



Dated 16<sup>th</sup> Feb 2024

## **Hampton Sky Realty**

**View: Buy**  
**Cmp Rs 41**

**TP Rs 70**

### **Business Background –**

Established in 1987, Hampton Sky Realty Ltd formerly known as Ritesh Properties and Industries Ltd (RPIL) is a leading company with business interests in the Real Estate & Fashion Industry. The company is also engaged in the exports of mobile phones to the Middle-Eastern countries

Hampton Sky Realty is based out of Ludhiana and Delhi under the leadership of Mr. Sanjeev Arora, Chairman and managing Director of the company

RPIL was acquired by the existing promoters led by Mr Sanjeev Arora in Feb 2023 via a open offer of 42 lac optionally convertible shares & 3431600 shares at a open offer price of Rs 22 constituting 25.83% of the company's equity capital

The company has commenced construction on its latest project

- Hampton Narayana Super speciality Hospital (HNSH) in Ludhiana, in collaboration with Narayana Hospitals Ltd (NHL), a renowned hospital chain headed by Dr. Devi Shetty

Some other marquee projects under development are "Hampton Plaza", coming up in an area of 200000 sqft., "Hampton estate" – commercial project spread over 12 acres with a built-up area of 500000 sqft, in Ludhiana

The total area currently under development spans 55 acres, with a built-up area of 2.8 Million sq ft

## Key Promoters & Key Management Team Members – Sanjeev Arora –

### Managing Director

In Business since 1986, MP Rajya Sabha, excels in infrastructure, business, and Femella brand leadership, contributing significantly to Ludhiana's development

### Kavya Arora – Executive Director

A graduate of The George Washington University School of Business, Kavya is also a director at Femmella since 2009, and is currently serving as an executive director at Hampton Sky Realty

### Current Projects of 2.8 mn sq ft executed by the company –



## **Delivered Projects till date –**

### **HAMPTON COURT BUSINESS PARK**

25 Acres in Ludhiana on NH-5 which is Ludhiana -Chandigarh road. There are 76 Environment Friendly units running without any Pollution. Units are into the Business of Garmenting, Knitting, IT etc.

### **HAMPTON HOMES**

A residential colony, has been delivered with 672 apartments in Ludhiana. The total built up area is 712000 Sqft. Again this was delivered before the expiry of RERA deadline. These apartments are all 2 BHK made on 6 towers with 14 floors each.

### **NARAYANA E-TECHNO SCHOOL**

running with collaboration of Narayana Educational Society based out of Nellore, Andhra Pradesh. This school is CBSE accredited, having a capacity of 1500 students.

### **HAMPTON ARCADE**

Hampton Arcade an boutique shopping area with 24 shops. Running successfully.

## **Ongoing Projects –**

### **PHASE II OF HAMPTON HOMES**

Under construction for 464 Apartments having 312 3BHK & 152 1BHK. This project will be completed in the next 3 months. The total built up area is 550000 Sqft. Also part of this project as an exclusive club is coming up with a buildup area of 16000 Sqft. A convenience shopping center of 6000 sqft. built up area.

### **PLAY SCHOOL**

Being built with a total area of 14000 sqft and will be run in collaboration with DCM group of schools.

### **HAMPTON PLAZA**

A commercial project coming up in an area of 200000 sqft. This will have PVR theaters, retail brands, food court, play area, banqueting and many more features.

### **HAMPTON ESTATE**

A commercial project is coming up on 12 Acres of Land having a built-up area of around 500000 sqft. It is on lines of High Street concept. This is on NH-5 within Municipal Limits of Ludhiana.

## Hampton Narayana Super Speciality Hospital Project – Key Features



### Super Specialty Hospital

Partnership with Narayana Hospitals for a 200-bed super specialty hospital, emphasizing cardiology, oncology, and various medical specialties.



### Project Cost and Completion

Rs. 200 Cr project to be completed by FY 2025-26, delivering state-of-the-art medical treatment on NH-5 Ludhiana-Chandigarh Road.

All the approvals have been received to start construction of the hospital project under name of Hampton Narayana Super speciality Hospital.

This Hospital is within Municipal Limits of Ludhiana on NH-5 connecting Ludhiana with Chandigarh. The Hospital will have all the super specialties with focus on Cardiology & Oncology. The hospital is part of 43 Acres project. Going ahead the company is likely to take debt of Rs 300 crs going ahead to fund this project

## Hampton High Street Project –



### Commercial Project on NH-5

Rs. 120 Cr investment, 12 acres in Ludhiana, hosts famous retail brands, anticipating profits based on market forces.



### Diverse Growth and Expansion

Steady revenue growth, surpassing last year's in 3 quarters. Future projects include a hospital and an Industrial Park.

Hampton Plaza has an area of 200000 sq ft. Construction is going on and hopefully will be complete by 2025 first half.

As regards the Residential project the Phase 1 is 672 apartments.

This is already made, OC received and almost 300 families are living. The Phase 2 has 464 Apartments. Civil work is complete, and the OC is expected in 3 months.

In sq ft terms total Sq ft is 1262000 Sqft and sold is 700000 Sqft. Handed over to customers is 300000 Sqft. & Revenue Booked till date is Rs. 275 crs. The average selling price is Rs.4500.00 per sqft for the residential project

As per the company management 55% of the residential area total project is booked and sold

### **Prospects for the Real Estate Market in Ludhiana look promising –**

From being a prominent industrial hub of north India, Ludhiana has led to a shift in the real estate market in the region. Once known for exorbitant kothis, the city is now witnessing a major shift in people's preferences in terms of real estate buying and investments. In the past decade, the affluent families of the city are moving from their kothis to newly built plush penthouses within large and integrated townships.

Kothis has been the charm of Punjab long before the British era. For cash-rich families and individuals, it was a prized possession and the definition of comfort and opulence.

The luxury of owning spacious and multiple rooms with attached bathrooms, a huge drawing room, a separate dining room, a sprawling garden, a vintage veranda, a parking space, a terrace, and a high ceiling gave a grand feel of owning a property.

Penthouses are similar to kothis in some manner equated with exclusivity and add to a status symbol. This is mainly because penthouses are constructed less in number and provide 80% open and green space. Being built only on top floors of high-rise buildings penthouses let you enjoy the panoramic view of the sky and the city.

The high ceilings mounted with ambient lighting, large glass window panels for letting in an abundance of sunlight, outdoor terrace for entertainment purposes, and premium fittings and fixtures add a contemporary touch to the residence.

In addition to that, penthouses offer several other amenities within a township such as open separate play zones for children, a fully gated community, a safety, and security circle with 24\*7 CCTV cameras surveillance, supermarkets, access to a clubhouse, and facilities like a pool, gym, restaurants, banquet hall, indoor and outdoor sports zones

Penthouses are laced with all the modern conveniences as per new-age day-to-day lifestyle, which would require more infrastructure and maintenance while living in kothis.

The desire to own a penthouse has particularly surged among the younger generation. While the senior members of the family prefer the ancestral-style life in kothis, the younger lot is more open to adapting to a new and uber-luxury lifestyle due to globalization and evolving demographics.

Frequent travels to different parts of the world such as London, Fairfield and Manhattan for business or holidaying have helped to widen their horizons.

They want access to the same comfort back home, for which penthouses are a perfect fit. Such dreams of people are being turned into reality by real estate developers like Omaxe.

At present, Ludhiana is one of the flourishing real estate markets. It is well-connected to every major city via road, rail and air and is witnessing the growth of IT and manufacturing companies like Hero Cycles, Web dew, Infotech Zone, LN Webworks, and others.

Due to this, the number of new-generation professionals coming and settling in the city has surged, spiking the demand for luxury housing for investment purposes.

The availability of land in Ludhiana pushes builders from metro cities to plan large townships to suffice the demand for luxury housing in the city

Hampton Sky Realty according to us should benefit significantly ahead over the next 2 -3 years as it has a attractive land bank of 55 acres acquired at a cost of Rs 100 crs which it hopes to monetize over the next 3 years ahead

### **Key Competitive Moats enjoyed by Hampton Sky Realty –**

**Strong Innovation ability & ability to monetize real estate optimally ahead –**  
Hampton Sky Realty Limited is one of those promising realty players which enjoy the benefit of right location but which have cleverly decided to add value to the land bank by setting up a speciality Hospital

Shopping Mall and School apart from building residential dwelling units which will create a eco system in itself and improve the lifestyle and the price appreciation of such constructed properties going ahead

**Experienced Management Team** – The company’s management team led by Promoter & Chairman Mr Sanjeev Arora has got very good networking contacts and being a MP Rajya Sabha, excels in infrastructure, business, and Femella brand leadership, contributing significantly to Ludhiana's development

**Key Management Team –**



Mr Sanjeev Arora MD                      Mr Kavya Arora ED

**Scalable Business Model** – Hampton Sky Realty enjoys a business model which is scalable. The biggest positive Hampton Sky Realty enjoys is that it is a fully Indian-grown real estate player with strong design domain expertise which positions itself very strongly with customers as regards pricing & customer retention levels

Company presently has around 2.8 mn sq ft where the monetization value over next 3 years is Rs 450-500 crs which is executable over the next 3 years ahead

**Strong Industry tailwinds from the Ludhiana Real estate markets to be another positive driver for Hampton Sky Realty going ahead –**

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### **Key Weakness –**

Environmental risks like floods, heavy rainfalls & Cyclones can significantly affect business growth, Any pandemic like covid again can also impact the company's performance negatively

### **Business Outlook & Stock Valuation –**

**On a rough cut basis, in FY24E, Topline is expected to touch Rs 100 crs, followed by Rs 200 crs in FY25E & Rs 320 crs in FY26**

**On the bottom line level we expect the company to record a PAT of Rs 13.28 crs in FY24E which is expected to bounce back to Rs 27 crs in FY25 & Rs 43 crs in FY26**

**We continue to be positive based on the company's future growth outlook in the Real Estate segment & believe that Hampton Sky Realty looks attractive from a long term perspective considering the huge head room for future growth in the Real Estate space, the diversity of its customer base and strong domain knowledge enjoyed by it in the business**

**Hence we believe that the Hampton Sky Realty should buy at CMP at Rs 41 and target price would be around Rs 65-70 plus over the next 18 months**

### **FINANCIALS**

<b>Financials Rs Crs</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24E</b>	<b>FY25E</b>	<b>FY26E</b>
Sales	185.00	72.00	100.00	200.00	320.00
EBIDTA	28.00	-1.00	20.00	44.00	73.60
EBIDTA %	15.14	NA	20.00	22.00	23.00
PBT	40.00	2.00	17.71	36.00	57.60
PAT	40.00	5.00	13.28	27.00	43.20
EPS (Rs)	1.67	0.19	0.49	1.00	1.60
Equity Capital	24.00	27.00	27.00	27.00	27.00
Networth	110.00	116.00	129.28	156.28	199.48
Total Debt	11.00	10.00	45.00	65.00	200.00
Gross Block	4.00	4.00	5.00	6.00	8.00
Investments	11.00	11.00	11.00	11.00	11.00



