

Kalpataru Ltd.

Company Overview:

Kalpataru Ltd., founded in 1988, is a real estate development company based in Mumbai Metropolitan Region (MMR). The company mainly focuses on development of luxury, premium and mid-income residential, commercial and retail projects, integrated townships, lifestyle gated communities, and redevelopments across Indian cities. Kalpataru Ltd. is a part of the Kalpataru Group, which includes companies across the construction and infra sector. Association with the Kalpataru Group helps the company enhance its reputation and enables it to derive synergies in terms of expertise and experience. As of Dec'24, the company had a total of 120 completed projects aggregating to more than 25.9 msf of developable area within Mumbai, Thane, Panvel and Pune in Maharashtra and Hyderabad, Indore, Bengaluru and Jodhpur.

Key Highlights:

1. Prominent real estate player in the MMR: Kalpataru is a strong player in the Mumbai Metropolitan Region and has a presence across all micro-markets in the region. MMR was ranked first among the top seven Indian markets in terms of supply, absorption, and average selling price from CY19 to Dec'24. Kalpataru has been the fifth largest developer in MCGM (Municipal Corporation of Greater Mumbai) area in Maharashtra and the seventh largest in Thane, in terms of units supplied. As of Dec'24, the company has completed 73 projects in the MMR and Pune region, aggregating to 23.2 msf of developable area. Further, Kalpataru has 23 ongoing projects, 5 forthcoming projects and 5 planned projects in the MMR and Pune region.

2. Integrated development model: The company has adopted an integrated real estate development model with capabilities and in-house resources to carry out all key activities associated with real estate development such as identifying and acquiring land (or developmental rights), planning, designing, execution, sales and marketing. Kalpataru's end-to-end execution capabilities enables it to offer a wide range of projects to cater to different segments of the real estate market and benefit from economies of scale and supply chain efficiencies. Affiliation with the Kalpataru Group also enables the company to derive synergies from adjacent offerings such as EPC, civil infrastructure construction, and facility management, among others.

3. Strong project pipeline and land reserve: As of Dec'24, the company has 25 ongoing projects, 6 forthcoming projects and 5 planned projects. Company's forthcoming projects comprises of ~16.3 msf of developable area and are expected to launch across FY26E and FY27E in various phases. The strong pipeline of projects and company's ability to sell throughout the construction phase by leveraging brand name provides visibility on near term cash flows. The company has land reserves aggregating to ~1,886.1 acres located in Gujarat, Rajasthan and Maharashtra. Kalpataru plan to develop land reserves in a phased manner, starting with residential and commercial projects.

Valuation: The company is valued at 9MFY25 annualized EV/Pre-sales multiple of 4.7x on post-issue capital. It has reported losses in the past largely due to shift in the accounting policy where now revenue is recognised on full completion of projects while expenses related to sales, marketing and administration are charged to P&L during the year of incurrence. Company's ~55% of the saleable area gets sold in first year of the launch and 90% of the saleable area gets sold prior to the receipt of occupancy certificate which supports healthy pre-sales outlook. Further, >80% of the company's portfolio caters to the high-end & luxury segments as of 9MFY25 which is the fastest growing segment in the MMR. Despite of utilizing ~Rs 1,193 cr of net IPO proceeds towards debt repayment, the net debt level will continue to be high. We maintain NEUTRAL view on the company and would like to monitor the company's pre-sales, cash flows and debt position post listing.

Issue Details	
Date of Opening	24 th June 2025
Date of Closing	26 th June 2025
Price Band (Rs)	387 – 414
Fresh Issue (Rs cr)	1,590
Issue Size (Rs cr)	1,590
Issue Size (No. of shares)	3,84,05,797 - 4,10,85,271
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	8,072 – 8,524
BRLMs	ICICI Securities, JM Financial, Nomura Financial Advisory and Securities (India)
Registrar	MUFG Intime India Pvt Ltd.
Bid Lot	36 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Prepayment/Repayment of borrowings availed by the company	1,192.5
General corporate purposes [^]	-
Total proceeds from fresh issue	1,590.0

[^] The amount to be utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	16,74,89,537	100.0
Public & Others	-	-
Total	16,74,89,537	100.0

Post Issue @ Lower Price Band	No. of Shares	%
Promoter & Promoter Group	16,74,89,537	80.3
Public & Others	4,10,85,271	19.7
Total	20,85,74,808	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	16,74,89,537	81.3
Public & Others	3,84,05,797	18.7
Total	20,58,95,334	100.0

Source: RHP, SSL Research

Key Financial Metrics

Particulars (Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from operations	1,000.7	3,633.2	1,930.0	1,624.7
EBITDA	(47.8)	(79.2)	(128.4)	77.7
Adj. EBITDA [^]	180.7	1,959.3	448.8	516.3
PAT	(125.4)	(229.4)	(116.5)	5.5
EBITDA Margin (%)	(4.8)	(2.2)	(6.7)	4.8
Adj. EBITDA Margin (%) [^]	18.1	53.9	23.3	31.8
PAT Margin (%)	(12.5)	(6.3)	(6.0)	0.3
RoE (%)	(8.8)	(18.9)	(11.4)	-
RoCE (%)	1.4	(0.3)	(0.5)	-
P/E (x)*	-	-	-	-

Source: RHP, SSL Research

[^]Adjusted EBITDA is calculated as EBITDA plus finance cost component included in cost of sales and other operational expenses.

*Company has been incurring losses from FY22-24

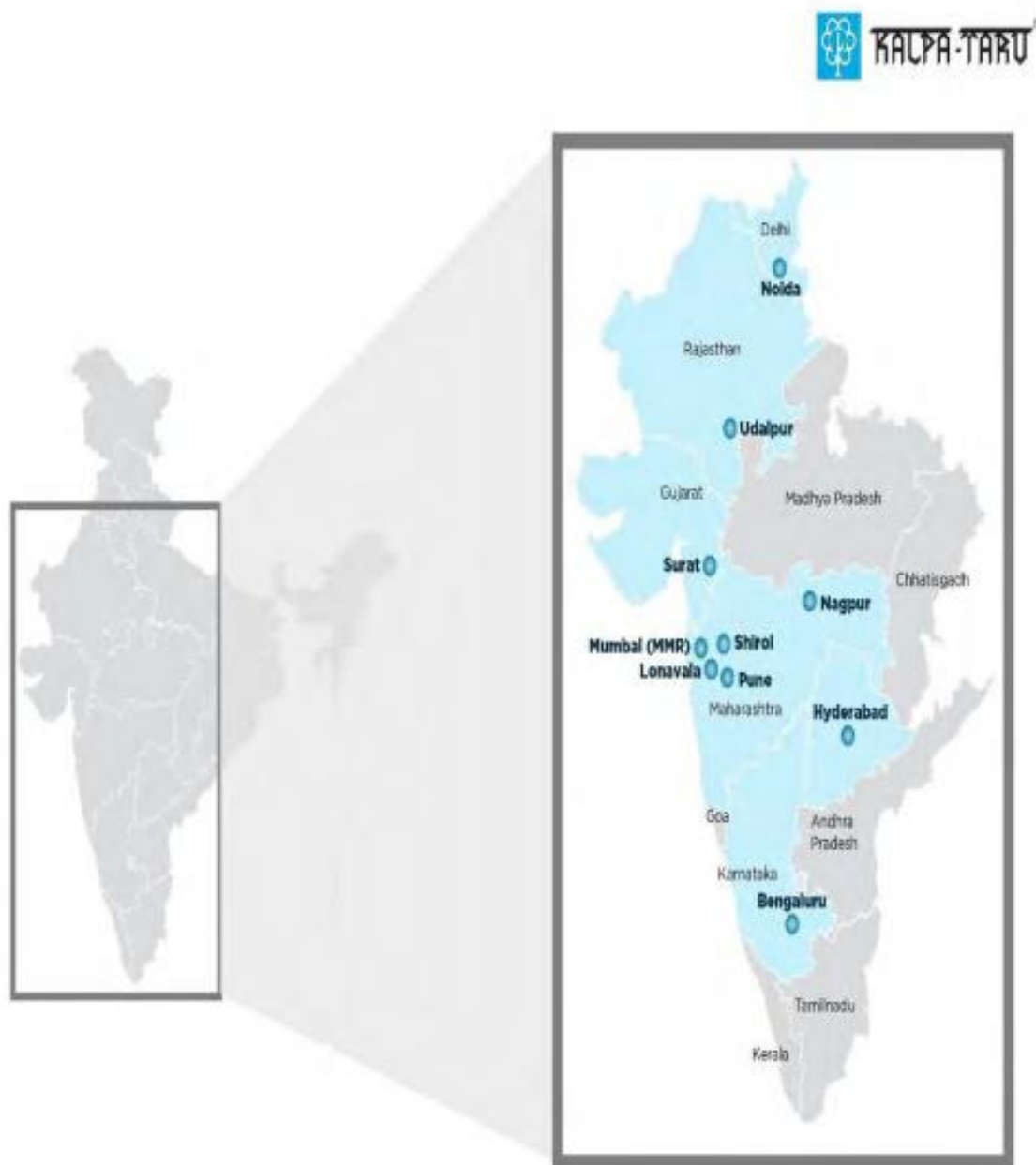
Risk Factors

- **Geographical concentration:** Approximately 95% of the company's real estate development projects are located in the MMR and Pune region.
- **Competitive risk:** Rising competition from existing and emerging real estate developers may lead to supply saturation, resulting in intense competition and price war.
- **Legal risk:** Any legal actions pertaining to land title deeds may hamper development projects. Furthermore, the company is yet to acquire full land rights to develop its two planned projects.
- **Supply chain disruption:** Disruption or fluctuation in supply or prices of key building materials could affect estimated construction cost and timelines resulting in cost and time overruns.
- **Capital intensive business:** Capital-intensive nature of operations as well as high debt could adversely affect the company's growth strategies.

Growth Strategies

- Maintain focus on the Mumbai Metropolitan and Pune Region while selectively pursuing opportunities in other high growth cities such as Delhi NCR, Bengaluru, Hyderabad, etc.
- Enter into redevelopment, joint venture and joint development projects with other landowners to develop their land.
- Develop retail, commercial and other projects as part of mixed-use developments to cater to consumer preferences for amenities, location, and lifestyle.
- Unlocking potential value in existing land reserves aggregating to ~1,886.1 acres across Gujarat, Maharashtra, Rajasthan.
- Deleverage the balance sheet by focusing on generating operational cashflows through new launches and sales of the development portfolio.

Geographical Presence



Source: RHP, SSL Research

Kalpataru's presence across India (as of Dec'2024)

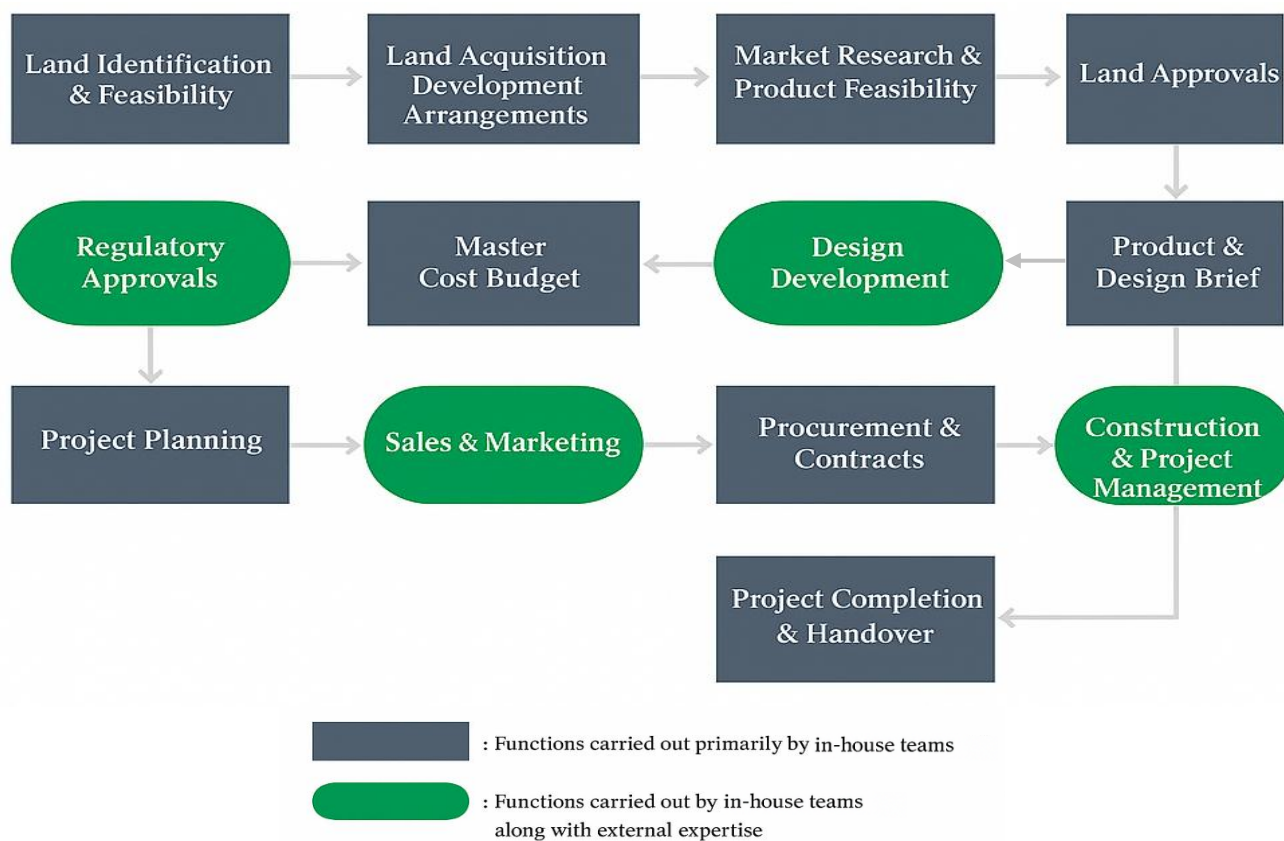
Geographical Presence



Source: RHP, SSL Research

Kalpataru's ongoing projects, forthcoming projects and planned projects
in the MMR (as of Dec' 2024)

Project Development Cycle



Source: RHP, SSL Research

Projects – Geography wise

Location	Plot area (in 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: RHP, SSL Research

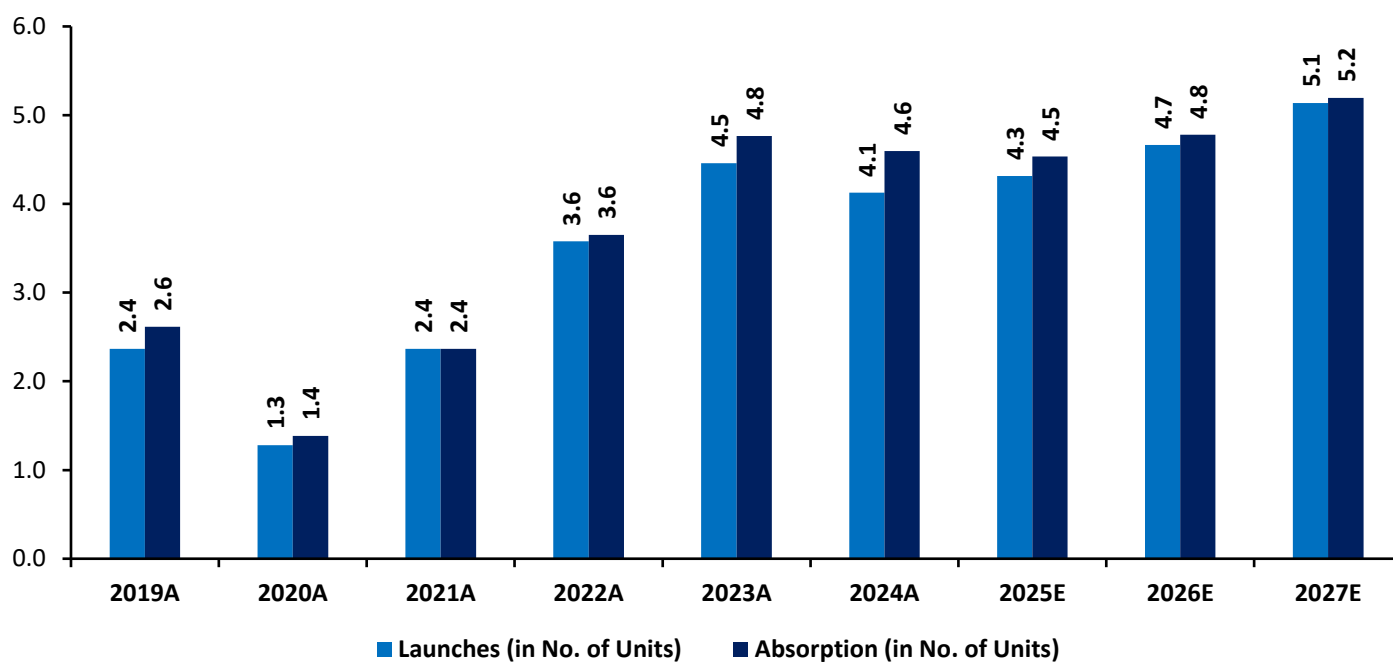
Historical KPIs

Particulars (Rs cr)	FY22	FY23	FY24	9MFY25
Sales Value	2,114	2,957	3,202	2,727
Sales Area (msf)	2.20	2.69	2.83	2.05
Gross Collections	1,559	2,207	2,686	2,622

Source: RHP, SSL Research

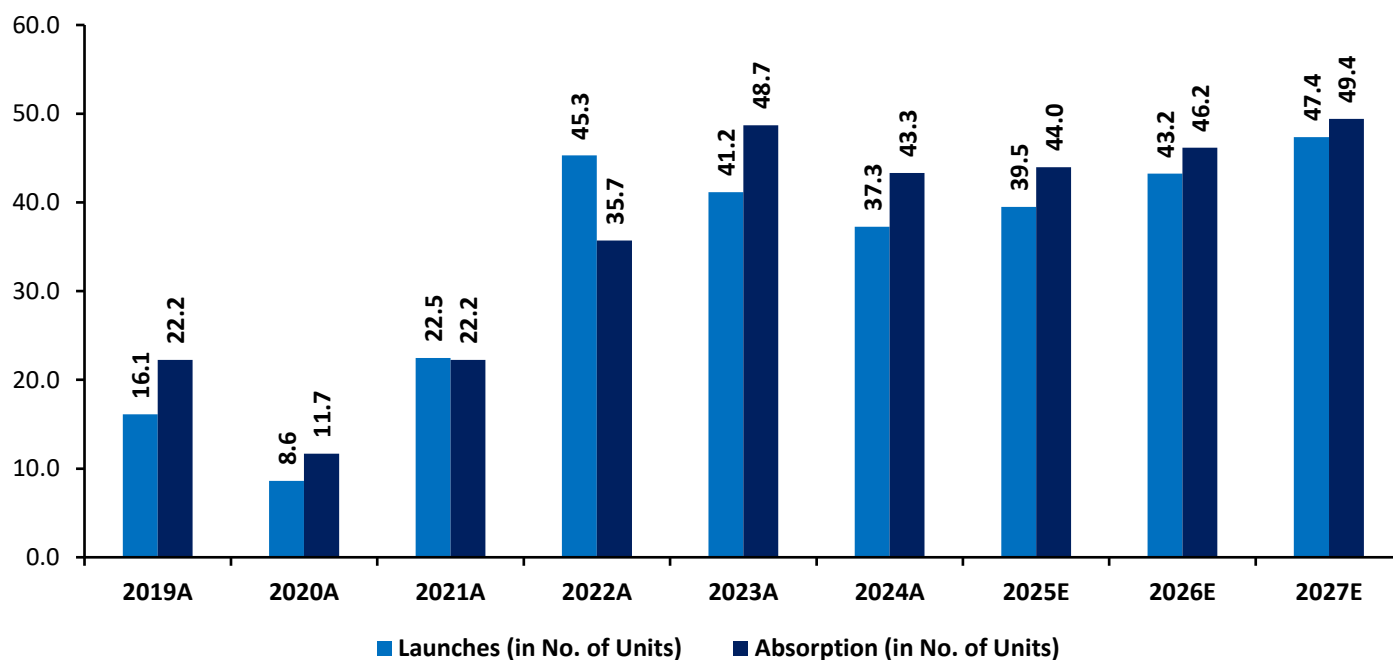
Industry Overview

PAN India Supply Absorption Forecast (in Lakhs)



Source: RHP, SSL Research

MCGM Supply Absorption Forecast (in Thousands)



Source: RHP, SSL Research

Note: MCGM stands for Municipal Corporation of Greater Mumbai

Financial Snapshot

INCOME STATEMENT				
(Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from Operations	1,001	3,633	1,930	1,625
YoY growth (%)	-	263.1%	-46.9%	-
Cost Of Revenues (incl Stock Adj)	849	3,397	1,717	1,264
Gross Profit	152	236	212	361
Gross margin (%)	15.2%	6.5%	11.0%	22.2%
Employee Cost	75	132	128	98
Other Operating Expenses	124	184	213	185
EBITDA	(48)	(79)	(128)	78
Adj. EBITDA	181	1,959	449	516
EBITDA margin (%)	-4.8%	-2.2%	-6.7%	4.8%
Adj. EBITDA margin (%)	18.1	53.9	23.3	31.8
Other Income	248	83	100	75
Interest Exp.	306	130	34	77
Depreciation	33	32	33	27
PBT	(139)	(158)	(95)	48
Exceptional item	-	-	-	-
Tax	(13)	71	21	42
PAT	(125)	(229)	(117)	6
PAT margin (%)	-12.5%	-6.3%	-6.0%	0.3%

BALANCE SHEET				
(Rs cr)	FY22	FY23	FY24	9MFY25
Assets				
Net Block	118	129	111	252
Capital WIP	121	131	146	105
Intangible Assets	4	3	1	1
Intangible Assets under development	-	-	-	-
Right of use assets	-	-	-	-
Other Non-current Assets	1,008	938	964	976
Current Assets				
Current Investment	-	-	-	-
Inventories	10,353	9,709	10,654	12,019
Trade receivables	675	478	623	697
Cash and Bank Balances	352	399	620	791
Short-term loans and advances	261	311	258	230
Other Current Assets	513	436	491	491
Total Current Assets	12,155	11,334	12,648	14,229
Current Liabilities & Provisions				
Trade payables	285	225	442	460
Other current liabilities	1,157	1,208	1,531	2,274
Short-term provisions	3	7	6	3
Total Current Liabilities	1,445	1,441	1,979	2,738
Net Current Assets	10,710	9,893	10,669	11,491
Assets Classified as held for sale	-	-	-	-
Total Assets	11,962	11,093	11,892	12,825
Liabilities				
Share Capital	140	140	140	140
Reserves and Surplus	1,285	1,076	879	1,440
Total Shareholders' Funds	1,425	1,215	1,019	1,580
Minority Interest	11	(15)	(28)	(31)
Total Debt	10,366	9,680	10,688	11,056
Long Term Provisions	20	28	32	35
Lease Liabilities	-	-	-	-
Other Long-Term Liabilities	139	185	180	185
Net Deferred Tax Liability	-	-	-	-
Total Liabilities	11,962	11,093	11,892	12,825

Cashflows (Rs cr)	FY22	FY23	FY24
Cash flow from Operating Activities	402	2,139	376
Cash flow from Investing Activities	104	(32)	(133)
Cash flow from Financing Activities	(514)	(2,101)	(300)
Free Cash Flow	385	2,116	327

RATIOS			
	FY22	FY23	FY24
Profitability			
Return on Assets	-0.9%	-1.8%	-0.8%
Return on Capital Employed	1.4%	-0.3%	-0.5%
Return on Equity	-8.8%	-18.9%	-11.4%
Margin Analysis			
Gross Margin	15.2%	6.5%	11.0%
EBITDA Margin	-4.8%	-2.2%	-6.7%
Net Profit Margin	-12.5%	-6.3%	-6.0%
Short-Term Liquidity			
Current Ratio (x)	1.4	1.4	1.5
Quick Ratio (x)	0.2	0.2	0.2
Avg. Days Sales Outstanding	246	48	118
Avg. Days Inventory Outstanding	4,452	1,043	2,264
Avg. Days Payables	99	22	78
Fixed asset turnover (x)	8.5	28.3	17.4
Debt-service coverage (x)	0.0	(0.0)	(0.0)
Long-Term Solvency			
Total Debt / Equity (x)	7.3	8.0	10.5
Interest Coverage Ratio (x)	0.5	(0.2)	(1.8)
Valuation Ratios*			
EV/EBITDA (x)	-	-	-
Adj. EV/EBITDA (x)	87.4	7.7	35.3
P/E (x)	-	-	-
P/B (x)	4.1	4.8	5.7
EV/Sales (x)	15.8	4.1	8.2
Price/Sales (x)	5.8	1.6	3.0

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison - FY25

Particulars (Rs cr)	Kalpataru Ltd.	Oberoi Realty Ltd.	Macrotech Developers Ltd.	Godrej Properties Ltd.	Sunteck Realty Ltd.	Mahindra Lifespace Developers Ltd.	Keystone Developers Ltd.	Prestige Estates Projects Ltd.
CMP	414	1,933	1,475	2,402	432	358	552	1,715
Sales	2,166	5,286	13,780	4,923	853	372	2,004	7,349
EBITDA	104	3,103	3,987	(74)	186	(170)	204	2,516
Net Profit	7	2,167	2,764	1,389	150	61	172	468
Mkt Cap.	8,524	70,284	1,47,198	72,342	6,328	7,638	6,961	73,853
Enterprise Value	17,199	72,582	1,52,536	79,517	6,512	8,814	7,020	82,060
EBITDA Margin (%)	4.8	58.7	28.9	(1.5)	21.8	(45.7)	10.2	34.2
Net Profit Margin (%)	0.3	41.0	20.1	28.2	17.6	16.4	8.6	6.4
RoE (%)	0.5	13.8	13.7	8.0	4.6	3.2	6.2	3.0
RoCE (%)	0.5	15.9	13.6	(0.5)	4.7	(5.6)	5.2	6.5
PE (x)	1,160.1	31.6	53.2	51.7	42.1	124.7	40.5	158.1
EV/EBITDA (x)	166.0	23.4	38.3	(1,074.6)	35.0	(51.8)	34.4	32.6
EV/Sales (x)	7.9	13.7	11.1	16.2	7.6	23.7	3.5	11.2
EV/Pre-Sales (x)	4.7	13.7	8.7	2.7	2.6	3.1	2.3	4.8

For Kalpataru Ltd, financials are annualised based on 9MFY25 data and the Market Cap, EV/EBITDA (x) & P/E (x) are calculated on post-issue equity share capital based on the upper price band.

CMP as on 23rd June, 2025.

Source: RHP, SSL Research

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485 | Research Analyst Registration No INH000000602

SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

IRDA/RW/IR2/2015/081 | IRDA/RW/IR1/2016/041 | IRDA: CA0103

Registered & Corporate Office: Marathon Futorex, A Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

022-6854 5555**E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in****DISCLOSURES & DISCLAIMERS:**

Analyst Certification: The views expressed in this research report ("Report") accurately reflect the personal views of the research analysts ("Analysts") employed by SBICAP Securities Limited (SSL) about any and all of the subject issuer(s) or company(ies) or securities. This report has been prepared based upon information available to the public and sources, believed to be reliable. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

The Analysts engaged in preparation of this Report or his/her relative:-

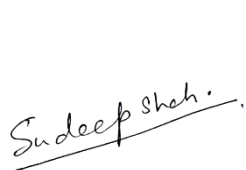
- (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1 or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report:-

- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

Name	Qualification	Designation
Sudeep Shah	MMS-Finance	DVP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Uday Chandgothia	B-Tech, MBA (Finance)	Research Associate - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

For other Disclosures please visit: https://bit.ly/R_disclaimer02


Sudeep Shah

DVP – Technical & Derivative Research


Sunny Agrawal

DVP – Fundamental Research