3.1x	3.8x	29.8x	36.6x	2.7%	2.2%
Kolte-Patil	437	33,191	7.4%	-4.1%	10.2%	1.8x	2.3x	14.1x	17.9x	13.6%	11.6%
Signature Global	1,244	1,74,760	26.9%	-21.3%	1.8%	6.5x	7.4x	88.4x	99.9x	NA	4.8%
Sunteck Realty	440	64,441	52.3%	59.7%	26.1%	6.5x	7.3x	24.8x	28.2x	4.7%	4.4%
Brigade Enterprise	1,145	2,79,760	21.4%	27.5%	27.9%	5.2x	6.0x	15.9x	18.4x	14.8%	7.3%
Prestige Estates	1,717	7,39,758	-4.5%	14.1%	38.1%	7.9x	10.9x	20.9x	28.7x	3.5%	2.4%
Mean			19.1%	11.3%	18.6%	5.2x	6.3x	32.3x	38.3x	7.9%	5.4%
Median			16.3%	5.0%	18.2%	5.8x	6.7x	22.9x	28.4x	4.7%	4.6%

Note: Kalpataru Ltd's 9M FY25 financial figures are annualized.

Source: Factset, IPO Prospectus, DevenChoksey Research

Kalpataru Ltd.

Financials:

Income Statement (INR Mn)	FY22	FY23	FY24	9MFY25	Cash Flow (INR Mn)	FY22	FY23	FY24	9MFY25
Revenue	10,007	36,332	19,300	16,247	Net Cash Flow from Operating Activities	4,022	21,391	3,765	3,004
Operating Expenditure	10,485	37,124	20,584	15,470	Net Cash Flow from Investing Activities	1,043	-319	-1,325	-450
EBITDA	-478	-792	-1,284	777	Net Cash Flow from Financing Activities	-5,135	-21,010	-2,997	-3,489
EBITDA Margin %	-5%	-2%	-7%	5%	Net Increase/(Decrease) in Cash	131	62	-557	-936
Other Income	2,479	834	1,000	748	Cash & Cash Equivalents at the Beginning	498	630	692	134
Depreciation	327	318	326	269	Cash & Cash Equivalents at the End	630	691	134	-802
Interest	3,064	1,303	342	771					
PBT	-1,390	-1,579	-953	485					
Exceptional items	8	-8	-4	-12					
Tax	(129)	707	208	418					
PAT	-1,254	-2,294	-1,165	55					
PAT Margin (%)	-13%	-6%	-6%	0%					
Adjusted EPS	-6.09	-11.14	-5.66	0.27					

Balance sheet (INR Mn)	FY22	FY23	FY24	9MFY25
Non-Current Assets				
Property, plant and equipment	1,184	1,285	1,112	2,518
Capital WIP	1,205	1,306	1,455	1,048
Other Intangible assets	47	31	14	13
Investment property (including under construction) and in associates	5,754	5,502	5,268	5,104
Other Investments	773	862	933	969
Other financial assets	383	606	918	1,558
Deferred tax asset (net)	1,975	1,624	1,710	1,642
Non current tax assets	1,156	707	714	338
Other non-current assets	43	82	101	148
Current Assets				
Inventories	1,03,532	97,090	1,06,544	1,20,193
Trade receivables	6,751	4,784	6,230	6,973
Cash and cash equivalents	1,609	1,821	1,516	2,750
Bank balance	1,914	2,173	4,689	5,164
Loans	2,609	3,114	2,584	2,295
Other financial assets	2,822	2,027	1,611	1,142
Other current assets	2,308	2,328	3,302	3,770
Total Assets	1,34,066	1,25,341	1,38,701	1,55,623
EQUITY AND LIABILITIES				
Equity share capital	1,397	1,397	1,397	1,397
Other equity	12,853	10,756	8,792	14,399
Non controlling interest	112	-149	-279	-311
Total Equity	14,362	12,004	9,909	15,485
Non-Current Liabilities				
Borrowings	29,100	30,853	39,801	39,544
Provisions	203	279	323	354
Other financial liabilities	1,353	1,824	1,709	1,575
Other non current liabilities	37	28	91	271
Current Liabilities				
Borrowings	74,560	65,943	67,082	71,020
Trade Payables	2,849	2,252	4,417	4,603
Other Financial liabilities	3,433	4,089	3,875	7,035
Other current liabilities	8,169	8,069	11,493	15,738
Total Equity and Liabilities	1,34,066	1,25,341	1,38,701	1,55,623

Source: IPO Prospectus, Deven Choksey Research

Kalpataru Ltd.**ANALYST CERTIFICATION:**

I, **Ishank Gupta** (CA), Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & Conditions and other disclosures:

DRChoksey FinServ Private Limited (hereinafter referred to as DCFPL) is a registered member of SEBI as a Research Entity vide Registration No. INH000011246 under SEBI (Research Analyst) Regulations, 2014, Portfolio Managers Entity vide Registration No. INP000007906 under SEBI (PORTFOLIO MANAGERS) Regulations, 2020 & Investment Adviser Entity vide Registration No. INA000017903 under SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013.

The information and opinions in this report have been prepared by DCFPL and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of DCFPL. While we would endeavor to update the information herein on a reasonable basis, DCFPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent DCFPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily, and such suspension is in compliance with applicable regulations and/or DCFPL policies, in circumstances where DCFPL might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. DCFPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. DCFPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed herein, in reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

We submit that no material disciplinary action has been taken on DCFPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.

DCFPL prohibits its associate, analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst and has not been engaged in market making activity of the company covered by research analyst.

It is confirmed that, I, **Ishank Gupta** Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific brokerage service transactions.

DCFPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report other than investment banking or merchant banking or brokerage services from the subject company

DCFPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. DCFPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither DCFPL nor Research Analysts his associate or his relative, have any material conflict of interest at the time of publication of this report.

It is confirmed that **Ishank Gupta**, Research Analyst do not serve as an officer, director or employee of the companies mentioned in the report.

DCFPL or its associates (Group Companies) or its research analyst has may been engaged in market making activity for the subject company.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other Jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject DCFPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform them of and to observe such restriction.

The securities quoted are for illustration only and are not recommendatory.

DCFPL (Research Entity) and its research analysts uses Artificial Intelligence tools.

DCFPL and or its Research analysts shall be solely responsible for the security, confidentiality and integrity of the client data, use of any other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other Jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject DCFPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform them of and to observe such restriction.

Investment in securities are subject to market risks, read all the documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Please send your feedback to research.retail@devenchoksey.com

DRChoksey FinServ Private Limited

CIN Number -U67100MH2020PTC352816

Registered Office and Corporate Office:

5th Floor Abhishek Building, Behind Monginis Cake Factory, Off New Link Road, Andheri West, Mumbai-400058