Management Discussion

Advait Phatarfod - Investor Relations, Kalpataru Limited
Thank you, Renju. Good morning, ladies and gentlemen. Welcome to Q1 FY '27 results call of Kalpataru Limited. We have with us today the management of Kalpataru Limited, represented by Mr. Parag Munot , Managing Director, Mr. Narendra Lodha, Executive Director, and Mr. Chandrashekhar Joglekar , Director Finance and CFO. I would like to state that any forward-looking statements made during the discussion today are based on our current expectations, assumptions, and projections about future events and are subject to risks and uncertainties beyond our control.

With that, I will now hand over the call to Mr. Munot for the opening remarks, post which we shall open the floor for Q&A. Over to you, sir.

Parag M. Munot - Managing Director, Kalpataru Limited
Thank you, Advait. Good morning, everyone, and a warm welcome to all of you. Before we dive into our quarterly operational and financial metrics, I want to take a step back and reflect on the macroeconomic background against which this quarter unfolded. Entering the first quarter of FY '27, The global landscape faced significant turbulence, geopolitical friction in the Middle East sent ripples through global supply chains, stoked energy price volatility, and raised fresh questions around inflation and rate trajectories.

In many developed markets, this macro uncertainty led to extended decision cycles and institutional caution. However, we witnessed in India, and specifically within urban real estate, was a remarkable demonstration of structural resilience. Historically, real estate was viewed primarily as a cyclical, rate-sensitive asset class. Today, Indian residential real estate, and Mumbai in particular, is being driven by a fundamentally different set of structural growth engines. We are seeing rising number of high-earning end users actively upgrading to larger premium homes that offer holistic lifestyle ecosystems generating steady demand for quality branded real estate.

With that context in mind, Kalpataru Limited delivered a steady start to the fiscal year, driven by operational momentum, robust sales collections, strategic projects launches, along with a new project addition and continued execution across our core micro markets. Let me walk you through some of the key numbers. Pre-sales grew 6% year- on- year to reach INR1,329 crores in Quarter 1 FY '27, up from INR1,249 crores in Quarter 1 FY '26. Sales collections showed a 17% year- on- year growth to INR1,365 crores. Our cash flows visibility remained robust, backed by ongoing project inflows.

Sales momentum at Kalpataru Parkcity , Thane expanded significantly this quarter with pre-sales surging 350% year- on- year compared to Quarter 1 FY '26 on a subpar basis. With more than 2,000 families already residing on site, we anticipate welcoming over 3,000 families by the year... end of next year. Increase in resident occupancy and key retail outlets turning operational are actively driving higher walk-ins and accelerate conversion rates in Kalpataru Park city. Coming to new launches, we launched two project phases which have a total potential of 1.25 million square feet of saleable area.

This includes Tower C of Estella at Kalpataru Parkcity, Thane and our luxury development Kalpataru Vian, Hrushikesh, Lokhandwala in Mumbai. Kalpataru Vian, Hrushikesh features bespoke three, four, and 4.5 bedroom residences with expansive grand decks offering uninterrupted views of Mumbai's mangroves across a private 4-acre enclave. Positioned strategically within the vibrant ecosystems of Andheri West, Kalpataru Vian, Hrushikesh enjoys unmatched connectivity to key infrastructure

including major metro lines, upcoming coastal road projects, and the city's finest retail, educational, and wellness destinations.

This project was launched towards the end of June 2026, and the response we have received has been encouraging. We have a strong pipeline of launches spread over approximately 5 million square feet and worth approximately INR7,800 crores this year. And we hope to carry this momentum into other project phases when we launch them. Turning to project completions. During the quarter, we received occupation certificate for 0.79 million square feet across 668 units. Continuing a strong track record of project execution and handovers, we received occupation certificates for Kalpataru Elitus Tower B and Kalpataru Summit office complex in Mulund during this quarter.

We are well on track to deliver on our target of 5.5 million square feet of completions this year. On the business development front, I'm pleased to share that we have secured the development agreement for the redevelopment of five societies in Ashok Nagar, Kandivali. This project is situated on approximately 2.8-acre land parcel and has a GDV potential of INR1,250 crores. Kalpataru has deep roots in this micro market and has already delivered six projects in the past. During the quarter, we have monetized our commercial office property Kalpataru Infinia Pune, located at Shivajinagar in Pune, for a consideration of INR119 crores.

With that, I would now like to hand over the call to Mr. Chandrashekhar Joglekar for a detailed update on our financial performance. Over to you, Chandrashekhar.

Chandrashekhar Joglekar - Chief Financial Officer, Kalpataru Limited
Thank you, Parag. Good morning, everyone, and welcome to our Q1 FY '27 earnings call. Let me start with the financial update first. In Q1, we reported revenue from operations of INR472 crores. Our adjusted EBITDA during the quarter was INR95 crores with the margin of 20%. On the profitability front, we reported a loss of INR29 crores for the quarter. The company follows project completion method, as we know, for revenue recognition.

F or most of our projects, d uring H2... second half of FY27, we will be completing several projects as mentioned by Mr. Parag Munot , which will lead to recognition of substantial revenue and thereby profits. Turning to our balance sheet position, as on 30th of June 2026, our gross debt stood at INR9,189 crores, while our cash and cash equivalents were INR960 crores. Resulting into a net debt of INR8,229 crores. Consequently, our net debt-to-equity ratio stands at 2 times. In continuation to our strategy for optimizing cost of the debt, during this quarter, we have refinanced a debt of approximately INR1,800 crores, which will give us an estimated annual savings of INR55 crores in finance cost.

As a result of this refinancing since our IPO, the total debt which stands refinanced is approximately INR5,300 crores. Hence, our weighted average cost of borrowing now stands at 11% per annum, down by approximately 200 basis points since the listing. This cumulative optimization of borrowing costs, t herefore, adds to approximately INR180 crores annually. For reminder of financial year FY '27, our focus is clear. To build upon the foundation we established in Q1, we have a robust pipeline of new launches designed to sustain our pre-sales trajectory.

Looking ahead to FY '27, we target closing the year with pre-sales of approximately INR6,500 crores, which would be a growth of 23% over FY '26. Keeping in view the capital allocation of upcoming launches and the business development spends, we expect the net debt levels to end for FY '27 and to remain around the same levels of FY '26. However, the net debt-equity ratio is

expected to improve from current levels of two due to recognition of profits at the end of FY '27. In closing, I wish to state that company would be completing around 15 million square feet of ongoing projects in FY '27, FY '28, FY '29 gradually.

All these projects will recognize revenue and profits in these three years. This will also strengthen our balance sheet and cash flows significantly and reduce the debt. With that, we would be happy to take your questions.

Questions & Answers

Operator
Thank you. [Operator Instructions] The first question comes from the line of Shivam Gupta with Trinetra Asset Managers. P lease go ahead.

Shivam Gupta - Analyst, Trinetra Asset Managers
Hi, sir. Thank you for the opportunity. I want to know area sold increased by 48% in Q1, but pre-sale grew only 6% as average realization fell. Was this entirely due to project mix, or was there some discounting in specific projects?

Chandrashekhar Joglekar - Chief Financial Officer, Kalpataru Limited
It is right. It was... S orry, yes, it was... it is right, it is due to project mix.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay, and collection was strong, around INR1,365 crore. How much it came from the older sold receivable and how much was linked to booking made during the quarter?

Chandrashekhar Joglekar - Chief Financial Officer, Kalpataru Limited
The booking made during the quarter were not... they were marginal only. Most of the collection was due to the units sold earlier.

Shivam Gupta - Analyst, Trinetra Asset Managers
And debt increasing from March to June. Can you please give us some briefs like where that cash was deployed during the quarter?

Chandrashekhar Joglekar - Chief Financial Officer, Kalpataru Limited
So on the debt, the company is very clear. Directionally, it is going to be on the downside year- on-year. Periodically, within quarters, it is possible that it may increase slightly or marginally due to the spend or investment or capital allocation onto the ongoing projects or the new projects which are acquired on the new BD. However, the trend would be generally on the downside.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay, sir. In earlier call, you... you have told like INR1,800 crore o f FY '27 sales to come from new launches. How much of which already have been achieved in Q1, and does the full year expectation remain change, or it's unchanged only?

Parag M. Munot - Managing Director, Kalpataru Limited
Yeah, in this quarter, the 35% was from new sales, and as we had said before, the entire year will be about 25% will be from new launches.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay, and what the expectation, it's remain the same for the 2 years?

Parag M. Munot - Managing Director, Kalpataru Limited
I'm sorry?

Shivam Gupta - Analyst, Trinetra Asset Managers
Expectation for the full...

Parag M. Munot - Managing Director, Kalpataru Limited
Expectation for the full year from new launches will be about 25%.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay, that's it from my side. Thank you.

Parag M. Munot - Managing Director, Kalpataru Limited
Thank you.

Operator
Thank you. [Operator Instructions] Next question comes from the line of Sourabh Gilda at JM Financial . Please go ahead.

Sourabh Gilda - Analyst, JM FINANCIAL LTD
Yup, hi, good morning. Thank you for taking my question. I just wanted to get a sense on the timeline for the launches that you've highlighted in the PPT. If you can share any update at what... at what stages these launches are, and when can you expect the launch of these projects? Are they back-ended or are well spread across the next three quarters?

Parag M. Munot - Managing Director, Kalpataru Limited
Yeah. Hi, Sourabh. They're well spread across the three quarters. Blossoms will happen in the next quarter. Estella, the Rowan Tower, will happen in this quarter. Hariniketan will happen this quarter, and Ardene and Suman Nagar will go next quarter.

Sourabh Gilda - Analyst, JM FINANCIAL LTD
Okay. Yeah, thanks for the update, sir. And just wanted to get a sense on pricing, sir. How are you seeing the last... post-war recovery, specifically. How are you seeing the pricing trend across your projects and across the markets that you are operating?

Parag M. Munot - Managing Director, Kalpataru Limited
We are seeing a positive trend towards walk-ins and conversion, and also the pricing is looking stable and strong.

Sourabh Gilda - Analyst, JM FINANCIAL LTD
Anything that you can quantify, or maybe what's the expectations for the year in terms of pricing?

Parag M. Munot - Managing Director, Kalpataru Limited
So the pricing generally, as the progress of the project goes, wherever we can see an increase. We are planning to move towards that. By Q2, we will know how much the price increase shall be about.

Sourabh Gilda - Analyst, JM FINANCIAL LTD
Sure, sir. Thank you. Those are the questions. I will come back in the queue. T hank you so much.

Operator
Thank you. [Operator Instructions] I now hand the conference over to the management for closing comments.

Parag M. Munot - Managing Director, Kalpataru Limited
Thank you to all the participants for joining our results call. We look forward to regularly interacting with you. In case of any further questions, feel free to reach out to our Investor Relations or the Ernst & Young team for clarification. Thank you.

Operator
[Operator Closing Remarks]