

IPO Review

KSL is in a novel business of “space-as-a-service” and It has posted growth in its top lines for the reported periods. FY23 performance hints at the prospects ahead and the management is confident in exploiting the opportunity with the proposed expansion.

IPO Objective

Capital Expenditure for fit outs of new co- working centers.

Payments of rental deposits of new co-working centers.

General Corporate Purpose.

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	44,18,989	98.20%
Public	81,011	1.80%

Promoter of the Company

1	Kanak Mangal
2	Neha Mittal

Competitive Strengths

1	Brand image backed by service.
2	Asset-light model.
3	Economical pricing.
4	Contract flexibility.
5	Smart workspaces.
6	Convenience of enquiry/booking.
7	Understanding ultimate client user preferences, service upgradation and roll out capabilities.
8	Strategic Location

Company Background

- Kontor Space Limited was originally incorporated in the year 2018 and has its registered office in Maharashtra.
- The Company provide “space-as-a-service” by renting and managing commercial spaces.
- The company is operating the Co-working space from 4 locations.
- As of 31st March 2023, the Company has 9 Employees on its payroll.

Market Capitalization (In Cr.)
Pre-Issue

₹42

Post-Issue

₹57

Financial Summary (In Lacs)

For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	535.84	580.83	1,295.31
Net Assets	44.87	75.31	464.67
Total Borrowings	203.75	210.31	552.78
Total Revenue	390.24	403.76	917.84
Profit After Tax	-61.76	30.43	187.89

Tentative Timeline

Opening Date	Sept 27, 2023
Closing Date	Sept 29, 2023
Basis of Allotment	Oct 05, 2023
Initiation of Refunds	Oct 06, 2023
Credit of Shares to Demat	Oct 09, 2023
Listing Date	Oct 10, 2023

Company Background and Analysis

The Company was originally incorporated in the year 2018. The company provide “space-as-a-service” by renting and managing commercial spaces. The company with technological expertise, aims to foster a culture of collaboration and productivity by offering flexibility, convenience, and astounding quality at a significantly competitive price to the clients ranging from small-scale startup to large conglomerates.

The company is operating the Co-working space from 4 locations situated at

1. 9th Floor, Office No. A1 and B1, Ashar IT Park, Jayashri Baug, Road No.16, Wagle Industrial Estate, Thane West, Maharashtra, 400604.
2. Office No. 304 to 314, 318 to 322, Floor No 3, Kantilal Parmar Commercial Tower, Vithalrao Shivker Marg, Near Big Bazar Mall, Wanowarie, Haveli, Pune, Maharashtra, 411040.
3. 4th Peninsula House, Dr Dadabhai Navroj Road, Fort, Mumbai -400001 and
4. Unit no. 608, 6th floor, Plot No. C 66, G-Block, One BKC, Bandra Kurla Complex, Bandra, Mumbai 400 051.

Business Model –

The company purchases the property and / or take properties on rent, to sub-rent / sub-lease the same to single or multiple clients for their workspace requirements with or without furnishing the same as per their needs on per-seat basis.

The company further invest in fit outs to customize the property to suit the business model and renovate, modernize the properties according to the working needs in terms of business requirement such as furniture, work-desks, open work area, cabins, meeting rooms, conference rooms, cafeteria, play area, reception, lockers, de-stress zones etc. and equip the same with peripherals like printers, scanners, attendance devices, telephones, hi-speed internet, air-conditioners, water-coolers, smoking-zones, and other facilities.

Occupancy/Capacity and Capacity Utilisation is given below-

Sr.no	Centre Name	No. of seats	Average Occupancy (for financial ear 2022-23)
1	Thane	730	90%
2	Pune	300	90%
3	Fort	60	100%
4	BKC	120	N.A

To conclude, the company was originally incorporated in the year 2018. The company provide “space-as-a- service” by renting and managing commercial spaces. The company has only one source of revenue. The company operates from 4 locations in Maharashtra. The company is raising gross proceeds of Rs. 15.62 Cr.

Profit and Loss Statement		(In Lacs)		
Particulars	FY 21	FY 22	FY 23	
Revenue from Operations	390.24	400.70	917.40	
Other Income	-	3.06	0.44	
Total Income	390.24	403.76	917.84	
Expenses				
Purchase of stock-in-trade	-	-	-	
Change in Inventories of finished goods, stock in process & stock in trade	-	-	-	
Employee benefits expense	61.42	40.97	38.90	
Finance costs	11.30	13.28	53.86	
Depreciation and Amortization expense	72.35	(40.83)	79.80	
Other expenses	282.94	345.12	481.78	
Total Expenses	428.01	358.54	654.34	
Earnings Before Interest, Taxes, Depreciation & Amortization	32.19	13.97	394.93	
EBITDA Margin	8%	3%	43%	
Profit before exceptional and extraordinary items and tax	(37.77)	45.22	263.50	
Profit on sale of property	13.69	0.64	1.79	
Profit/(Loss) before tax	(51.46)	44.58	261.71	
Tax Expense				
Current Tax	-	-	48.09	
Deferred tax (net)	10.30	14.15	25.73	
Total Tax Expense	10.30	14.15	73.82	
Profit/(Loss) for the year	(61.76)	30.43	187.89	
Net Profit Margin	-16%	8%	20%	

Balance Sheet		(In Lacs)		
Particulars	FY 21	FY 22	FY 23	
EQUITY AND LIABILITIES				
Equity				
Share Capital	200.00	200.00	400.00	
Reserves and Surplus	(155.13)	(124.69)	64.67	
Total Equity	44.87	75.31	464.67	
Liabilities				
Non-current liabilities				
Borrowings	203.75	193.68	510.82	
Deferred tax liabilities (Net)	-	-	18.49	
Long Term Provisions	3.14	5.64	9.37	
Total Non-current liabilities	206.89	199.32	538.68	
Current liabilities				
(i) Short Term Borrowings	-	16.63	41.96	
(ii) Trade Payables				
i) Due to micro and small enterprises	-	-	-	
ii) Due to other than micro and small enterprises	143.99	113.87	29.35	
Other Current Liabilities	128.98	167.39	160.02	
Short-Term Provisions	11.11	8.30	60.62	
Total Current liabilities	284.08	306.19	291.95	
Total Liabilities	490.97	505.51	830.63	
Total Equity and Liabilities	535.84	580.82	1,295.30	
ASSETS				
Non-Current Assets				

Balance Sheet	(In Lacs)		
Property, Plant and Equipment	286.96	430.89	965.99
Deferred Tax Assets (Net)	21.39	7.24	-
Other non-current assets	46.44	45.49	62.53
Total Non-Current assets	354.79	483.62	1,028.52
Current Assets			
Current Investments	-	-	-
Inventories	-	-	-
Trade Receivables	44.46	20.60	4.63
Cash and Cash Equivalents	23.49	4.10	208.22
Short-Term Loans and Advances	0.10	0.28	-
Other Current Assets	113.00	72.23	53.94
Total Current assets	181.05	97.21	266.79
Total Assets	535.84	580.83	1,295.31

Cash Flow Statement	(In Lacs)		
Particulars	FY 21	FY 22	FY 23
Net Cash Flow from Operating Activities	6.25	89.61	394.79
Net Cash Flow from Investing Activities	25.56	(102.32)	(631.66)
Net Cash Flow from Financing Activities	(38.65)	(6.67)	489.09

Ratio Sheet			
Particulars	FY 21	FY 22	FY 23
Per Share Data			
Diluted EPS	-3.09	1.52	9.37
BV per share	0.73	1.22	7.52
Operating Ratios (%)			
EBITDA Margins	8%	3%	43%
PAT Margins	-16%	8%	20%
Inventory days	-	-	-
Debtor days	41.58	18.76	1.84
Creditor days	-	-	-
Return Ratios (%)			
RoCE	-16%	20%	31%
RoE	-138%	40%	40%
Valuation Ratios (x)			
EV/EBITDA	6.99	20.15	2.05
Market Cap / Sales	14.73	14.34	6.26
P/E	-30.10	61.18	9.93
Price to Book Value	128.09	76.32	12.37
Solvency Ratios			
Debt /Equity	4.54	2.79	1.19
Current Ratio	0.64	0.32	0.91
Quick Ratio	0.64	0.32	0.91
Asset Turnover	0.73	0.69	0.71
Interest Coverage Ratio	-3.55	4.13	5.85

Key Managerial Personnel

Kanak Mangal, aged 43, is one of the Promoters, Chairman, and Whole-Time Director of the company. He holds degree of Bachelor of Business Administration and Postgraduation in Management Studies. He has 12+ year business operation experience including 5+ years of experience in commercial real estate and co- working spaces industry. He oversees and contributes toward overall business management of the Company.

Kanan Kapur, aged 41, is the Managing Director of the company. She is a Commerce Graduate and Qualified ACCA (Chartered Accountant) Level II professional. She has extensive experience of 20 years in business development, growth strategy and fund management. She is responsible for the handling overall functioning and Business development of the Company.

Neha Mittal, aged 36, is one of the Promoters, and Non-Executive Director of the company. She holds a degree of master's in business administration. She possesses 8 years of overall experience in Real Estate Consultancy, Business Administration. She is engaged in brand building, strategic management related to community building, customer experience and customer retention.

Rajat Kothari, aged 41, is the Independent, and Non-Executive Director of the company. He holds degree of Company Secretary from the Institute of Company Secretaries of India. He has 6 years of experience in Corporate Secretarial, Legal, Finance and Management field.

Monika Jain, aged 43, is the Independent, and Non-Executive Director of the company. She holds degree of Company Secretary from the Institute of Company Secretaries of India, and also holds master's degree in business administration. She has overall experience of 4 years and 3 years of experience as a Practicing Company Secretary.

Rahul Jhuthawat, aged 35, is the Additional Independent Non-Executive Director of the company. He is qualified Chartered Accountant and is result-oriented professional with +8 years of experience in managing overall finance function in financial Planning & management, procedure and controls, maintenance of accounts, profitability monitoring.

To conclude, the company has 2 promoters, and they have good experience in the fields in which the company operates. The remaining directors have good knowledge and experience in the fields which help in the growth of the business.

Business Strategies

1. Expansion

The company intends to establish additional coworking spaces in further geographies to be identified as per the business plans. The company believes that the expansion plan will not only enable them to expand the business activities but also effectively cater to the growing demand of the clientele.

2. Reduction of funding costs

The company intends continue to evaluate various funding mechanisms which will enable them to reduce the borrowing cost and improve the liquidity position.

3. Optimal Utilization of Resources

The company intends to further invest in the activities to develop customized systems and processes to ensure effective management control.

4. Attract and retain talented employee.

The company intends to continue to reduce the employee attrition rate and retain more skilled workers by improving the employees' health, safety, and environment by providing various programs and benefits for their personal well-being and career development.

5. Enhance brand awareness and engagement through digital marketing.

The company aspires to use the marketing expertise to build an effective online presence and engage with the clients through relevant content and appropriate targeting.

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