

Manan Goyal
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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	7,920
Fresh Issue (No. of Shares in Lakhs)	528
Offer for Sale (No. of Shares in Lakhs)	NIL
Bid/Issue opens on	30-July-25
Bid/Issue closes on	01-August-25
Face Value	₹ 1
Price Band	140-150
Minimum Lot	100

Objects of the Issue

- Fresh Issue: 7,920 million**
 - Investment in the Subsidiaries, for part-funding development and construction cost of their Ongoing Projects.
 - General Corporate Purpose
- Offer for sale: NIL**

Book Running Lead Managers	
MONARCH NETWORTH CAPITAL LIMITED	
MOTILAL OSWAL INVESTMENT ADVISORS LIMITED	
Registrar to the Offer	
KFIN TECHNOLOGIES LIMITED	

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	551
Subscribed paid up capital (Pre-Offer)	436
Paid up capital (Post - Offer)	489

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	91	82
Public	8	18
Total	100	100

Financials

Particulars (₹ In million)	FY25	FY24	FY23
Revenue from operations	5,497	4,616	1,669
Operating expenses	2,607	3,037	1,455
EBITDA	2,890	1,579	214
Other Income	196	46	31
Depreciation	15	12	9
EBIT	3,070	1,613	235
Interest	2	2	6
Share of Profits/(Loss) from associates/JV	-	-	(3)
Profit before tax	3,068	1,611	226
Tax	789	420	58
Consolidated PAT	2,279	1,191	168
EPS	4.6	2.4	0.3
Ratios	FY25	FY24	FY23
EBITDAM	52.6%	34.2%	12.8%
PATM	41.5%	25.8%	10.1%
Sales growth	19.1%	176.6%	-

Sector- Real Estate

Company Description

Sri Lotus Developers & Realty Ltd is a developer of residential and commercial premises in Mumbai, Maharashtra, with a focus on Redevelopment Projects in the Ultra Luxury Segment and Luxury Segment in the western suburbs. Since their establishment, they have aimed at building a brand centered around customer satisfaction, by creating environments that enhance their customers' lifestyles. Their operations are strategically located in Mumbai, one of the biggest real estate markets in India. For the calendar years 2019 to 2023, the MMR was ranked first among the top seven Indian residential real estate markets (namely, MMR (Maharashtra), Pune (Maharashtra), Bengaluru (Karnataka), Hyderabad (Telangana), the National Capital Region, Chennai (Tamil Nadu) and Kolkata (West Bengal)) in terms of supply, absorption and average base selling price. Company acquired land for their operations in the western suburbs of Mumbai in 2017, focusing on the Ultra-luxury and Luxury residential properties market. Company believe that their growth can be attributed to their Promoter, their understanding of the real estate market, their design and execution capabilities, their sales ability and the "Lotus Developers" brand.

Company is led by their Promoter, Anand Kamalnayan Pandit, who has over 24 years of experience in the real estate business. He is a recipient of the Builder Ratna Award in the year 2016 from "Hira Manek" for outstanding contribution in the infrastructure industry. His active engagement in the ventures of the Company has been pivotal in acquiring market opportunities. He guides the management of the Company to diversify the reach by progressing into new territories within the micro-markets of the Mumbai region. His valuable expertise is reflected in the projects that have been successfully completed by him under entities separate from the Company. He has executed twelve (12) projects in the western suburbs of Mumbai, out of which eight (8) projects are in the residential segment and four (4) projects were in the commercial segment, and developed over 3.32 million square feet, under entities separate from the companies.

Company structurally define their price ranges for the higher income housing market segment based on strategic research. They provide "ultra-luxury and luxury homes" with designs and amenities. The demand for luxury housing, particularly in the > ₹2.5 Cr segment, has seen significant growth, more than quadrupling from 3% in 2021 to 22% in Q1 2025. Company seek to enhance the value of their projects by creating a better living environment through the provision of comprehensive community facilities and by engaging experts in various specialized fields.

Valuation

Sri Lotus Developers & Realty Limited holds a strong strategic position in the Ultra Luxury and Luxury residential real estate market of Mumbai's Western Suburbs, one of the city's most premium micro-markets. The company prioritizes customer-centricity, consistently delivering quality, value, and satisfaction across its expanding portfolio of residential and commercial projects. Their asset-light model executed through development agreements with landowners and housing societies—minimizes capital outlay, supports financial flexibility, and ensures robust operating cash flows. With integrated, end-to-end execution capabilities covering design, approvals, construction, and handover, the company is known for timely project completion.

At the upper price band company is valuing at P/E of 30.6x to its FY25 earnings, with EV/EBITDA of 24.5x and market cap of ₹ 73,306 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a **"Subscribe-Long Term"** rating to the IPO.

Description of Business

Projects can be bifurcated into the following three (3) categories:

- Greenfield Projects:** Projects that have been constructed on parcels of undeveloped land with no previously constructed infrastructure. They undertake these projects on land acquired by them.
- Redevelopment Projects:** Projects that are reconstructed by virtue of development agreements with housing societies, commercial unit holders, or others.
- Joint Development Projects:** Projects where they enter into a development agreement with the holder(s) of the land parcel(s) (including holding long-term leasehold rights in land from the owner society) sought to be developed and develop the project jointly with such landholder. They are typically entitled to a share in the developed property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements.

The table below sets forth a summary of revenue breakup based on Greenfield Projects, Redevelopment Projects, and Joint Development Projects for the financial years ended March 31, 2025, 2024, and 2023:

Name of Project	Fiscal 2025	% of total revenue	Fiscal 2024	% of total revenue	Fiscal 2023	% of total revenue
Greenfield Project						
Signature	3,403	61.9%	2,664	57.7%	533	31.9%
Redevelopment Project						
Ananya	159	2.9%	974	21.1%	723	43.3%
Ayana	590	10.7%	476	10.3%	413	24.7%
Arc-one	1,034	18.8%	502	10.9%	-	-
Redevelopment Project						
Lotus Amara	250	4.5%	-	-	-	-

Projects

Signature (Commercial)



Ayana (Residential)



Ananya (Residential)



Arc One (Commercial)



Ongoing Projects

As of June 30, 2025, company have five (5) ongoing projects with an aggregate estimated developable area of 0.80 million square feet. All of their Ongoing Projects are located in western suburbs of Mumbai.

Set out below are brief details of their Ongoing Projects:

S.no	Project Name	Name of company/subsidiary	Company 's stake in subsidiary	Location	Nature of Project	Stake in the project (%)	Estimated developable area(square feet)	Estimated saleable RERA carpet area(square feet)	Total units available for sale	Expected completion date
Residential Segment										
1	The Arcadian	Dhyan Projects Private Limited	100%	Juhu	Redevelopment Project	100%	3,13,191	1,39,686	93	FY 2026- 27
2	Amalfi	Richfeel Real Estate Private Limited	100.0%	Versova, Andheri West	Redevelopment Project	100%	1,72,825	49,063	31	FY 2027- 28
3	Varun	Tryksha Real Estate Private Limited	75.0%	Bandra West	Redevelopment Project	100.0%	1,40,989	33,745	21	FY 2027- 28
4	Lotus Amara	Sri Lotus Developers and Realty Limited	NA	Juhu	Joint Development Project	20% revenue sharing	1,19,415	49,707	12	FY 2026- 27
5	Lotus Athena	Zinnia Projects Private Limited*	100.0%	Juhu	Joint Development Project	9.3%	50,872	23,384	10	FY 2026- 27

Upcoming Projects

As of June 30, 2025, company have 11 Upcoming projects with an aggregate estimated developable area of 4.97 million square feet. The majority of their Upcoming Projects are located in prime locations of western suburbs of Mumbai and the rest in south central Mumbai and eastern suburbs of Mumbai.

The below-mentioned table provides is an overview of their Upcoming Projects:

S.no	Project Name	Name of subsidiary	Company's stake in subsidiary	Location	Nature of Project	Stake in the project (%)	Estimated developable area(square feet)	Expected commencement date	Expected completion date
Residential Segment									
1	Lotus Celestial	Valuem art Real Estate Private Limited	100.0%	Versova, Andheri West	Redevelopment Project	100%	5,12,990	Quarter 3 of Fiscal 2026	2028- 29
2	Lotus Aquaria	Sri Lotus Developers and Realty Holdings Private Limited	100.0%	Prabhadevi	Redevelopment Project	100%	4,85,610	Quarter 2 of Fiscal 2026	2028- 29
3	Lotus Aurelia	Shivshrushti Projects LLP	80.0%	Neapensea Road	Joint Development Project	70% profit Share	1,15,446	Quarter 3 of Fiscal 2027	2029- 30
4	Lotus Solana	Roseate Real Estate Private Limited	100.0%	Ghatkoper	Redevelopment Project	100%	3,20,835	Quarter 3 of Fiscal 2027	2029- 30
5	Lotus Monarch	Srajak Real Estate P Private Limited	100.0%	Juhu	Redevelopment Project	100%	5,14,380	Quarter 2 of Fiscal 2027	2029- 30
6	Lotus Portofino	Veera Desai Projects Pvt. Ltd.	100.0%	Versova, Andheri West	Redevelopment Project	100%	2,86,272	Quarter 2 of Fiscal 2027	2029- 30
7	Lotus Avalon	Dhiti Projects Pvt. Ltd.	100.0%	Juhu	Redevelopment Project	100%	1,14,368	Quarter 2 of Fiscal 2027	2028- 29
8	Lotus Imperial	Dhiti Projects Pvt. Ltd.	100.0%	Bandra	Redevelopment Project	100%	5,11,924	Quarter 4 of Fiscal 2027	2029- 30
Commercial Segment									
1	Lotus Nexus	Arum Real Estate Private Limited	54%	Juhu	Redevelopment Project	100%	4,42,705	Quarter 3 of Fiscal 2027	2029- 30
2	Lotus Trident	Zinnia Projects Private Limited *	100%	Andheri West	Greenfield Project	100%	3,80,860	Quarter 4 of Fiscal 2026	2027- 28
3	Lotus Sky Plaza	NA#	NA	Oshiwara , Andheri West	Redevelopment Project	100%	12,92,989	Quarter 2 of Fiscal 2027	2029- 30

Strengths:

- **Strategic position in the Ultra Luxury Segment and Luxury Segment of the residential real estate market of the Western Suburbs of Mumbai with a customer centric focus and strong pipeline of projects.**

Most of their Completed Projects, Ongoing Projects and Upcoming Projects are under the Ultra Luxury Segment and Luxury Segment and are located in Mumbai, one of the biggest real estate markets in India. The demand for luxury housing, particularly in the > ₹2.5 Cr segment, has seen significant growth, more than quadrupling from 3% in 2021 to 22% in Q1 2025. Similarly, the ₹1.5 Cr - ₹2.5 Cr segment grew from 8% to 21%. This indicates a growing interest in high-end properties, possibly due to increased affluence or demand for premium living spaces. Mumbai's position as the commercial capital of India, together with the demographics of a high-income customer base and an expanding segment of young professionals, provides a substantive market for their projects – ultra luxury and luxury residential properties in the western suburbs of Mumbai. Company is led by their Promoter, Anand Kamalnayan Pandit, who has over 24 years of experience in the real estate industry. They benefit from the experience of their Promoter in the real estate market of the western suburbs of Mumbai. He has executed twelve (12) projects in the western suburbs of Mumbai, out of which eight (8) projects were in the residential segment and four (4) projects were in the commercial segment, and developed over 3.32 million square feet, in entities separate from their Company. To better understand their target demographics and to design a project appealing to their target customers, prior to their design and planning phase, they undertake detailed strategic research on various aspects of a project, such as layout planning, floor space index utilization, unit size, amenities and interior design.

For example, as Andheri is a media and entertainment hub, they have designed their commercial project Signature to include amenities such as a private theatre, banquet and private lounge, in addition to standard amenities of an office building. After the development of Signature, through strategic research, they realized that there is a gap in customer demand for ultra-luxury and luxury commercial properties with smaller unit sizes. As such, they have developed Arc One with smaller unit sizes (e.g., 400 square feet office space with 13.5 feet height and loft with storage capabilities), but with all the amenities and infrastructure of their other high-end commercial projects. Considering geographical constraints, high population density and limited availability of large plots for new developments in the Juhu area, they have developed residential projects, namely Ananya and Ayana, with rooftop amenities such as swimming pool, cabanas and sit-out spaces for their customers. With the lack of open spaces on the ground level due to plot size, their projects provide the advantage of a gated community with recreational facilities situated within the project buildings. Lotus Developers commands a premium of approximately 22% on its quoted prices compared to the average quoted prices in the Juhu market. The probable factors for this premium include good brand recall, construction quality, timely execution, and customer satisfaction. Moreover, the current market situation in Juhu reflects a limited new supply coupled with continued robust demand, which has led to recent price appreciation and increased premiums. In addition, when the Juhu market's average quoted price is compared to Lotus Developers' recent average transacted value of ₹61,304 per sq. ft. on carpet area, it reflects a premium of approximately 10% over the average quoted market price in Juhu.

- **Strong brand recognition with ability to sell at a premium pricing, allowing them to sell throughout the construction phase.**

Company projects are executed under the “Lotus Developers” brand. They believe their focus on customer satisfaction and emphasis on quality and luxury construction, strong project execution, contemporary architecture, and timely delivery have enabled them to establish a reputable brand. Their brand strength and goodwill are generated from their continued focus on customer satisfaction by creating environments that enhance their customers' lifestyles, which has been a key factor contributing to the growth of their business. Their established presence in the western suburbs of Mumbai leads to brand recognition, particularly in the Ultra Luxury segment and Luxury segment. The Company won the Best Realty Brand award in the luxury category presented by ET Edge, the Times Group, for the years 2024 and 2025. They have been able to leverage their established brand and quality product offerings to sell units within their projects relatively early in the project development period, including through pre-sales. Company conduct pre-sales for their projects in phases from the date of launch of the project after receiving the requisite approvals required under RERA up until the time the project is completed. Their ability to sell units during the construction phase provides them with cash flow for operations and enables them to maintain low indebtedness, thereby ensuring higher return on investment. This becomes instrumental in reducing the need for financing construction while allowing them to achieve optimal returns on their projects.

As on June 30, 2025, the following table sets forth details of the Saleable Area of projects, sold within one year and two year of such launch:

Project Name	Location	Date of Launch	Total Saleable Area (in square feet)	Saleable Area sold within one year of launch (in square feet)	Proportion of Saleable Area sold within one year of launch (%)	Saleable Area sold within two year of launch (in square feet)	Proportion of Saleable Area sold within two year of launch (%)
Ananya	Juhu	December 31, 2020	56,076	15,979	28.5	44,107	78.7
Signature	Andheri West	November 30, 2021	1,83,433	62,865	34.3	1,20,675	65.8
Ayana	Juhu	September 20, 2022	50,445	18,019	35.7	22,496	44.6
Arc One	Andheri West	November 16, 2022	88,442	23,155	26.2	39,889	45.1

As on June 30, 2025, the following table sets forth details of the Saleable Area of projects which received their occupancy certificates, and the Saleable Area sold prior to the receipt of such occupancy certificate:

Project Name	Location	Date of receipt of Occupancy Certificate	Total Saleable Area (in square. feet/ square meter)	Saleable Area sold before receiving OC (in square feet/ square meter)	Proportion of Saleable Area sold before receiving OC (%)
Ananya	Juhu	15-12-2023	56,076	48,846	87.1
Signature	Andheri West	12-06-2023	1,83,433	82,575	45.0
Ayana	Juhu	18-04-2024	50,445	20,976	41.6
Arc One	Andheri West	29-03-2025	88,442	46,572	55.7

➤ **Asset-light model for development of projects through development agreements, enabling them to maintain high level of cash flow generated from operating activities.**

A substantial amount of their Completed Projects, Ongoing Projects and Upcoming Projects are redevelopment projects or joint development projects. They acquire their interest in land of a redevelopment project via an asset-light model, pursuant to which they enter into development agreements with housing societies and holders of existing units. Similarly, under the Joint Development Projects, they develop the premises jointly with owner(s) of land parcel(s) sought to be developed. This approach has served as a catalyst to strengthen their redevelopment and joint development portfolio while simultaneously reducing their cost on upfront land acquisition and accelerating their capital efficiency. Consequently, this approach has enabled them to capitalize on strategic market opportunities by providing them with the flexibility to seep into various other micro-markets in the southern and central regions of Mumbai, such as Nepean Sea Road and Prabhadevi, and eastern suburbs of Mumbai, such as Ghatkopar.

The following table demonstrates the split between (i) their Redevelopment Projects, (ii) their Joint Development Projects on an asset-light model and (iii) Greenfield Projects on land acquired or owned by them, for the periods indicated:

Particulars	Developable/Estimated Developable Area As of June 30, 2025					
	Completed Projects		Ongoing Projects		Upcoming Projects	
	Developable Area (million square feet)	Percentage of Total Developable Area (%)	Estimated Developable Area (million square feet)	Percentage of Total Estimated Developable Area (%)	Estimated Developable Area (million square feet)	Percentage of Total Estimated Developable Area (%)
Redevelopment Projects	5,03,992	54.0	6,27,005	78.6	44,82,073	90.0
Joint Development Projects	Nil	Nil	1,70,286	21.4	1,15,446	2.3
Greenfield Projects	4,27,456	46.0	-	-	3,80,860	7.7
Total	9,31,448	100.0	7,97,291	100.0	49,78,379	100.0

These partnerships entered by them with housing societies and holders of existing office units allows them to rely on their technical expertise and project management skills, while providing them with the freedom to simultaneously undertake multiple projects and reducing the risks associated with land development. Redevelopment Projects on an asset-light model reduces their dependence on borrowings, thereby strengthening their balance sheet and reducing their leverage ratio. As they deploy relatively less capital under these models, they are better placed to generate better return on capital, which also decreases their risk portfolio on land investment.

➤ **End to end capabilities and timely completion of projects.**

The ability to complete construction of projects within the stipulated timelines is one of the essential elements of a real estate development project in India. A key aspect of and growth over the years has been their ability to consistently deliver projects within, and often before, the scheduled project completion timeline.

Some of the key factors that have enabled them to complete projects on or before the scheduled completion dates are their well-defined process that ensures they commence a project only after receiving the necessary approvals, and their end-to-end execution capabilities. They have implemented an integrated real estate development model, equipped with in-house resources to manage a project from inception to completion. Their end-to-end execution capabilities are made possible by the following in-house teams:

- **Sales and Business Development Team:** Identifies land/projects/societies in strategic locations with favorable development prospects, focusing on negotiating development agreements with housing societies and office unit holders (for Redevelopment Projects), acquiring land parcels at competitive prices (for Greenfield Projects), and identifying prospective landowners and third parties (for Joint Development Projects).
- **Architecture & Designing Team:** Assists with project conceptualization and innovates architectural designs for market-specific projects targeted at specific customer groups. They collaborate closely with external consultants to enhance architectural designs and property amenities.
- **Project, Procurement and Liasoning Team:** Coordinates effectively with civic authorities and possesses the necessary expertise to navigate the processes and requirements for obtaining regulatory approvals promptly. This team also collaborates with vendors capable of meeting their material and equipment needs. By leveraging economies of scale and fostering relationships with suppliers, they achieve cost optimization through volume-based benefits.
- **Construction Management Team:** Oversees the construction process to ensure high-quality construction and efficient and timely project execution. It also ensures the quality of all materials used in construction.
- **Customer Support and Facility Management Team:** Manages their residential and commercial properties after occupancy and upholds the highest hospitality standards, differentiating their developments from competitors.

In addition to their in-house competencies, they also leverage the expertise of external specialists to support their wide range of operations, such as architects, design architects, liasoning consultants, interior designers, technical consultants, engineers, construction contractors, and building services consultants. As a result of their comprehensive execution capabilities, in-house resources, and external experts, they are able to develop high-quality projects in an efficient and timely manner. Their track record in timely execution and delivery of projects has been instrumental in their consistent sales and performance.

Key Strategies:**➤ Strengthening their position in the Ultra Luxury Segment and Luxury Segment in western suburbs of Mumbai.**

Mumbai's status as India's commercial and financial capital, coupled with the extensive amount of real estate developments across the Ultra Luxury Segment and Luxury Segment, presents a wide scale of opportunities for them. Government policies and rising household incomes have significantly improved affordability of housing over the past two decades. Increased incomes alongside stable housing prices have led to a notable rise in affordability, with the affordability ratio improving from 22 in 1995 to 3.3 in 2023. The data suggests a shift from affordable and mid-segment housing towards luxury housing. The share of affordable housing (< ₹40 Lakh) has dropped by 35% while the share of luxury housing (above ₹1.5 Cr) has increased by 32 percentage points over the same period. This indicates a growing interest in high-end properties, due to increased affluence or demand for premium living spaces. These statistics indicate a strong inclination of the masses towards luxury housing segments, a demand to which they are well-equipped to cater. The commercial real estate market in Andheri West, Mumbai, has experienced stable growth from 2021 to Q1 2025. The growth is driven by several factors such as robust demand for office spaces, retail growth, infrastructure developments, and a strong business ecosystem. Their experience and expertise in the real estate industry in the western suburbs of Mumbai, particularly in the Ultra Luxury Segment and Luxury Segment, well position them to capitalize on this anticipated increase in demand. As of June 30, 2025, they have 5 Ongoing Projects located in the western suburbs of Mumbai, comprising 0.80 million square feet of developable area. Their Ongoing Projects are being developed with an aggregate Saleable RERA Carpet Area of 0.30 million square feet. They expect their Ongoing Projects to comprise 231 units. In addition, they have 11 Upcoming Projects comprising 4.97 million square feet of estimated Developable Area. Out of these 11 Upcoming Projects, 8 are located in the Western Suburbs of Mumbai. By executing these Ongoing Projects and Upcoming Projects, they aim to strengthen their market position in Mumbai, particularly in the western suburbs.

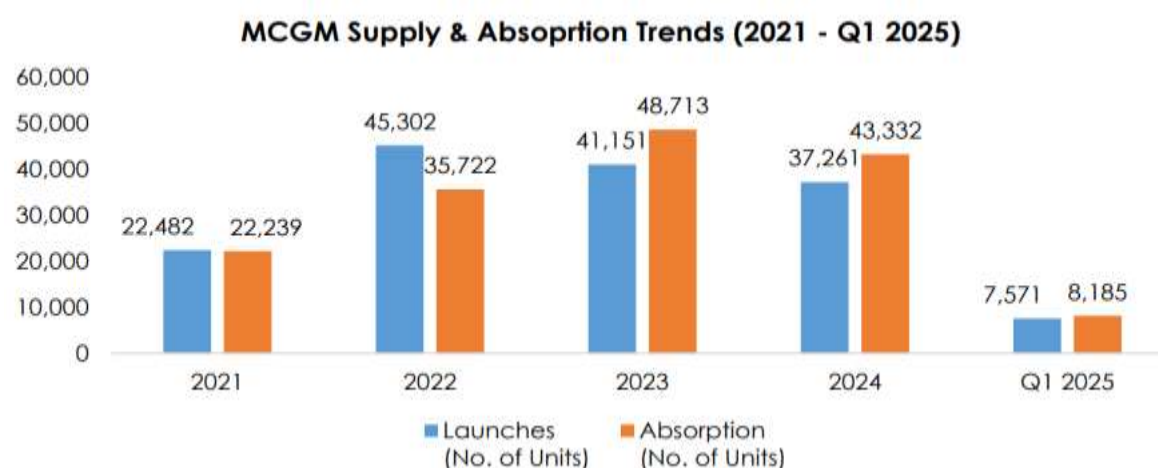
➤ Enhanced focus on their asset-light model.

As of June 30, 2025, they had 5 Ongoing Projects with an aggregate developable area of 0.80 million square feet, which comprises 3 Redevelopment Projects and 2 Joint Development Projects that have adopted their asset-light business model. In addition, as of June 30, 2025, they have 11 Upcoming Projects comprising 4.97 million square feet of estimated Developable Area, out of which 9 are Redevelopment Projects and 1 is a Joint Development Project that has adopted their asset-light business model. Their experience reflects that entering into redevelopment arrangements with housing societies or joint development agreements with landowners enables them to remain capital efficient because the capital required for such projects is less than the capital required for Greenfield Projects. Their efficient use of capital and financial strength derived from their experience with Redevelopment Projects and Joint Development Projects provides them with financial flexibility to undertake new projects in developing areas of Mumbai. They intend to continue their focus on Redevelopment Projects and to leverage their entrenched relationships with housing societies and office unit holders, along with their established brand and execution capabilities, to actively expand their business under this asset-light model.

➤ Expand into the micro-markets in the south central and eastern regions of Mumbai and other regions of western Mumbai.

While they have established a foothold in the ultra-luxury and luxury real estate market of the western suburbs of Mumbai, particularly in the areas of Juhu and Andheri, they have commenced strategically expanding their geographical horizons, namely south central Mumbai and the eastern suburbs of Mumbai. South central Mumbai is a premium real estate micro market in MMR, Maharashtra, with high capital values. Capital prices have appreciated at an average of 6% year-on-year in this micro-market, due to the high competitiveness of the micro-market from 2021 to Q1 2025. The developer's reputation and brand name are key factors that contribute to sales of developments in these micro-markets. They believe their established brand, particularly in the Ultra Luxury Segment and Luxury Segment, has positioned them well to capture additional opportunities in south central Mumbai. In south central Mumbai, they intend to initially focus their expansion efforts in Prabhadevi and Nepean Sea Road, and in the eastern suburbs of Mumbai, they intend to initially focus their expansion efforts in Ghatkopar. In other western suburbs of Mumbai, they intend to focus their expansion in Bandra. Since 2021, in the post-pandemic era, there has been a constant upward trajectory in absorption levels. In 2024 and Q1 2025, the market is showcasing strong absorption in comparison to supply. This reflects that the last two years have been very strong for the MCGM market.

The following graph sets forth supply and absorption trends (in units) in the MCGM from CY 2021 to 9M 2024:



➤ **Continue to selectively develop Commercial Projects in Mumbai region.**

As of June 30, 2025, 2 of their 4 Completed Projects and 3 of their 11 Upcoming Projects are in the Commercial Segment. A majority of their projects in the Commercial Segment are located in Andheri West. As one of Mumbai's key business districts, Andheri West is now hosting 4.32 million square feet of office space with a diverse occupier base. Andheri West's connectivity to both the western suburbs and South Mumbai makes it a prime location for businesses. The commercial landscape in Andheri West is characterized by a mix of corporates, small and medium enterprises, startups, and retail businesses. The commercial real estate market in Andheri West, Mumbai, showed stable growth from 2021 to September 30, 2024. In particular, the rental price of Andheri West offices has grown from ₹130 per square foot in 2021 to ₹134 per square foot in 2023. Andheri West has a well-developed residential market and experiences strong demand for rental housing, attracting interest from investors. End users as well as investors have varied options to choose from, either in the primary or secondary markets. The Andheri West market offers ultra-luxury and luxury residential developments, which contributes to the demand for office space for family businesses and professionals. Leveraging their expertise in developing high-end commercial real estate in Andheri West, Mumbai, they intend to selectively develop more projects in the Commercial Segment in Andheri West, as well as in other regions in the western suburbs of Mumbai, such as Juhu.

➤ **Focus on enhancing their brand visibility and reputation through development of quality real estate projects.**

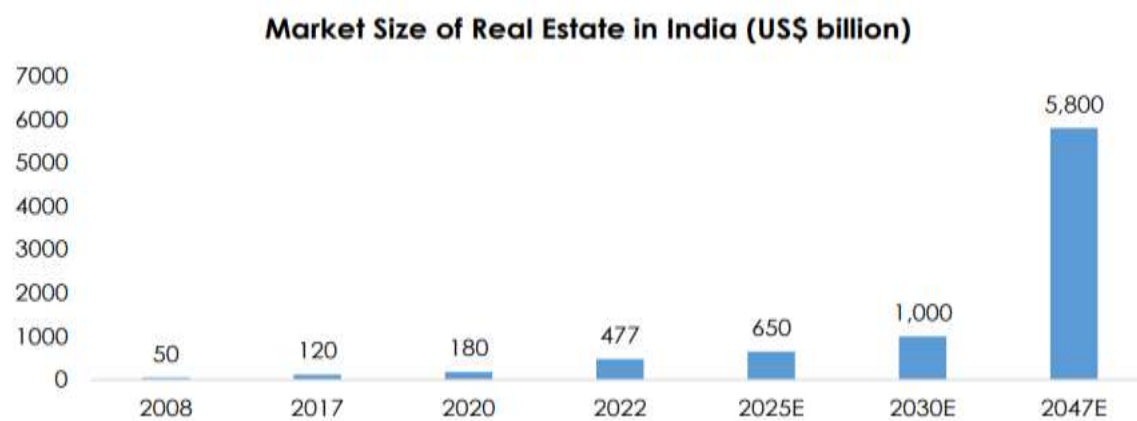
Company intend to continue to promote and expand their brand. They believe that project planning and execution capabilities will be one of the most important differentiating factors in the real estate industry in the future. They will do so by continuing to focus on quality and innovation in their property projects and providing strong after-sales support and property management services. They will continue to focus on developing quality real estate projects and enhance their brand through understanding different consumer segments and tailoring their products accordingly. They will also continue to invest in technology to enhance quality, minimise costs, and increase efficiency, and improve their key processes to deliver quality products to customers in a timely manner. They believe that delivering value to their customers and enhancing their overall satisfaction with their products will enable them to strengthen their brand further. At the same time, they intend to continue building market recognition of the brand through marketing initiatives such as advertising campaigns and participation in real estate exhibitions.

Industry Snapshot:

Real Estate Sector in India

The real estate market in India has grown at a CAGR of approximately 11% from USD 50 billion in 2008 to USD 180 billion in 2020 and is expected to further reach USD 1000 billion by 2030 and touch USD 5800 billion by 2047. By 2025, it is estimated to contribute 13% to the country's GDP.

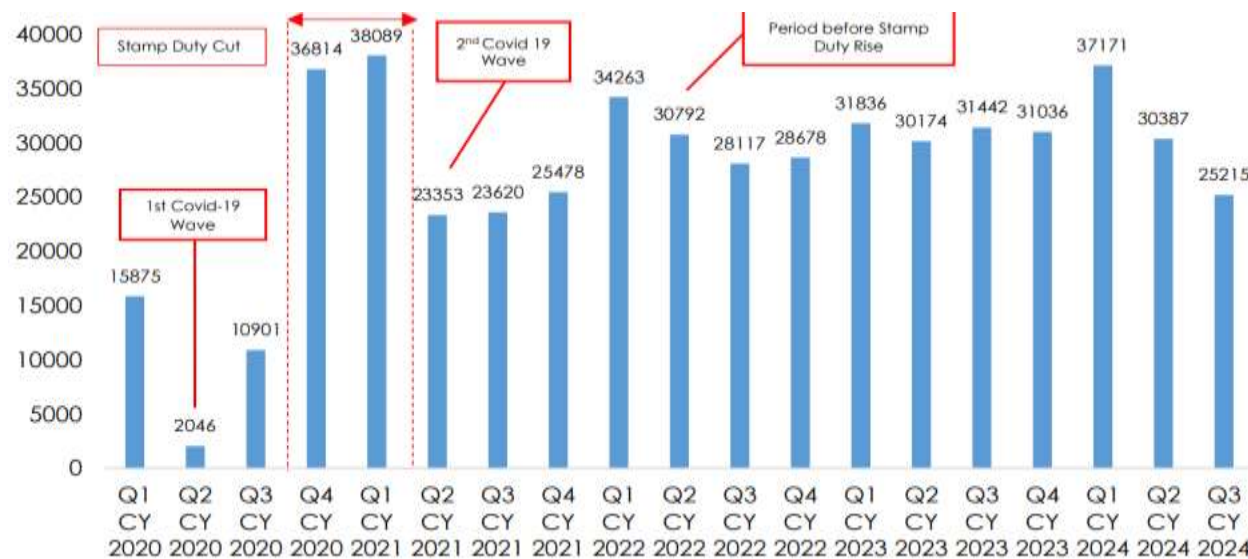
The graph below shows the size of India's Real Estate Market from 2008 to projected levels of 2047:



Reduction in stamp duty

To boost demand in real estate, the Maharashtra government reduced stamp duty from 5% to 2% (Sept-Dec 2020) and then to 3% (Jan-Mar 2021), leading to a threefold increase in property registrations in Mumbai in December 2020. Despite the increase to 3% in early 2021, sales remained strong, with March registrations nearly matching December's. After the stamp duty returned to 5% in April 2021, registrations dipped but still showed recovery. The second COVID wave affected sales in April and May, but the market rebounded from June 2021, with strong sales in Q3 and a festive boost in Q4. Registrations remained healthy in Q1 CY 2022, despite a slight dip in Q2 and Q4, with Q1 CY 2024 registrations rising to 37,171, indicating continued growth despite higher stamp duty.

The following graph sets forth sale registrations in Mumbai over periods indicated:

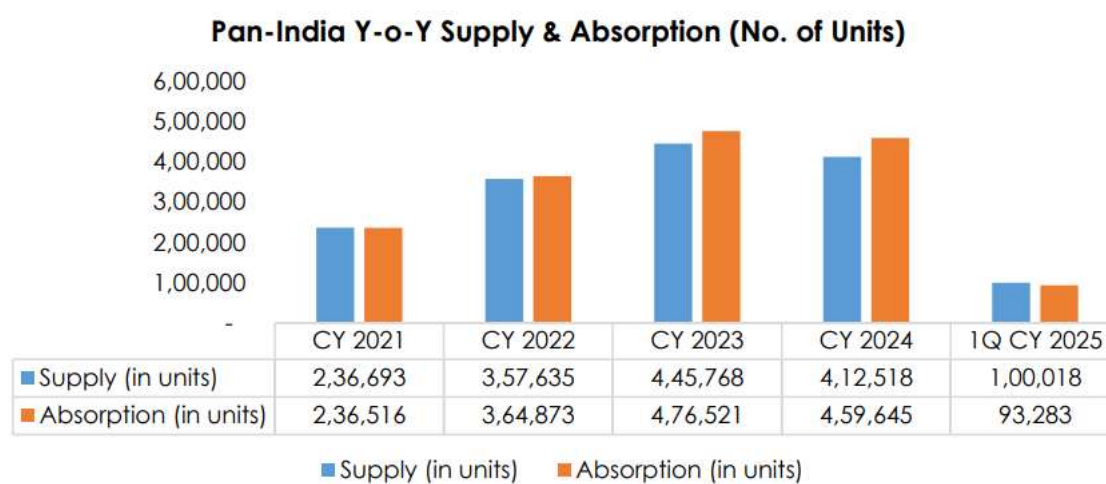


INDIA RESIDENTIAL REAL ESTATE OVERVIEW

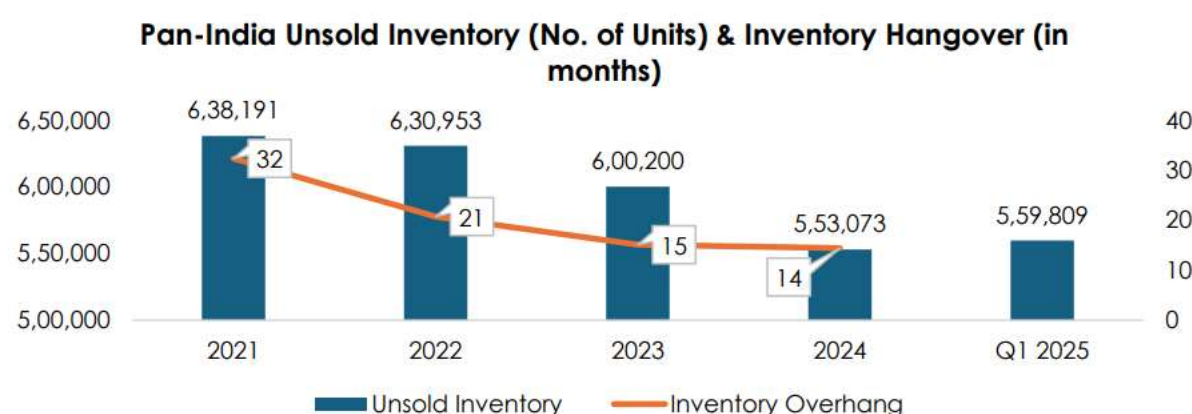
INDIA RESIDENTIAL REAL ESTATE TRENDS - CY 2021 TO CY Q1 2025

- For the period CY 2021 – CY Q1 2025, the Top – 7 cities (MMR, NCR, Bangalore, Pune, Hyderabad, Chennai, Kolkata) in India have seen a remarkable growth in both Supply and Absorption. New launches have jumped by 51% in 2022 over 2021 and 88% in 2023 over 2021.
- Despite the strong supply, on the back of higher absorption, the unsold inventory across the top 7 cities in India has decreased marginally on a yearly basis i.e., for 2021 (6,38,192 units) & 2022 (6,30,973 units) as compared to unsold inventory in 2024 (5,53,073 units). The inventory overhang as of CY 2024 end is 14 months which is the least over past 6 - 7 years.
- In CY Q1 2025, the Supply and Absorption are at 24% and 20% respectively to that in CY 2024. It is expected to surpass the 2024 Levels, continuing at current trends.

The following graph sets forth supply and absorption trends in pan India (Top Seven Indian Markets combined) from CY 2019 to Q1 2025 (in units):

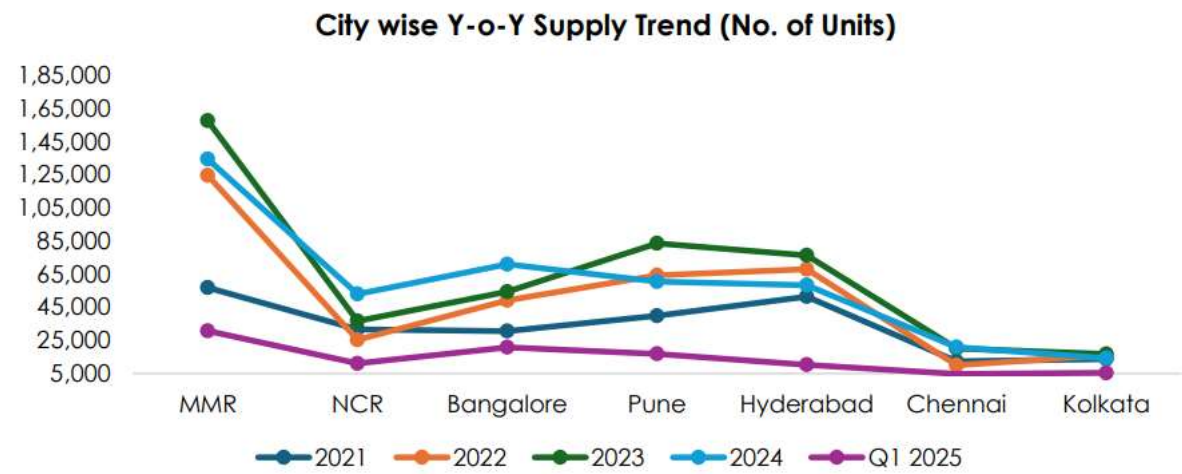


The following graph sets forth unsold inventory and inventory overhang (in months) trends in pan India (Top Seven Indian Markets combined) from CY 2021 to Q1 2025. For a period from CY 2021 to Q1 2025, the inventory overhang has been on a constant decline on back of higher absorption levels as compared to supply. Observing the trends in CY Q1 2025, it is expected to be below 2024 levels at current absorption rate.



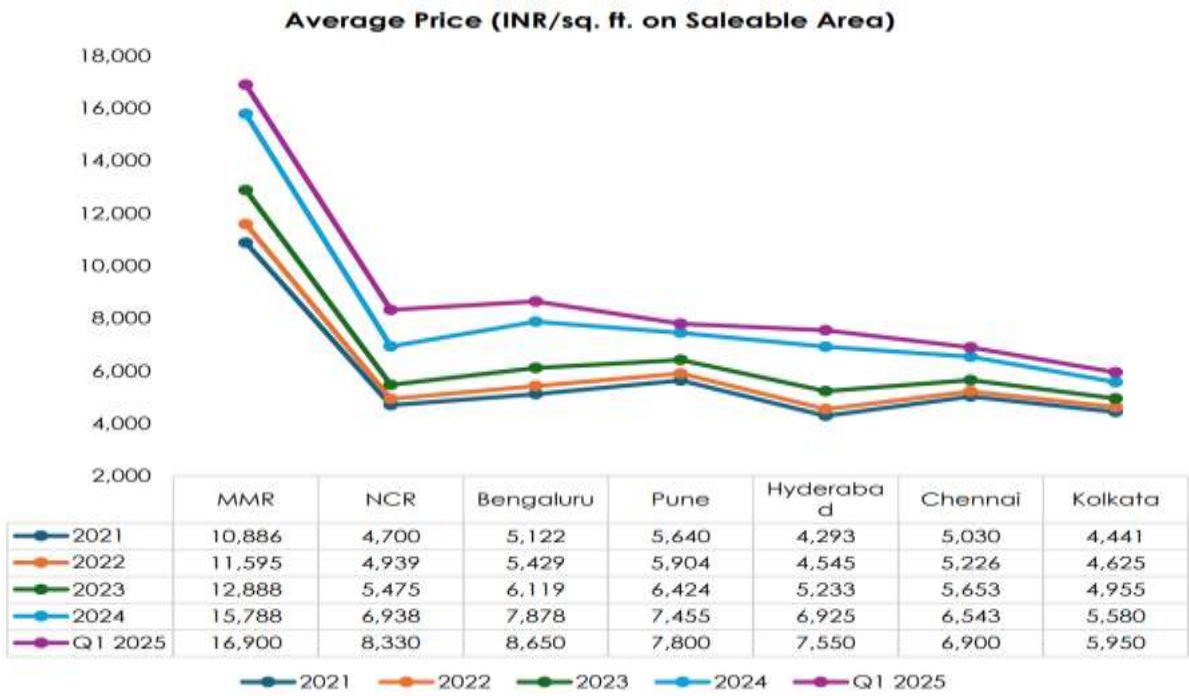
City-wise Y-o-Y Supply Trend (no of units) – CY 2021 – Q1 2025

For the period CY 2021 – Q1 2025, MMR has the maximum share among all cities in the range of 24% - 35% in terms of supply. The following graph sets forth the year-on-year supply trend in the Top Seven Indian Markets (in units):



CAPITAL PRICING TRENDS IN TOP SEVEN INDIAN MARKETS – CY 2021 TO Q1 2025

For a period from 2021 – Q1 2025, the capital prices have shown significant upward trajectory across all top 7 cities. Specifically, Bangalore, NCR, Hyderabad and MMR have observed capital value increase beyond 50% for the 2021 – Q1 2025. While Kolkata has shown least appreciation of 34% for the same period. The following graph sets forth the average base selling price trend across the Top Seven Indian Markets (₹ per sq. ft.):

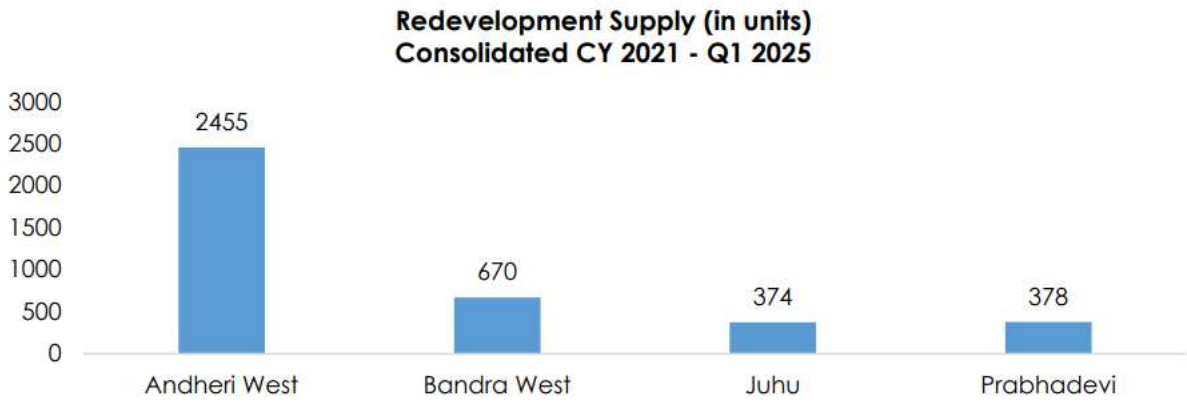


DEMAND DRIVERS FOR REAL ESTATE IN MMR

Mumbai is the commercial and financial capital of India and houses the two stock exchanges, which account for most of the securities trading in the country. Mumbai accounts for over half of India’s foreign trade and generates over 6.16% of India’s GDP and one-third of the country’s tax revenues. Home to a flourishing media and film industry, the city also serves as the entertainment capital of the country. Its economic base is well diversified with the Banking and Financial Services Industry (BFSI), engineering, services, and IT/ITeS sectors, logistic companies have their presence. MMR has been housing the headquarters of a number of financial institutions like BSE, RBI, NSE and LIC. Further, India's leading conglomerates such as Tata, Birla, Godrej, and Reliance are also based in Mumbai. Mumbai is one of the biggest real estate markets in India. It has various micro-markets along with Mumbai City, suburbs, extended suburbs, and neighboring areas such as Thane and Navi Mumbai. With the recent infrastructure projects completed such as Mono and Metro (Line 1: Versova-Andheri-Ghatkopar Metro Project), Mumbai witnessed significant physical infrastructure improvements. It is also one of the largest port in the country, has a significant contribution to the revenue of the state.

OVERVIEW OF REDEVELOPMENT PROJECTS

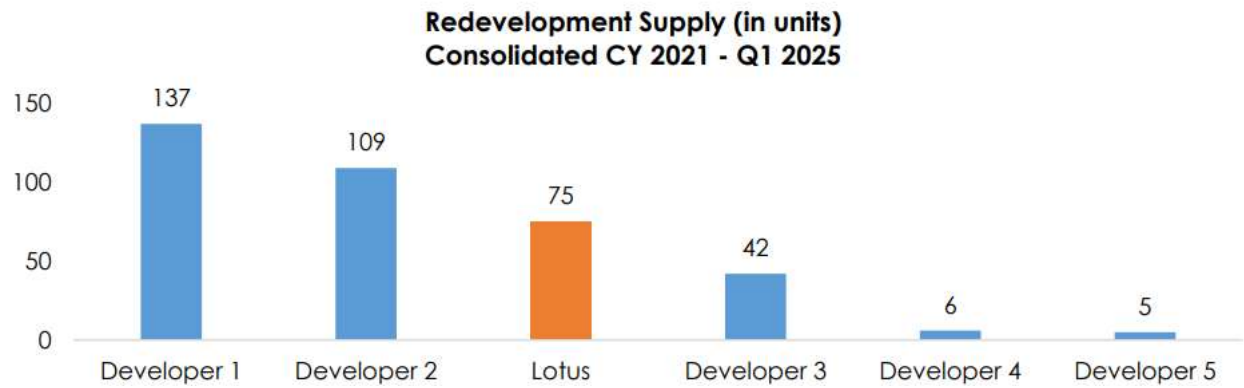
In Mumbai, redevelopment plays a crucial role due to the limited availability of land, particularly in the western suburbs. This micro-market faces significant land constraints, making redevelopment a key factor in addressing the demand. The following section presents an overview of the Andheri West, Juhu, Bandra West and Prabhadevi submarkets: The below graph represents the redevelopment supply units in select micro-markets from CY 2021 to Q1 2025:



Out of these 3,877 redevelopment units, Andheri West leads with the highest supply in the above micro market. Followed by Bandra West, Prabhadevi, and Juhu.

JUHU OVERVIEW

The following graph depicts the percentage share of redevelopments in the Juhu market from CY 2021 to Q1 2025:



Out of these 374 redevelopment units launched in Juhu between CY 2021 to Q1 2025 , Lotus Developers has launched 75 units. Hence, the overall consolidated market share of Lotus Developers in Juhu from CY 2021 – Q1 2025 is 20%

OVERVIEW OF COMMERCIAL STRATA MARKET AT MMR LEVEANDHERI WEST

The Commercial real estate market of Mumbai is divided into various business districts. Andheri is part of the Secondary Business District (SBD) where the key constitute locations are Andheri, Jogeshwari, Goregaon, Malad, Borivali. Andheri West has emerged as a prominent commercial and residential hub, offering strategic location advantages, excellent connectivity, and a diverse range of real estate options. As one of Mumbai's key business districts. Andheri West is now hosting 4.9 million sq ft of office space with a diverse occupier base.



Grade A Office stock (in million sq. ft.)	4.9
Vacancy (in %)	13%
Average Rent (INR per sq. ft. per month on leasable area)	148

Source: Anarock Research, As of Q1 2025

Accounting ratios

S.no	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
GAAP Measure				
1	Revenue from operations (₹ million)	5,497	4,616	1,669
2	Profit before Tax (₹ million)	3,068	1,618	224
3	Profit After Tax (₹ million)	2,279	1,198	163
4	Net Worth (₹ million)	9,324	1,696	484
Non-GAAP Measure				
5	Growth in Revenue from Operations (%)	19.1%	176.6%	62.7%
6	EBITDA (₹ million)	2,890	1,585	208
7	EBITDA Margin (%)	52.6%	34.4%	12.5%
8	EBIT (₹ million)	2,874	1,573	199
9	EBIT Margin (%)	52.3%	34.1%	12.0%
10	Profit After Tax Margin (%)	41.46%	25.96%	9.76%
11	RoE (%)	24.39%	70.68%	34.41%
12	RoCE (%)	27.22%	26.28%	5.29%
13	Debt to Equity Ratio	0.13	2.51	6.90
Operational Measures				
14	Sales Value (In terms of value) (₹ million)	4,629	3,470	1,988
15	Sales Unit (In terms of unit booked by customers)	64	67	39
16	Sales (in terms of area booked by customers) (in million square feet)	0.07	0.09	0.07
17	Completed Developable Area (in million square feet)	0.37	0.56	-

Comparison with listed entity

Name of the company	Face Value (₹ per share)	Revenue from Operations (₹ in million)	Basic EPS	Diluted EPS	P/E	RONW (%)	NAV (per share ₹)
Sri Lotus Developers and Realty Limited	1	5,497	4.7*	4.7*	30.6**	24.4%	21.4
Listed Peers							
Arkade Developers Limited	10	6,831	9.3	9.3	22.0	17.8%	47.6
Keystone Realtors Limited	10	20,041	13.9	13.7	48.2	6.2%	220.0
Suraj Estate Developers Limited	5	5,491	21.8	19.7	14.9	11.1%	195.1
Sunteck Realty Limited	1	8,531	10.3	10.3	43.3	4.6%	222.5
Mahindra Lifespaces Limited	10	3,723	4.0	4.0	91.4	3.2%	122.3
Hubtown Limited	10	4,085	4.4	4.3	68.2	1.9%	177.6

Note: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 10, 2025.
2) */** P/E and EPS of company is calculated on basis FY25 earnings and post issue no. of equity shares issued.

Key Risk:

- Business is dependent on the performance of, and the conditions affecting, the real estate micro markets with high geographical concentration in the Western Suburbs of Mumbai. As of June 30, 2025, all ongoing projects and most of their upcoming projects are in the Western Suburbs of Mumbai. Consequently, company is exposed to risks from economic, regulatory and other changes as well as natural disasters in the Western Suburbs of Mumbai, which in turn may affect their ability to ensure sale of projects and pricing of units in such projects.
- Inability to complete their Ongoing Projects and Upcoming Projects by their respective expected completion dates or at all could have a material adverse effect on their business, results of operations and financial condition.
- As of June 30, 2025, they have 85 unsold units in their completed projects and 167 unsold units in their Ongoing Projects. If company is not able to sell their project inventories in a timely manner, then it may adversely affect their business, results of operations and financial condition.
- It is difficult to compare their performance between periods, as their revenues from operations and expenses fluctuate significantly from period to period.
- Company is entirely dependent on third party contractors for the construction and development of their projects and their largest contractor, Shree Gajanand Associates, accounts for 21.7%, 29.9% and 28.1% of their total expenses for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. Any failure on their part to perform their obligations could adversely affect their business, results of operations and financial condition.
- Increases in prices or shortage of or delay or disruption in supply of, construction materials and contract labour could adversely affect their estimated construction cost and timelines resulting in cost overruns.
- Company have experienced negative cash flows in the last three fiscal years.

Valuation:

Sri Lotus Developers & Realty Limited holds a strong strategic position in the Ultra Luxury and Luxury residential real estate market of Mumbai’s Western Suburbs, one of the city's most premium micro-markets. The company prioritizes customer-centricity, consistently delivering quality, value, and satisfaction across its expanding portfolio of residential and commercial projects. Their asset-light model executed through development agreements with landowners and housing societies—minimizes capital outlay, supports financial flexibility, and ensures robust operating cash flows. With integrated, end-to-end execution capabilities covering design, approvals, construction, and handover, the company is known for timely project completion.

At the upper price band company is valuing at P/E of 30.6x to its FY25 earnings, with EV/EBITDA of 24.5x and market cap of ₹ 73,306 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a “**Subscribe-Long Term**” rating to the IPO.

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