

ABOUT THE COMPANY: Founded in 1988, Kalpataru Limited is a Mumbai-based real estate development company engaged in building residential and commercial properties, integrated townships, and retail spaces across cities such as Mumbai, Thane, Pune, Hyderabad, Indore, Bengaluru, Panvel, and Jodhpur. It is a part of the Kalpataru Group, which includes Kalpataru Projects International Limited, Property Solutions (India) Private Limited, Shree Shubham Logistics Limited, and their subsidiaries. As of March 31, 2024, the company has completed 70 projects and has 40 ongoing developments across various regions in India.

KEY BUSINESS INSIGHTS: Kalpataru Limited, incorporated in 1988 and backed by the 55+ year legacy of the Kalpataru Group, is a prominent real estate developer with pan-India operations. It has delivered over 120 projects across 10 cities, with a strong footprint in the MMR and Pune regions, placing it among the Top 5 developers in these markets. The company has completed 75 projects and currently has 40 ongoing, 6 forthcoming, and 5 planned projects. Over 80% of its 9M FY25 portfolio is focused on premium and luxury residential developments, and 95% of its overall portfolio is residential in nature. Kalpataru has adopted a differentiated product strategy aimed at the mid to upper-mid segment, with 66% of 9M FY25 pre-sales coming from the ₹1–2.5 crore range. It possesses in-house capabilities across design, engineering, execution, and marketing, with over 270 professionals in sales and marketing, and 68 in project execution. As of FY24, the company has a cumulative base of 102 projects, offering high visibility into near-term cash flows backed by strong demand trends in the premium segment.

VIEW: Kalpataru Limited has built a strong brand presence in the premium residential market, driven by its execution capabilities, strategic market focus, and asset-light model. Its business direction appears sound, with value creation expected from deleveraging and promoter capital infusion. However, from a valuation standpoint, the company currently trades at a steep P/E multiple of 500.81x (based on annualised 9M FY25 earnings), significantly above the listed peer average of ~66x, and also commands a premium on P/B valuation. Despite strong operating fundamentals, the absence of consistent financial stability warrants caution. We maintain a **NEUTRAL** stance and recommend investors await upcoming quarterly results before taking a definitive investment call.



ISSUE DETAILS

Price Band (in ₹ per share)	387-414
Issue size (in ₹ Crore)	1590.00
Fresh Issue (in ₹ Crore)	1590.00
Offer for Sale (in ₹ Crore)	NA
Issue Open Date	24-06-25
Issue Close Date	26-06-25
Tentative Date of Allotment	27-06-25
Tentative Date of Listing	01-07-25
Total Number of Shares (in lakhs)	411.30-384.45
Face Value (in ₹)	10.00
Exchanges to be Listed on	NSE and BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	36	14,904
Retail (Max)	13	468	1,93,572
S-HNI (Min)	14	504	2,08,656
S-HNI (Max)	67	2412	9,98,568
B-HNI (Min)	68	2448	10,13,472

BRLMs: ICICI Securities Limited, Jm Financial Limited, Nomura Financial Advisory And Securities (India) Pvt Ltd

PROMOTER: Mofatraj P. Munot , Parag M. Munot

BRIEF FINANCIALS

PARTICULARS (Rs. Cr) *	9MFY25	FY24	FY23	FY22
Share Capital	139.65	139.65	139.65	139.65
Net Worth	1579.53	1018.86	1215.23	1424.99
Revenue	1624.73	1929.98	3633.18	1000.67
EBITDA	101.66	(78.01)	(49.66)	(35.97)
EBITDA Margin (%)	6.26	(4.04)	(1.37)	(3.60)
Profit/(Loss) After Tax	8.66	(103.44)	(203.37)	(124.55)
Adjusted EPS (in Rs.)	0.83^	(7.41)	(14.56)	(8.92)
Net Asset Value (in Rs.)	113.11	72.96	87.02	102.04
Total borrowings	11056.39	10688.30	9679.64	10365.96
P/E [#]	500.81	NA	NA	NA
P/B [#]	3.66	5.67	NA	NA

*Restated consolidated financials; #Calculated at upper price band ^Annualised EPS

OBJECTS OF THE OFFER

The company proposes to utilise the Net Proceeds towards funding the following objects:

- ◆ Repayment/pre-payment, in full or in part, of certain borrowings availed by: Company; and Subsidiaries upto Rs. 1192.50Cr.
- ◆ General corporate purposes.

FINANCIAL STATEMENTS

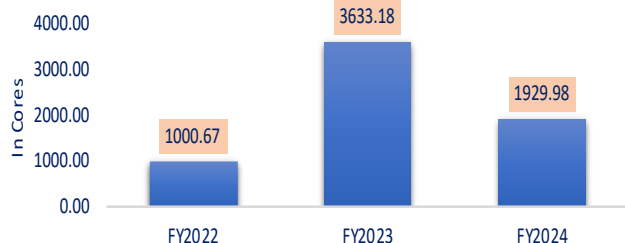
Profit & Loss Statement			
Particulars (In Crores)	FY2022	FY2023	FY2024
INCOME			
Revenue from operations	1000.67	3633.18	1929.98
Other Income	11.06	30.38	50.77
Interest Income	236.83	53.05	49.18
Total Income	1,248.55	3,716.61	2,029.94
YoY Growth (%)	-	263.07%	-46.88%
Cost of sales and other operational expenses	848.79	3396.83	1717.49
Cost of sales and other operational expenses-% of Revenue		91.40%	84.61%
Employee benefit expenses	75.24	131.79	127.95
Employee Expenses-% of Revenue	6.03%	3.55%	6.30%
Other expenses	124.44	183.77	212.96
EBIDTA (Calculated)	-35.98	-49.67	-78.01
EBIDTA Margin (%)	-2.88%	-1.34%	-3.84%
Adjusted EBITDA	180.69	1959.31	448.80
Adjusted EBITDA Margin (%)	14.47%	52.72%	22.11%
Depreciation and amortisation expense	32.70	31.84	32.64
EBIT	-68.68	-81.51	-110.65
EBIT Margin (%)	-5.50%	-2.19%	-5.45%
Finance cost	306.41	130.29	34.24
Profit / (Loss) before tax	-138.27	-158.74	-95.70
Tax expenses			
Current tax	23.36	39.07	74.99
Deferred Tax	-36.26	31.62	-54.18
Total tax expenses	-12.90	70.69	20.80
Profit for the year	-125.36	-229.43	-116.51
PAT Margin (%)	-12.53%	-6.31%	-6.04%
Earnings per share			
Basic earnings per share (₹)	-8.92	-14.56	-7.41

Cashflow Statement			
Particulars (In Crores)	FY2022	FY2023	FY2024
Net cash generated from operating activities	402.23	2139.12	376.45
Net cash used in investing activities	104.34	-31.95	-132.53
Net cash used in financing activities	-513.51	-2101.01	-299.72
Net increase/(decrease) in cash and cash equivalents	-6.94	6.17	-55.80
Balance as at beginning	49.84	62.97	69.13
Add: Cash and cash equivalents on account of acquisition / disposal of subsidiary	20.07	0.00	0.05
Balance as at end	62.97	69.13	13.38

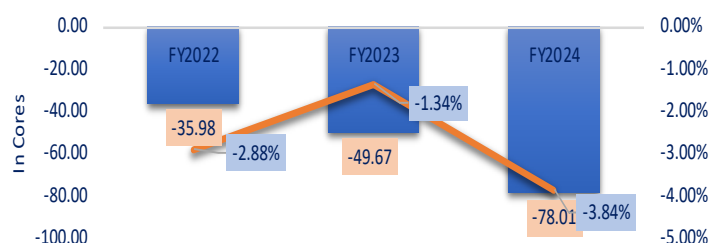
Balance Sheet			
Particulars (In Crores)	FY2022	FY2023	FY2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	118.39	128.51	111.19
Right-of-use assets	0.39	0.30	0.20
Capital work-in-progress	120.55	130.59	145.53
Investment property (including under construction)	575.37	550.22	526.76
Goodwill on consolidation	1.01	1.01	1.03
Other intangible assets	3.29	1.78	0.22
Investment in associates and joint ventures	0.75	0.75	0.75
Financial assets	0.00	0.00	0.00
Investments	76.58	85.44	92.53
Other financial assets	38.34	60.60	91.79
Non current tax asset (net)	115.55	70.70	71.42
Deferred tax assets	197.49	162.38	170.95
Other non-current assets	4.30	8.16	10.11
Total non-current assets	1251.99	1200.43	1222.48
CURRENT ASSETS			
Inventories	10353.19	9709.05	10654.44
Financial assets	0.00	0.00	0.00
Trade receivables	675.11	478.35	622.96
Cash and cash equivalents	160.93	182.06	151.56
Bank balance other than cash and cash equivalents	191.43	217.31	468.88
Loans	260.92	311.38	258.42
Others financial assets	282.23	202.74	161.15
Other current assets	230.75	232.80	330.19
Total Current Asset	12154.57	11333.69	12647.59
TOTAL ASSET	13406.56	12534.11	13870.07
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	139.65	139.65	139.65
Other Equity	1285.35	1075.58	879.21
Total equity attributable to owner of the parent	1425.00	1215.23	1018.86
Non-controlling interest	11.20	-14.85	-27.92
Total Equity	1436.20	1200.38	990.95
Non-Current liabilities			
Financial liabilities			
Borrowings	2910.01	3085.33	3980.09
Other financial liabilities	135.28	182.41	170.89
Provisions	20.33	27.90	32.27
Other non-current liabilities	3.75	2.85	9.13
Total Non-Current Liability	3069.36	3298.49	4192.38
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	7455.96	6594.32	6708.22
Trade payables	0.00	0.00	0.00
total outstanding dues of micro and small enterprise	34.05	53.36	27.33
total outstanding dues other than	250.82	171.86	414.37
Other financial liabilities	343.32	408.86	387.48
Provisions	2.74	7.22	5.57
Other current liabilities	814.12	799.63	1143.77
Total Current liability	8901.00	8035.25	8686.74
Total Equity & Liability	13406.56	12534.11	13870.07

PERFORMANCE THROUGH CHARTS

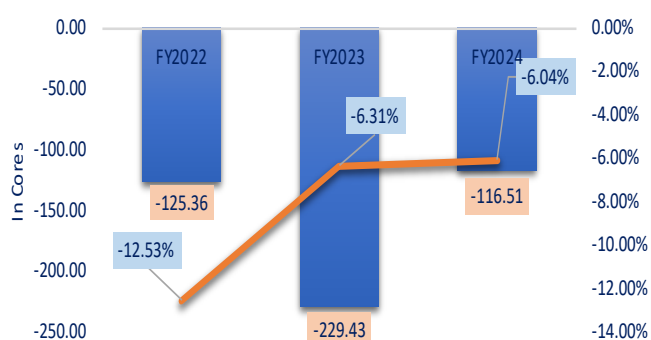
REVENUE HAS GROWN BY 39% CAGR 2 YR



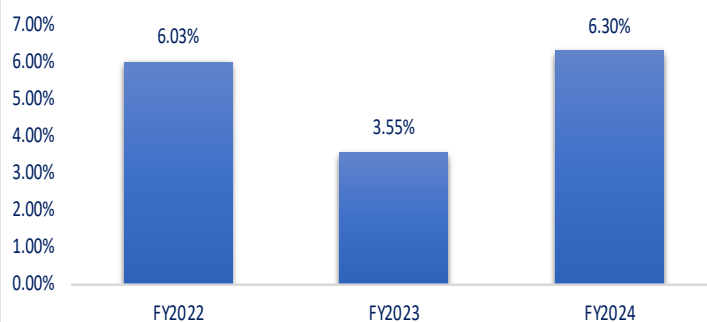
EBITDA LOSSES ARE WIDENING



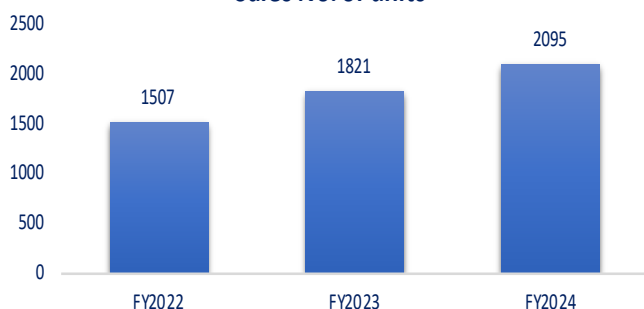
LOSSES ARE GETTING STEADY



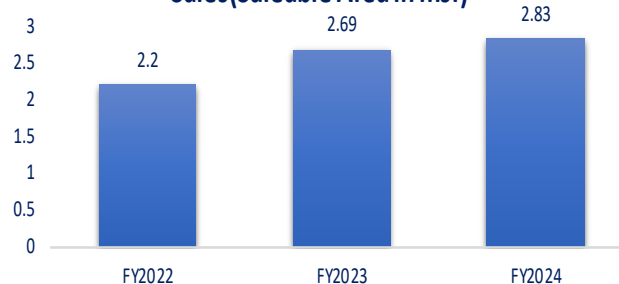
EMPLOYEE EXPENSE AS % TO REVENUE IS INCREASING



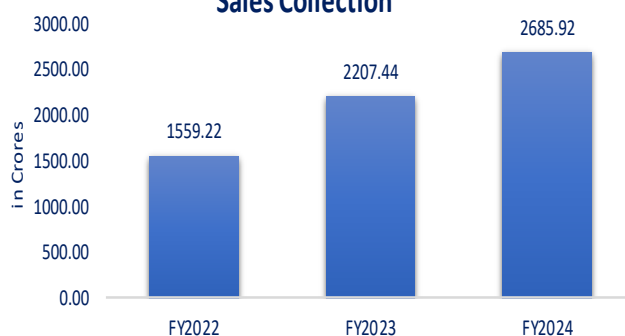
Sales No. of units



Sales(Saleable Area in msf)



Sales Collection



INDUSTRY REVIEW

INDIA RESIDENTIAL REAL ESTATE OVERVIEW

India residential real estate trends – calendar years 2019 to 2024

- For the period from the Calendar Year 2019 to 2024, the Top – 7 cities in India have seen remarkable growth in both Supply and Absorption.
- In the Calendar Years 2021 to 2024, the MMR, Pune, Bengaluru, Hyderabad, the National Capital Region (“NCR”), Chennai and Kolkata (“Top Seven Indian Markets”) recorded absorption of approximately 4.59 lakh units in 2024.
- Simultaneously occurrence of strong supply as well as absorption is the reason, the unsold inventory across the top 7 cities in India has decreased marginally on a yearly basis i.e., for 2021 (638,192 units) and for 2022 (630,973 units) as compared to unsold inventory in 2024 (5,53,073 units). The inventory overhang as of the Calendar Year 2024 is 14 months which is the least over past 6 - 7 years.

Capital pricing trends in top seven Indian markets – calendar year 2019 to 2024

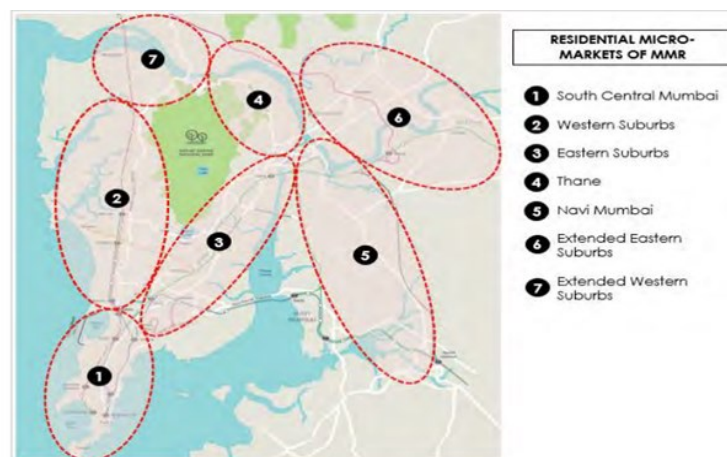
- For a period from 2019 – 2024, the capital prices have shown a significant upward trajectory across all top 7 cities. Specifically, Bangalore, Hyderabad, NCR, and MMR have observed capital value increase beyond 40% for the specified period. While Kolkata has shown the least appreciation of 27% for the same period.

Mumbai metropolitan region – introduction

- Mumbai, India’s commercial and financial capital, hosts the country’s two main stock exchanges, accounting for most securities trading. It handles over half of India’s foreign trade, generates over 6% of the GDP, and a third of tax revenues. As the entertainment hub, it also has a thriving media and film industry. Key sectors include BFSI, engineering, services, IT/ITeS, and logistics. Major financial institutions and conglomerates like BSE, RBI, NSE, LIC, Tata, Birla, Godrej, and Reliance are headquartered here.

Residential micro-markets – MMR

- Mumbai’s growth pattern follows north-south corridors along railway lines, with suburbs flourishing along the Western and Central lines. Redevelopment of mill lands spurred commercial growth in Central Mumbai, while Bandra Kurla Complex and Andheri-Goregaon emerged as key office districts, boosting the popularity of Western Suburbs for residential living. The city’s connectivity with tier II and III cities via air, road, and rail networks reinforces its status as India’s financial hub.



Source: Anarock Research

COMPETITIVE STRENGTHS OF THE COMPANY

Prominent real estate company in the Mumbai Metropolitan Region in Maharashtra with a portfolio of projects diversified across different micro-markets and price points in the Mumbai Metropolitan Region and Pune, Maharashtra

They are a prominent real estate developer in the MMR in Maharashtra and are present across all micro-markets in the MMR. For the calendar year 2019 to December 31, 2024, the MMR was ranked first among the top seven Indian markets (MMR, Pune, Bengaluru, Hyderabad, the National Capital Region, Chennai and Kolkata) in terms of supply, absorption and average base selling price. They are the fifth largest developer in the MCGM area in Maharashtra and the seventh largest developer in Thane, Maharashtra in terms of units supplied from calendar year 2019 to December 31, 2024 (Source: Anarock Report). As of December 31, 2024, they had a total of 73 Completed Projects in the MMR and Pune, Maharashtra, aggregating to 15.03 msf of Developable Area, representing 93.63% of the total Developable Area of them Completed Projects.

Well-established brand with the ability to sell throughout the construction phase

They believe that a strong and trusted brand is a key attribute in them industry. It influences buying decisions and helps command premium pricing for projects. The Kalpataru Group has a legacy of 55 years. They focus on branded realty, with a belief in developing and marketing them real estate projects as “branded projects”. They have been granted the right to use the “Kalpataru” brand name by Kalpataru Business Solutions Private Limited, one of them Group Companies, pursuant to an intellectual property license agreement dated July 1, 2022. Them brand name has been incorporated in the vast majority of them project names, including Kalpataru Avana (Parel, Mumbai, Maharashtra), Kalpataru Magnus (Bandra, Mumbai, Maharashtra), Kalpataru Splendour (Wakad, Pune, Maharashtra) and Kalpataru Parkcity (Kolshet Road, Thane, Maharashtra).

Proven end-to-end execution capabilities with continuous innovation and ability to deliver projects in a timely fashion

They have adopted an integrated real estate development model, with capabilities and in-house resources to carry out all key activities associated with real estate development, including identifying and acquiring land (or development rights thereto), planning, designing, executing, sales, and marketing of them projects.

Leading real estate company in implementation of green and sustainable buildings

They focus on the implementation of green and environmental sustainability practices for design and construction of them real estate development projects. They are one of the founding members of the IGBC, which is actively involved in promoting the green building concept in India. They aim to ensure energy efficiency, water conservation, resident health and wellbeing, and use of environment-friendly materials in them constructions (such as materials with GreenPro certification that signifies that the material is environment-friendly, or other materials and resources that have been certified as “green”, such as Green Guard, and Environmental Product Declaration, among others).

RISK FACTORS

They have incurred net losses in the past. Any losses in future periods could adversely affect them financial condition, results of operations and cash flows and the trading price of them Equity Shares.

- They have incurred losses for the Financial Years 2024, 2023 and 2022, primarily due to the manner in which they recognize revenue under them accounting policies under Ind AS 115, pursuant to which they recognize revenue based on the fulfilment of performance obligations as set out in the contracts with them customers. Revenue for certain projects is recognized at a “point in time”, i.e., when the customer obtains control of the promised assets which is linked to occupancy certificate of the project. However, all expenses related to sales, marketing and administration are charged to profit and loss account during the year of incurrence.

As of December 31, 2024, 94.84% of them real estate development projects were located in and around the Mumbai Metropolitan Region and Pune and they are exposed to risks originating from economic, regulatory, political and other changes in this region which could adversely affect them business, results of operations and financial condition.

- As of December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, 94.84%, 94.93%, 94.93% and 95.00% of them real estate development projects were located in and around the Mumbai Metropolitan Region (“MMR”) and Pune, which may perform differently from, and may be subject to market conditions and regulatory developments that are different from, real estate markets in other parts of India or the world. The tables below set forth the number of them Ongoing Projects, Forthcoming Projects and Planned Projects across India along with the Developable Area of these projects as of December 31, 2024 and as of March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

They have not acquired the entirety of the land or rights required to develop two of them Planned Projects, Kalpataru Platina and Kalpataru Espacio. In the event they are unable to acquire all the land required, they may not be able to develop these projects as planned, or at all.

- They have not acquired the entirety of the land or rights required to develop two (comprising 5.19% of the total Developable Area) of them Planned Projects, Kalpataru Platina and Kalpataru Espacio. Further, for them projects such as Kalpataru Greenvale (Dongargaon, Pune) and Kalpataru Orion (Fursungi, Pune), they have not yet received change in land use orders for the entire land of the projects. In the event they are unable to acquire all the land or rights required (including change in land use orders), they may not be able to develop these projects in accordance with them plans, or at all.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Kalpataru Limited	1624.73	10	(7.41)	72.96	0.55	NA	5.67
Oberoi Realty Limited	4495.79	10	52.99	380.76	13.92	35.48	4.94
Macrotech Developers Limited	10316.10	10	16.03	175.66	8.87	89.14	8.11
Godrej Properties Limited	3035.62	5	26.09	359.39	7.26	91.26	6.62
Sunteck Realty Limited	564.84	1	4.99	213.28	2.27	88.18	2.06
Mahindra Lifespace Developers Limited	212.09	10	6.34	120.82	5.25	56.89	2.98
Keystone Realtors Limited	2222.25	10	9.82	157.85	6.24	54.53	3.39
Prestige Estates Projects Limited	7877.10	10	34.28	281.59	12.17	48.95	5.96

*P/E & P/B ratio based on closing market price as of June 19th 2025, at the upper price and of IPO, financial details consolidated audited results as of FY24.



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