

Rating: Neutral

Issue Offer

Fresh Issue of 3,84,05,797 shares up to INR 15,900 Mn.

Issue Summary	
Price Band INR	387-414
Face Value INR	10
Implied Market Cap INR Mn.	85,241
Market Lot	36
Issue Opens on	Jun 24, 2025
Issue Close on	Jun 26, 2025
No. of share pre-issue	167,489,537
No. of share post issue	205,934,148
Listing	NSE, BSE
Issue Break-up %	
QIB Portion	≥ 75
Retail Portion	≤ 10
NII Portion	≤ 15

Registrar	
MUFG Intime India Private Limited	
Book Running Lead Managers	
ICICI Securities Limited JM Financial Limited Nomura Financial Advisory and Securities (India) Private Limited	

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	100%	81.33%
Public & Others	0%	18.67%

Objects of the issue	
➤ The Company plans to allocate the Net Proceeds from the Fresh Issue for several purposes, including Repayment/pre-payment, in full or in part, of certain borrowings availed by Company and Subsidiaries and for general corporate purposes.	

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Founded in 1988 and headquartered in Mumbai, Kalpataru Limited is a leading real estate developer engaged in the construction of residential and commercial properties, retail spaces, and integrated townships across cities like Mumbai, Thane, Panvel, Pune, Hyderabad, Indore, Bengaluru, and Jodhpur. It is part of the Kalpataru Group, which also includes entities such as Kalpataru Projects International Limited, Property Solutions (India) Private Limited, and Shree Shubham Logistics Limited. As of March 31, 2024, the company has 40 ongoing projects and has completed 70 developments.

Investment Rationale:

Strong Market Presence in Key Geographies: The company is a prominent real estate developer with a strong presence across micro-markets in the high-growth Mumbai Metropolitan Region (MMR) and Pune. It ranks among the top developers in MCGM and Thane by units supplied (CY2019–24) and has demonstrated solid execution with 73 completed projects totaling 15.03 msf. A robust development pipeline of 46.45 msf across ongoing, forthcoming, and planned projects ensures strong growth visibility.

Strong Brand Legacy Backed by 55 Years of Trust : Backed by a 55-year legacy, the company leverages the strong and trusted Kalpataru brand to drive premium positioning and sustained sales throughout the construction phase. Its focus on branded realty enables consistent marketing, customer trust, and price premiums across micro-markets, with marquee projects like Kalpataru Avana, Magnus, and Parkcity reinforcing brand equity and delivering superior performance relative to sub-market averages.

Focused Deleveraging and Capital Efficiency: The company is actively deleveraging its balance sheet, with its net gearing ratio at 86.5% as of December 31, 2024, and is focused on improving it through operational cash flows, CCD conversion into equity, and selective asset monetization. Proceeds from land sales, early project monetization, refinancing at lower rates, and prudent capital allocation strategies are expected to further strengthen the balance sheet and enhance financial flexibility for future growth.

Timely Monetization of Projects and Strategic Land Bank Utilization: The company holds a sizable land bank of 485.38 acres (48.97 msf of developable area) as of December 31, 2024, with a well-phased development strategy across 25 ongoing, six forthcoming, and five planned projects. It aims to complete and monetize these assets on schedule, leveraging strong demand in the MMR—the top-ranked real estate market in India in terms of supply, absorption, and pricing (CY2019–24). Additionally, it holds 1,886.10 acres of land reserves across key cities like Surat, Pune, Nagpur, Udaipur, and Shirol, with plans for phased development or monetization through land sales or development rights—providing long-term growth visibility and capital efficiency.

Valuation and View: With a robust project pipeline of 46.45 msf, a strategic 1,886-acre land bank, and strong brand equity built over 55 years, the company is well-positioned to capitalize on sustained demand in the MMR and Pune markets. Timely monetization and phased development ensure long-term growth visibility, healthy cash flows, and capital efficiency. At the upper band of INR 414, the issue is valued at a P/BV ratio of 5.4x, based on Book Value per share of INR 76.7. We are recommending a “Neutral” rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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