

CMP: ₹1230

Target: ₹1520 (24%) Target Period: 6-12 months

BUY

August 11, 2025

Robust outlook, healthy execution...

About the stock: Kalpataru projects (KPIL) is amongst the leading EPC players in infrastructure sectors such as Power T&D, Buildings & Factories, Oil & Gas, Urban Infra, Water and Railways.

- With a diversified portfolio, presence over 73 countries, delivering world class engineering solutions to its clients with experienced team to successfully deliver complex one-of-a-kind projects.
- Its revenue grew 12.5% CAGR (FY22-25) whereas, EBITDA & PAT grew by 16.5% CAGR & 13.9% CAGR respectively over the same period

Q1FY26 performance: KPIL reported strong Q1FY26. Revenue grew 35% to ₹6171 crore, EBITDA at ₹525 crore up 39% YoY and PAT at ₹213 crore up 154% YoY. EBITDA and PAT margins at 8.5% and 3.5% up 25 bps and 163 bps YoY. The company received orders worth ₹9899 crore during Q1FY26 led by Buildings and Factories (68%) and T&D (32%). The order book stood at ₹65,475 crore as of 30 June 25 which is 2.9x of FY25 Revenue. The net working capital came in at 91 days vs 103 days last year.

Investment Rationale:

- Strong visibility in domestic market across T&D and B&F segment:** The company has set a target of ₹28000 crore of order inflows in FY26E, which would be mainly led by T&D and B&F segment. KPIL has secured Orders of ₹9899 crore in Q1FY26. The inflows were led by B&F (62%) and T&D (323%) The company commands strong order backlog of ₹65475 crore, up 14% YoY which will ensure strong double digit revenue growth. On the international front, KPIL's robust international T&D order pipeline provides conviction toward the company delivering ~25% YoY topline growth in Lindjemontage while Fasttel is seeing completion of legacy orders and is witnessing growth in order backlog. On the margins front, the company is winning orders at double digit margin which will positively impact the margins. KPIL has maintained its margin guidance of 8.5-9% at the EBITDA level and 4.5-5% at PBT level.
- Non-Core Divestment on Track** which will lead to improvement in return ratios: KPIL is well on track to divest Vidhyanchal Expressway (VEPL) and Indore Real Estate. The management has been approached by a large global investor regarding VEPL, which has the largest exposure among road assets. The company is likely to receive cash flow worth ₹5.5bn in Q3FY26E. This along with strong operating performance and control/improvement in working capital will help the company to increase RoE's from 13% in FY25 to 16%/18.6% in FY26E/FY27E, respectively.

Rating and Target Price

- With strong revenue and PAT CAGR of 20.7% and 45.3% over FY25-FY27E coupled with strong improvement in colour of balance sheet (divestment of non-core assets) and return ratios will likely rerate the stock. Hence, we rate the stock as Buy and assign a Target of ₹1520 (25x FY27E EPS).



KALPA-TARU®

KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

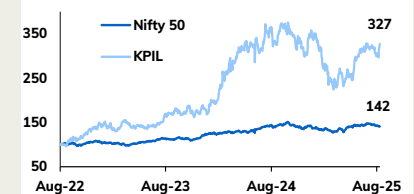
Market data

Particular	Rs. in crore
Market Cap	20,977
Total Debt (FY25)	4,189
Cash and Inv (FY25)	1,759
Enterprise Value	23,406.3
52 week H/L (Rs./ share)	1449/770
Equity capital	34.2
Face value (Rs./ share)	2.0

Shareholding pattern

%	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	35.2	35.5	33.5	33.5
FII	10.7	12.7	11.6	11.8
DII	45.9	45.6	45.0	44.8
Public	8.1	6.2	9.9	9.8

Price chart



Key risks

- lower than expected order inflows;
- Delay in monetisation of non-core investments

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Key Financial Summary

Particulars (Rs. in crore)	FY23	FY24	FY25	3-Year CAGR (FY22-FY25)	FY26E	FY27E	2-Year CAGR (FY25-FY27E)
Net Sales	16,361.4	19,626.4	22,315.8	12.5%	27,246.2	32,499.5	20.7%
EBITDA	1,369.5	1,628.6	1,834.1	16.5%	2,315.9	2,860.0	24.9%
EBITDA Margin (%)	8.4	8.3	8.2		8.5	8.8	
Adj. Net Profit	440.7	509.6	491.1	13.9%	786.7	1,037.0	45.3%
EPS (Rs.)	27.2	31.4	34.3		46.1	60.8	
P/ E (x)	45.2	39.2	35.8		26.7	20.2	
RoNW (%)	8.0	9.9	9.0		11.0	12.9	
RoCE (%)	11.9	13.3	13.0		15.9	18.6	

Key result highlights

- The company reported a healthy Q1FY26 performance. The Q1FY26 order inflows (OI) stood at ₹9899 crore, led by B&F and T&D which formed 68% and 32% of total OI. Order backlog as at Q1FY26 is ₹65,475 crore, T&D comprises 41% of total orderbook. The company maintains order inflow guidance of ~₹28,000 crore in FY26E.
- Revenue grew 35% YoY in Q1FY26 to ₹6171 crore. On a segmental basis, revenue of T&D (47% of revenue mix) grew 56% YoY to ₹2873 crore, B&F (22%) grew 13% YoY to ₹1383 crore, oil and gas (10%) grew 132% YoY to ₹588 crore, urban infra (4%) grew 42% to ₹257 crore and railways and others business grew 5% and 7% respectively. The water business declined 5% YoY on account of sluggish cashflows.
- On the back of healthy orderbook and strong execution, EBITDA and PAT grew 39% and 154% YoY to ₹525 crore and ₹213 crore. EBITDA Margins up 25 bps to 8.5% and PAT Margins up 163 bps to 3.5% in Q1FY26.

Key concall highlights

- The quarter witnessed robust growth in revenue of 35% on the back of strong orderbook. It also improved on the margins front with EBITDA margins inching up to 8.5%, up 25 bps YoY.
- KPIL further sees an order bid pipeline of ₹1.2 trillion over next 12-18 months in power T&D mainly driven by energy transition, grid stabilisation and rise in power demand.
- The T&D, B&F and O&G have achieved double digit EBITDA margins. The company sees T&D opportunities being driven by energy transition and B&F being driven by South Indian cities (65%) mainly from Bangalore, Hyderabad, Chennai and Vizag and rest 35% from west and north India. The oil and gas opportunities are from middle east and Africa.
- Lindjemontage (LMG) has reported 72% YoY topline growth and it has won ₹850 crore order in FY26 till date, taking the order book to ₹3500 crore. KPIL is evaluating various strategic options related to IPO of LMG.
- KPIL has liquidated 99% of inventory in non-core assets in Indore and expects to collect last ₹100 odd crore by Q3 this year. Further KPIL also plans to liquidate 2-3 units of Shree Shubham logistics. This will help company free up equity tied up and improve cash flow position.
- The company has guided revenue growth of 25%+ in FY26E, PBT margins of 5-5.5% and order inflows of ₹26-28000 crore.

Financial Summary

Exhibit 1: Profit and loss statement					₹ crore
(Year-end March)	FY24	FY25	FY26E	FY27E	
Total operating income	19,626.4	22,315.8	27,246.2	32,499.5	
Growth (%)		13.7	22.1	19.3	
Raw Material Expenses	8,187.4	8,584.5	10,489.8	12,512.3	
Employee Expenses	1,717.6	2,113.5	2,533.9	2,990.0	
Sub Contracting Charges	6,595.4	8,357.7	10,162.8	12,122.3	
Other Operating Expenses	1,497.4	1,426.0	1,743.8	2,015.0	
Other expenses	0.0	0.0	0.0	0.0	
Total Operating Expenditure	17,997.9	20,481.7	24,930.3	29,639.6	
EBITDA	1,628.6	1,834.1	2,315.9	2,860.0	
Growth (%)		12.6	26.3	23.5	
Depreciation	473.3	497.3	547.0	601.7	
Interest	518.1	576.5	710.1	846.8	
Other Income	64.0	62.5	65.0	70.0	
PBT	701.2	822.8	1,123.8	1,481.5	
Others	0.0	0.0	0.0	0.0	
Total Tax	185.3	255.5	337.2	444.4	
PAT	509.6	585.7	786.7	1,037.0	
Growth (%)		15.6	14.9	34.3	
EPS (Rs.)	31.4	34.3	46.1	60.8	

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement					₹ crore
(Year-end March)	FY24	FY25	FY26E	FY27E	
Profit after Tax	509.6	585.7	786.7	1,037.0	
Add: Depreciation	473.3	497.3	547.0	601.7	
(Inc)/dec in Current Assets	-2,556.2	-2,504.2	-3,413.0	-4,444.7	
Inc/(dec) in CL and Provision	2,189.2	1,892.7	2,618.9	2,812.2	
Others	0.0	0.0	0.0	0.0	
CF from operating activitie	615.9	471.5	539.6	6.2	
(Inc)/dec in Investments	1.6	0.0	-50.0	-50.0	
(Inc)/dec in Fixed Assets	-402.3	-670.7	-559.4	-601.7	
Others	0.0	0.0	0.0	0.0	
CF from investing activitie	-774.3	-839.2	-769.6	-720.5	
Issue/(Buy back) of Equity	0.0	1.7	0.0	0.0	
Inc/(dec) in loan funds	222.1	305.3	100.0	100.0	
Dividend paid & dividend tax	-113.7	-129.9	-136.6	-136.6	
Inc/(dec) in Sec. premium	0.0	985.0	0.0	0.0	
Others	0.0	7.6	0.0	0.0	
CF from financing activitie	130.1	1,095.0	-36.6	-36.6	
Net Cash flow	-28.3	727.3	-266.5	-750.8	
Opening Cash	1,059.9	1,031.6	1,759.0	1,492.5	
Closing Cash	1,031.6	1,759.0	1,492.5	741.7	

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet					₹ crore
(Year-end March)	FY24	FY25	FY26E	FY27E	
Liabilities					
Equity Capital	32.5	34.2	34.2	34.2	
Reserve and Surplus	5,105.1	6,479.2	7,129.4	8,029.8	
Total Shareholders funds	5,137.5	6,513.3	7,163.5	8,064.0	
Total Debt	4,008.2	4,313.5	4,413.5	4,513.5	
Deferred Tax Liability	23.3	11.3	11.3	11.3	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	9,764.5	11,418.7	12,188.9	13,209.3	
Assets					
Gross Block	1,378.4	1,512.5	1,662.5	1,812.5	
Less: Acc Depreciation	851.5	1,008.7	1,181.3	1,370.3	
Net Block	526.9	503.8	481.2	442.2	
Capital WIP	33.3	28.6	41.0	41.0	
Total Fixed Assets	2,132.6	2,371.7	2,384.1	2,384.1	
Investments	0.0	0.0	50.0	100.0	
Inventory	1,353.4	1,428.8	2,005.0	2,268.9	
Debtors	5,805.3	7,816.9	9,704.1	11,575.2	
Loans and Advances	0.0	0.0	0.0	0.0	
Other Current Assets	8,845.4	9,221.1	10,123.7	12,301.0	
Cash	1,031.6	1,759.0	1,492.5	741.7	
Total Current Assets	18,278.6	21,510.1	24,656.6	28,350.4	
Creditors	5,855.5	6,587.9	8,211.2	9,794.4	
Provisions	470.5	616.6	821.1	979.4	
Total Current Liabilities	12,272.7	14,165.4	16,784.3	19,596.5	
Net Current Assets	6,005.8	7,344.7	7,872.2	8,753.9	
Others Assets	0.0	0.0	0.0	0.0	
Application of Funds	9,764.5	11,418.7	12,188.9	13,209.3	

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios					
(Year-end March)	FY24	FY25	FY26E	FY27E	
Per share data (Rs.)					
EPS	31.4	34.3	46.1	60.8	
Cash EPS	60.5	63.4	78.1	96.0	
BV	316.4	381.6	419.7	472.4	
DPS	7.0	7.6	8.0	8.0	
Cash Per Share	63.5	103.0	87.4	43.5	
Operating Ratios (%)					
EBITDA Margin	8.3	8.2	8.5	8.8	
PBT / Total Operating income	3.6	3.7	4.1	4.6	
PAT Margin	2.6	2.6	2.9	3.2	
Inventory days	25.2	23.4	26.9	25.5	
Debtor days	108.0	127.9	130.0	130.0	
Creditor days	108.9	107.8	110.0	110.0	
Return Ratios (%)					
RoE	9.9	9.0	11.0	12.9	
RoCE	13.3	13.0	15.9	18.6	
RoIC	27.1	27.8	31.7	31.8	
Valuation Ratios (x)					
P/E	39.2	35.8	26.7	20.2	
EV / EBITDA	13.5	11.8	9.5	8.0	
EV / Net Sales	1.1	1.0	0.8	0.7	
Market Cap / Sales	1.0	0.9	0.7	0.6	
Price to Book Value	3.9	3.2	2.9	2.6	
Solvency Ratios					
Debt/EBITDA	2.5	2.4	1.9	1.6	
Debt / Equity	0.8	0.7	0.6	0.6	
Current Ratio	1.5	1.4	1.5	1.5	
Quick Ratio	1.3	1.3	1.3	1.3	

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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