



**NEUTRAL**

**IPO Report**

24<sup>th</sup> June '25

**Snapshot**

Company is an integrated real estate development company involved in all key activities associated with real estate development, including the identification and acquisition of land (or development rights thereto), planning, designing, execution, sales, and marketing of its projects. Company is a prominent real estate developer in the Mumbai Metropolitan Region (“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 (Maharashtra), Pune (Maharashtra), Bengaluru (Karnataka), Hyderabad (Telangana), the National Capital Region, Chennai (Tamil Nadu) and Kolkata (West Bengal)) in terms of supply, absorption and average base selling price.

**VALUATION**

Company is bringing the issue at price band of Rs 387-414 per share at p/b multiple of approx. 2.67x on post issue FY25E basis. Company is 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. Also, company has well-established brand with the ability to sell throughout the construction phase with strong project pipeline with visibility towards near term cash flows. However looking after financials of company, we recommend “Neutral” to this ipo.

<b>Price Band (Rs./Share)</b>	<b>387-414</b>
<b>Opening date of the issue</b>	<b>24<sup>th</sup> June '2025</b>
<b>Closing Date of the issue</b>	<b>26<sup>th</sup> June '2025</b>
<b>No of shares pre issue</b>	16,74,89,537 Eq Shares
<b>Issue Size</b>	Rs 1590 Cr
<b>Fresh Issue</b>	Rs 1590 Cr
<b>Face Value (Rs/ share)</b>	Rs 10/share
<b>Employee Reservation</b>	Rs 38/share
<b>Bid Lot</b>	36

<b>BIDDING DETAILS</b>	
<b>QIBs (Including Anchor)</b>	75% of the offer (Approx 3,05,05,815 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 61,01,162 Eq Shares)
<b>Retail</b>	10% of the offer (Approx 40,67,441 Eq Shares)

<b>Employee Reservation</b>	Rs 15.9 Cr
<b>Lead managers</b>	ICICI Securities, JM Financial, Nomura Financial Advisory & Securities (India)
<b>Registrar to the issue</b>	MUFG Intime India Pvt Ltd

**WHAT WE LIKE**

***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***

Company is a prominent real estate developer in the MMR in Maharashtra and are present across all micro-markets in the MMR (Source: Anarock Report). 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

***Strong project pipeline with visibility towards near term cash flows***

Company's Ongoing Projects and the pipeline of Forthcoming Projects and its ability to sell throughout the construction phase, provide company with visibility on near term cash flows. As of December 31, 2024, company have 25 Ongoing Projects, six Forthcoming Projects, and five Planned Projects

***Leading real estate company in implementation of green and sustainable buildings***

Company focus on the implementation of green and environmental sustainability practices for design and construction of its real estate development projects. Company is one of the founding members of the IGBC, which is actively involved in promoting the green building concept in India. Company aim to ensure energy efficiency, water conservation, resident health and wellbeing, and use of environment-friendly materials in company's 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).



## COMPANY BACKGROUND

Company is the fifth largest developer in the MCGM area in Maharashtra and the seventh largest developer in Thane, Maharashtra in terms of units supplied from the calendar year 2019 to December 31, 2024. As of December 31, 2024, company (together with its Promoters) had a total of 120 Completed Projects aggregating to more than 25.87 msf of Developable Area within Mumbai, Thane, Panvel and Pune in Maharashtra, and Hyderabad, Indore, Bengaluru, and Jodhpur in the states of Telangana, Madhya Pradesh, Karnataka and Rajasthan, respectively.

Company is led by its Promoters, Mr. Mofatraj P. Munot and Mr. Parag M. Munot, who have experience of more than five and three decades, respectively, in the real estate industry. Company is a member of the Kalpataru group of companies, consisting of Company, Kalpataru Projects International Limited, Property Solutions (India) Private Limited, Shree Shubham Logistics Limited, and company's and their respective subsidiaries, among others (collectively, the **"Kalpataru Group"**). The Kalpataru Group was established in 1969 by Mr. Mofatraj P. Munot and has a legacy of 55 years. The Kalpataru Group has a multi-national presence and has operations in EPC contracting for power transmission and distribution, oil and gas, railways, civil infrastructure projects, warehousing and logistics, and facility management. Further, Kalpataru Projects International Limited is listed on the NSE and BSE. As of December 31, 2024, the Kalpataru Group had more than 29,000 employees globally and a footprint in 75 countries. Company benefit from the Kalpataru Group's reputation and expertise in the construction and infrastructure sector, and company's end-to-end-execution capabilities and innovation are strengthened by such affiliation. Company also believe that it derive synergies from the Kalpataru Group's expertise and experience in adjacent offerings such as EPC, civil infrastructure construction, and facility management, among others.

Company believe that the strength of the "Kalpataru" brand and its association with trust, quality, and reliability is driven by its track record of delivering quality projects. Company have a customer-centric approach and seek to address customers' requirements and preferences, which in turn enhances company's brand recognition. The "Kalpataru" brand name is used by company pursuant to an intellectual property license agreement dated July 1, 2022 with Kalpataru Business Solutions Private Limited, one of company's Group Companies.

Company focus on the development of luxury, premium, and mid-income residential, commercial, and retail projects, integrated townships, lifestyle gated communities, and redevelopments. For company's residential developments, company build and sell a wide range of properties including villas, duplexes, apartments, and plots of varying sizes, with a primary focus on luxury, premium, and mid-income residential real estate. As of December 31, 2024, 68.31% of the Developable Area of the residential projects within company's Development Portfolio were located within the MMR, aggregating to 33.45 msf of Developable Area. For commercial developments, company adopt a model of developing, leasing and/or selling commercial units. In its retail developments, company develop, manage and lease units within shopping malls. Company's integrated township developments and lifestyle gated community projects typically

Consist of the development, sale or lease and management of residential, commercial and retail developments. Further, as of December 31, 2024, company had five Land Reserves aggregating to 1,886.10 acres. Company's Land Reserves comprise land (or rights thereto) that has been acquired, including through purchase or acquisition of development rights, on which there are currently no Ongoing Projects, Forthcoming Projects or Planned Projects.

In addition to acquiring freehold and leasehold interests in land for development, company also adopt an "asset-light" development model by entering into redevelopment, JDA and JV projects with other landowners to develop their land. As of December 31, 2024, company had five, two, and six projects in its Development Portfolio under the redevelopment, JV, and JDA models, respectively, with Developable Area amounting to 2.38 msf, 3.56 msf, and 6.53 msf, respectively, which collectively comprise 4.87%, 7.26% and 13.33% of the total Developable Area for company's Ongoing Projects, Forthcoming Projects and Planned Projects, respectively.

As of December 31, 2024, company's Ongoing Projects comprised approximately 24.83 msf of Developable Area. Further, as of December 31, 2024, company's Forthcoming Projects comprised approximately 16.33 msf of Developable Area, and are expected to launch across the Financial Years 2025, 2026 and 2027 in various phases. Company's Ongoing Projects and the pipeline of Forthcoming Projects offer a significant competitive advantage to company. While a majority of company's projects and Land Reserves are located in the MMR and Pune, Maharashtra, company have two Ongoing Projects in Hyderabad, Telangana and Noida, Uttar Pradesh; one Forthcoming Project in Nagpur, Maharashtra; and three pieces of land comprising Land Reserves in Surat, Gujarat; Nagpur, Maharashtra; and Udaipur, Rajasthan.

Company is experienced in, and focus on, developing green and sustainable buildings. Company is a founding member of the Indian Green Building Council (the **"IGBC"**). In 2009, one of company's projects, Kalpataru Square, became the first project in Asia and the sixth project in the world to receive the Leadership in Energy and Environmental Design (**"LEED"**) – Core & Shell 2.0 Platinum certification (administered by Green Business Certification, Inc.). Further, 47 of company's (together with its Promoters') projects, comprising 31.68 msf of Built-up Area have been certified by, pre-certified by, or registered with, IGBC. In addition, another four projects comprising 0.84 msf of Built-up Area have been certified by, pre-certified by, or registered with LEED Green Building certification. Company believe that these green certifications have improved its reputation and the marketability of its respective projects.



## INVESTMENT RATIONALE

<p><b><i>Well-established brand with the ability to sell throughout the construction phase</i></b></p>	<p>A strong and trusted brand is a key attribute in company's industry. It influences buying decisions and helps command premium pricing for projects. The Kalpataru Group has a legacy of 55 years. Company focus on branded realty, with a belief in developing and marketing its real estate projects as "branded projects". Company have been granted the right to use the "Kalpataru" brand name by Kalpataru Business Solutions Private Limited, one of company's Group Companies, pursuant to an intellectual property license agreement dated July 1, 2022. Company's brand name has been incorporated in the vast majority of its project names, including <i>Kalpataru Avana</i> (Parel, Mumbai, Maharashtra), <i>Kalpataru Magnus</i> (Bandra, Mumbai, Maharashtra), <i>Kalpataru Splendour</i> (Wakad, Pune, Maharashtra) and <i>Kalpataru Parkcity</i> (Kolshet Road, Thane, Maharashtra). These projects are also associated with prestigious awards. Further, company's projects across micro-markets are able to achieve a price premium as compared to the average pricing of the sub-markets where it is present.</p>
<p><b><i>Leading real estate company in implementation of green and sustainable buildings</i></b></p>	<p>Company focus on the implementation of green and environmental sustainability practices for design and construction of its real estate development projects. Company is one of the founding members of the IGBC, which is actively involved in promoting the green building concept in India. Company aim to ensure energy efficiency, water conservation, resident health and wellbeing, and use of environment-friendly materials in company's 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).</p>
<p><b><i>Experienced and qualified management team with strong human resource practices</i></b></p>	<p>Company have a qualified and experienced management team with extensive experience in the real estate sector. Company's Promoters have worked alongside certain members of its management team to develop the majority of its Completed Projects. On average, company's senior management team (including company's key managerial personnel) has over 23 years of experience in the real estate sector and has worked with company for over 16 years.</p> <p>That one of company's key strengths is its work environment, which is based on company's values, facilitates innovation and promotes improvements in company's work methods. Company's positive work environment has contributed to reduced implementation timelines, cost optimizations and improved quality in its projects and services. Company place a strong emphasis on employee development, and its key initiatives for the development and retention of company's employees include, talent reviews for job enrichment opportunities, leadership development programs and training sessions. Company believe that its emphasis on employee development and its internal human resources initiatives for the development of company's employees provides it with the skills to adapt to the future needs of its business.</p>



## OBJECTS OF OFFER

Issue up to aggregating up to ₹15,900 million.

Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Repayment/pre-payment, in full or in part, of certain borrowings availed by Company and Subsidiaries; and
2. General corporate purposes.

## RISKS

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

Source:RHP

## INDUSTRY OVERVIEW

### OVERVIEW OF REDEVELOPMENT IN SUB-MARKETS OF MUMBAI

Kalpataru is active in all types of redevelopments except SRA Redevelopment in Mumbai. Further, Company is currently active or has some proposed future developments in sub-markets of Bandra East, Matunga, Santacruz, Juhu, Andheri West, Borivali West, Goregaon West and Chembur with reference to redevelopment projects. These projects are in various stages of planning and construction which may also include the projects in the pipeline.

### REAL ESTATE OVERVIEW OF KEY MICRO MARKETS

Surat's development is categorized as Old City (South of river Tapi, Central and South-East Zone) and New City (South-West and West Zone) wherein the space crunch in Old Surat led to the development of newer regions. The Central zone includes areas such as Varachha, Saroli, Lal Darwaja, Ring Road, etc has large concentration of textile industries and diamond Cutting-Polishing centres.

The Old City is densely populated and has narrow lanes and old infrastructure whereas the new city has buildings with all the modern amenities. The Southwest zone is considered as the prime location within the city comprising areas such as Athwa Lines, Piplod, Ghod Dod Road, Parle Point, Vesu and Dumas Road. Presence of key local developers such as Avadh Group, Sangini Group, Rajhans Group have their ongoing/completed projects in these sub-markets. Further, in the recent years, the activity has spilled over to locations such as Adajan, Palanpor and Pal which are located across Tapi River (viz. in the West zone of SMC limits).


**Consolidated Financials**

(Rs in Mn)

Financials	FY22	FY23	FY24	9M FY 2025
Total Revenue (A)	12374.99	36862.33	19791.68	16743.90
Total Expenditure (B)	10484.73	37123.87	20584.04	15470.17
EBIDTA	1890.26	-261.54	-792.36	1273.73
EBIDTA Margin	15.27	-0.71	-4.00	7.61
Other Income	110.55	303.78	507.68	250.99
Depreciation	326.99	318.43	326.36	268.70
EBIT	1673.82	-276.19	-611.04	1256.02
Interest	3064.14	1302.86	342.39	771.28
PBT	-1390.32	-1579.05	-953.43	484.74
Share of profit in Asso	7.67	-8.39	-3.60	-11.50
PBIT	-1382.65	-1587.44	-957.03	473.24
Exceptional	0.00	0.00	0.00	0.00
PBT	-1382.65	-1587.44	-957.03	473.24
Tax	-129.03	706.89	208.04	418.13
PAT	-1253.62	-2294.33	-1165.07	55.11
NPM	-10.13	-6.22	-5.89	0.33
ROE%	-8.74	-16.74	-10.15	0.55
EPS	-8.92	-14.56	-7.41	0.62
Eq Cap	1,396.50	1,396.50	1,396.50	1,396.50
Net Worth	14,249.96	12,152.32	10,188.64	15,795.36

(Source: RHP)

**Peer Comparison**

Company Name	Face Value	EPS	P/E	ROE %	NAV
Kalpataru Limited*	10.00	0.62	--	0.55	113.11
<b>Peers</b>					
Oberoi Realty Limited	10.00	52.99	35.91	13.92	380.76
Macrotech Developers Limited	10.00	16.03	90.84	8.87	175.66
Godrej Properties Limited	5.00	26.09	92.10	7.26	359.39
Sunteck Realty Limited	1.00	4.99	89.64	2.27	213.28
Mahindra Lifespace Developers Limited	10.00	6.34	56.71	5.25	120.82
Keystone Realtors Limited	10.00	9.85	56.97	6.24	157.85
Prestige Estates Projects Limited	10.00	34.28	48.31	12.17	281.59

(Source: RHP)



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