

Company Business

Kalpataru Limited, is an **integrated real estate development company**. Its primary business activities involve all key aspects associated with real estate development, including:

- ✦ **Identification and acquisition of land** (or development rights thereto).
- ✦ **Planning and designing** of projects.
- ✦ **Execution, sales, and marketing** of its projects.

The Company is a **prominent real estate developer in the Mumbai Metropolitan Region (MMR)** in Maharashtra, with a presence across all its micro-markets, and also operates in Pune. Kalpataru Limited focuses on developing various types of projects:

- ✦ **Luxury, premium, and mid-income residential projects.** The Company has historically focused on residential projects, which comprised 95.41% of its Developable Area within its Development Portfolio as of December 31, 2024.
- ✦ **Commercial and retail projects.** This includes the development, sale, and lease of commercial space. The Company receives lease income from rentals of its completed office space and retail projects and sales income from certain office space sales.
- ✦ **Integrated townships.**
- ✦ **Lifestyle gated communities**, which include the development, sale, and management of villas, apartments, and plots near city centers, offering facilities such as shops, restaurants, clubhouses, spas, and indoor game rooms.
- ✦ **Redevelopment projects.**

Short Summary of the Indian Real Estate Industry

The real estate sector, along with its ancillary industries, is a **significant growth driver of the Indian economy**. India is recognized as the **fastest-growing major economy globally**. Key drivers for the Indian real estate sector include:

- ✦ **Robust demand**
- ✦ **Improving affordability**
- ✦ **Developed social infrastructure**
- ✦ **Infrastructure development**
- ✦ **Changing consumer preferences** : Real estate remains the most preferred asset class among investments.
- ✦ **Sustainability and green building initiatives**

Challenges facing the Indian residential real estate sector include:

- ✦ **Regulatory hurdles**
- ✦ **High inventory levels and trade receivables**
- ✦ **Competition and fragmentation**
- ✦ **Past downturns**

Despite these challenges, the unsold inventory across the top seven cities in India decreased marginally from 638,192 units in 2021 to 553,073 units in 2024, with inventory overhang as of December 31, 2024, being 14 months, the lowest since 2019.

IPO Details

- ✦ Total Issue Size : **3,84,05,797 Shares (Rs. 1590 Cr.)**
- ✦ Fresh issue : **Entire issue is fresh issue.**
- ✦ Issue Price Band : **₹387 to 414 per share**
- ✦ Lot Size : **36 shares**
- ✦ IPO Date : **June 24–26, 2025**
- ✦ Pre IPO Promoters Holding : **100%**
- ✦ Post IPO Promoters Holding : **81.33%**

Objects of the issue

- ✦ Repayment/prepayment, in full or in part, of certain borrowings availed by Company and Subsidiaries : **Rs. 1192.50 Cr.**
- ✦ General Corporate Purpose

Financials of the company

(Fig. in Cr)

Particulars	9M FY 25	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	1,624.73	1,929.98	3,633.18	1,000.67
EBITDA	101.66	-78.01	-49.66	-35.97
EBITDA Margins	6.26%	-4.04%	-1.37%	-3.60%
Adjusted EBITDA*	516.25	448.79	1,959.30	180.68
Adjusted EBITDA Margins	31.77%	23.25%	53.93%	18.06%
PAT	5.51	-116.50	-229.43	-125.36
PAT Margins	0.33%	-6%	-6.31%	-12.52%
RONW	0.55%	-10.15%	-16.74%	-8.74%
Operating Cash Flows	300.37	376.44	2,139.12	402.22

* Adjusted EBITDA is calculated as the EBITDA plus finance cost component included in cost of sales and other operational expenses.

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Kalpataru (FY 2024)	1,929.98 Cr.	-4.04%	-6%	10.49	8,524 Cr.	In Loss*
Oberoi Realty (FY 2025)	5,286 Cr.	59%	42%	0.21	71,272 Cr.	32.90
Macrotech Developers (FY 2025)	13,780 Cr.	29%	20%	0.35	1,49,433 Cr.	54
Godrej Properties (FY 2025)	4,923 Cr.	-2%	28%	0.73	73,128 Cr.	52.70
Sunteck Realty (FY 2025)	853 Cr.	22%	17%	0.12	6,489 Cr.	43.20
Mahindra Lifespace Developers (FY 2025)	372 Cr.	-46%	16%	0.76	7,723 Cr.	126
Keystone Realtors (FY 2025)	2,004 Cr.	10%	9%	0.34	7,056 Cr.	41
Prestige Estates Projects (FY 2025)	7,349 Cr.	34%	8%	0.85	74,723 Cr.	160

*Forward PE is 1161 on the basis of FY 25 PAT.

Pros and Cons

Pros (Strengths & Opportunities)

- ✦ **Integrated Business Model and Capabilities** : Kalpataru Limited is involved in all key activities of real estate development, from **land identification and acquisition to planning, designing, execution, sales, and marketing** of its projects. This end-to-end capability is a significant competitive advantage.
- ✦ **Prominent Market Position and Diversified Portfolio** : The Company is a **prominent real estate developer in the Mumbai Metropolitan Region (MMR)** in Maharashtra, with a presence across all its micro-markets, and also operates in Pune.
- ✦ **Strong Brand Reputation and Affiliation** : The "Kalpataru" brand has a **legacy of 55 years** through the Kalpataru Group.
- ✦ **Experienced Management Team** : The company is led by **Promoters with over five and three decades of experience** in the real estate industry, respectively.
- ✦ **Strong Project Pipeline and Sales Velocity** : Kalpataru has a "**strong project pipeline with visibility towards near term cash flows**"

Cons (Weaknesses & Threats & Risks)

- ✦ **Dependence on Residential Development** : The Company significantly depends on its residential development business, which is subject to customer needs and preferences.
- ✦ **Geographical Concentration Risk** : A substantial majority of Kalpataru's projects are concentrated in the **MMR and Pune**.
- ✦ **Competition and Fragmentation** : The Indian real estate market is **highly competitive and fragmented**.
- ✦ **Land Acquisition Challenges**
- ✦ **Regulatory Hurdles and Compliance Costs**
- ✦ **Financial Challenges (Inventory, Receivables, Debt)**
- ✦ **Litigation Risks** : There are **outstanding litigation proceedings** involving the company, its subsidiaries, and promoters.
- ✦ **High Debts**
- ✦ **Valuation seems stretched**



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