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## Kalpataru Co Raises ₹525 cr to Complete 10 Mumbai Towers

Alternative investment platform PAG offered the debt facilities in two tranches in the form of NCDs

Sangita Mehta

**Mumbai:** A Kalpataru group company raised ₹525 crore debt facilities from PAG, a global alternative investment firm, for a term of 3.5 years to complete the construction of its ten residential towers in the Mumbai suburb of Jogeshwari, said people aware of the development.

Asia Pragati Strategic Investment Fund, managed by PAG, provided the debt facilities in two tranches in the form of non-convertible debentures (NCD). The funds were raised at an internal rate of return (IRR) of 18.75%, the people said.

PAG provided debt facilities to Alder Residency, a wholly owned subsidiary of Abhiruchi Orchards, a wholly owned company of Kalpataru. PAG Asia and Kalpataru did not respond to ET's request for comment.

In November, Asia Pragati Strategic Investment Fund invested ₹475 crore in secured unlisted bonds and another ₹49 crore in secured listed bonds. Both the bonds mature on April 30, 2027.

The proceeds from bonds will be used to repay high-cost debt and develop the residential project Kalpataru Vivant, comprising ten towers in Mumbai suburbs. The project cost is estimated at ₹750-800 crore, one of the people cited above said.

The board of Alder Residency had passed a resolution in October to raise ₹820 crore in the form of NCD, the person said.

The promoter, Parag Munot, has given a personal guarantee, and Abhiruchi Orchards has given a corporate guarantee to PAG aga-



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inst funds raised by Alder Residency. Apart from this, the fund has a first-rank exclusive charge of the registered mortgage and development rights of the property.

A statement by India Ratings stated that at the end of June 2023, Alder Residency incurred about 24% of the overall development cost (including 10% of the overall construction cost) of the project.

The management informed the rating company that it has received all the approvals for the eight towers, and the third floor for the remaining two towers at end-September 2023. Apart from the ten towers, the company has to develop and hand over a building for the economically weaker sections to the authority to receive the occupancy certificate.

So far, the company has launched only six towers for sale, and the remaining towers are expected to launch over the next 12 months. "While Alder Residency has achieved a reasonable sales rate, it faces risks related to approvals and execution as it has not completely received the commencement certificate and has yet to achieve complete financial closure," said the rating company.

sangita.mehta@timesgroup.com

