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IPO Note

Sri Lotus Developers & Realty Limited

Date: 29th July 2025

Sri Lotus Developers & Realty Ltd.

About the Company

Sri Lotus Developers & Realty Ltd. (SLDRL) (erstwhile known as AKP Holdings Ltd.) is a developer of residential and commercial premises in Mumbai, Maharashtra, with a focus in Redevelopment Projects in the Ultra Luxury Segment and Luxury Segment in the western suburbs. Since its establishment, the company has aimed at building a brand centred around customer satisfaction, by creating environments that enhance customers' lifestyles. SLDRL's 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. (Source: Anarock Report). The company acquired land for operations in the western suburbs of Mumbai in 2017, focusing on the Ultra-luxury and Luxury residential properties market. Its growth can be attributed to understanding of the real estate market, design and execution capabilities, sales ability and the "Lotus Developers" brand.

Its projects can be bifurcated into three (3) categories, namely Greenfield Projects: Projects that have been constructed on parcels of undeveloped land with no previously constructed infrastructure. It undertakes these projects on land acquired by it. Redevelopment Projects: Projects that are reconstructed by virtue of development agreements with housing societies, commercial unit holders or others. Joint Development Projects: Projects where it enters into a development agreement with the holder (s) of the land parcel(s) (including holding long term leasehold rights in land from owner society) sought to be developed and developing the project jointly with such land holder.

As of June 30, 2025, it has completed developable area of 0.93 million square feet consisting of both residential and commercial properties. It structurally defines price ranges for the higher income housing market segment based on strategic research. The company provides "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. (Source: Anarock Report).

Outlook

SLDRL enjoys numero uno status in ultra-luxury/luxury residential/commercial complexes in and around western suburbs of Mumbai region. For the last three fiscals, the company has posted an average EPS of Rs. 3.83 and an average RoNW of 41.49%.

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 169.95 cr. / Rs. 16.80 cr. (FY23), Rs. 466.19 cr. / Rs. 119.14 cr. (FY24), Rs. 569.28 cr. / Rs. 227.89 cr. (FY25). If we attribute FY25 annualized earnings then the asking price is at a P/E of 32.19. Based on FY24 earnings, the P/E stands at 61.48.

Issue Details:

Price Band (Rs)	Rs 140– Rs 150
Issue Size (Fresh Issue)	792 Cr (upper band)
Lot Size	100
Issue Opens	July 30, 2025
Issue Closes	August 01, 2025
Lead Manager	Monarch Networth Capital Limited and Motilal Oswal Investment Advisors Limited
Registrar	Kfn Technologies Limited
Tentative Listing Date	August 06, 2025
Listing on	BSE, NSE

Indicative Timetable

Finalization of Basis of allotment	August 04, 2025
Refund/ Unblocking of ASBA	August 05, 2025
Credit of Equity Shares to DP A/C	August 05, 2025

Issue Breakup

QIB	Not more than 50% of the Net Offer
RETAIL	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
TOTAL	100%

Promotor Shareholding

Pre Issue Share Holding	91.78%
Post Issue Share Holding	81.86%

Sri Lotus Developers & Realty Ltd.

Objective of The Issue

The Company Sri Lotus Developers IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

- ❑ Investment in the Subsidiaries, Richfeel Real Estate Private Limited, Dhyam Projects Private Limited and Tryksha Real Estate Private Limited for part-funding development and construction cost of their Ongoing Projects, Amalfi, The Arcadian and Varun, respectively - Rs 5500 mn
- ❑ General corporate purposes

Business Overview

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Financials

Income Statement	(in million)		
Particulars	FY25	FY24	FY23
INCOME			
Revenue from operations	5,496.82	4,615.75	1,668.71
Other income	195.95	46.13	30.75
Total income	5,692.77	4,661.88	1,699.46
EXPENSES			
Cost of construction and development	2,448.99	3,188.79	1,310.29
Changes in inventories	-462.99	-567.69	-55.55
Employee benefits expenses	125.5	7.21	10
Finance costs	1.95	1.57	6.4
Depreciation and amortisation expenses	15.44	12.21	9.07
Other expenses	495.66	408.64	190.41
Total expenses	2,624.55	3,050.73	1,470.62
Profit /(loss) before share of profit	3,068.22	1,611.15	228.84
Total tax expenses	789.36	419.71	57.92
Share of profit / (loss) from associates	-	-	-2.89
Profit /(loss) for the year from continuing operations (V-VI+VII)	2,278.86	1,191.44	168.03

Cash Flow Statement	(Rs in million)		
Particulars	FY25	FY24	FY23
Net Profit before tax	3068	1611	229
Cash generated from Operating Activity	546	823	810
NET CASH FLOW FROM OPERATING ACTIVITY	-195	462	711
NET CASH FLOW FROM INVESTING ACTIVITY	159	277	-148
NET CASH FLOW FROM FINANCING ACTIVITY	2500	-443	-110
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT	2463	295	453
Cash and Cash Equivalent at the beginning of the year	1,018.62	723.16	269.87
Cash and Cash Equivalent at the end of the year	3482	1019	723

Sri Lotus Developers & Realty Ltd.

Balance Sheet	(in million)		
Particulars	FY25	FY24	FY23
Non-current assets			
Property, plant and equipment	34	18	23
Intangible assets under development	0	-	-
Investment property	-	-	11
Goodwill on consolidation	18	27	2
Investment in associates	-	-	17
Financial assets			
i. Investments	-	-	0
ii. Loans	-	2	-
iii. Other financial assets	106	178	41
Deferred tax assets (net)	6	28	69
Total non-current assets	163	252	163
Current assets			
Inventories	5256	4793	2307
Financial assets			
i. Trade receivables	2048	426	104
ii. Cash and cash equivalents	3482	1019	723
iii. Other bank balances	323	224	37
iv. Loans	250	296	1048
v. Other financial assets	350	59	106
Current tax assets (net)	21	46	25
Other current assets	293	253	348
Total current assets	12023	7116	4699
Total assets	12186	7368	4862
EQUITY AND LIABILITIES			
Equity			
Equity share capital	436	200	200
Other equity	8888	1496	284
Equity attributable to owners of the parent company	9324	1696	484
Non-controlling interest	14	9	-7
Total equity	9338	1705	476
Non-current liabilities			
i. Borrowings	249	316	298
ii. Lease liabilities	7	1	5
iii. Other financial liabilities	240	13	12
Provisions	11	8	5
Deferred tax liabilities (net)	0	5	20
Total non-current liabilities	507	343	340
Current liabilities			
Financial liabilities			
i. Borrowings	973	3966	2992
ii. Lease liabilities	9	6	8
iii. Trade payables			
A. Total outstanding dues of micro and small enterprises	28	32	54
B. Total outstanding dues of creditors other than micro and small enterprises	90	113	23
iv. Other financial liabilities	150	114	23
Other current liabilities	1034	1038	946
Provisions	1	0	0
Current tax liabilities (net)	56	51	0
Total current liabilities	2340	5321	4046
Total liabilities	2848	5663	4386
Total Equity and Liabilities	12186	7368	4862

Sri Lotus Developers & Realty Ltd.

Directors Profile

Anand Kamalnayan Pandit serves as the Chairman and Managing Director of the company effective from December 11, 2024. He has been associated with the company since its incorporation and is one of its Promoters. He holds a Bachelor of Engineering degree in Electronics and Communication from the University of Gujarat and a diploma in Marketing Management from the Management Application Center.

Roopa Anand Pandit is a Non-Executive and Non-Independent Director of the company, effective from December 10, 2024, and is also one of its Promoters. She holds both a bachelor's and a master's degree in Arts from the University of Gujarat.

Ashka Anand Pandit holds the position of Whole-time Director of the company, effective from December 11, 2024. She has been part of the organization since 2015. She earned a bachelor's degree in Business Administration from Narsee Monjee Institute of Management Studies and a Master of Science degree in Economics and International Financial Economics from the University of Warwick.

Madhukant Sanghvi was appointed as an Independent Director of the company on December 10, 2024. He holds bachelor's degrees in Commerce and Law from the University of Gujarat and is a fellow member of The Institute of Chartered Accountants of India. Additionally, he has completed the Associate Examination conducted by the Indian Institute of Bankers.

Ved Prakash Bharadwaj was appointed as an Independent Director of the company on December 10, 2024. He holds a bachelor's degree in Science and master's degrees in Science and Philosophy from the University of Delhi. A 1980 batch officer of the Civil Services (based on the 1978 exam), he was promoted to the role of Joint Secretary in the Department of Financial Services.

Priti Desai joined the company as an Independent Director on December 10, 2024. She holds a bachelor's degree in Civil Engineering from Maharaja Sayajirao University, Vadodara, and a diploma in Local Self-Governance from the Institute of Local Self-Government, Bombay.

Market Opportunity

- ❑ It is a globally established fact that demographic shifts fundamentally affect the demand for real estate. Along with the rising population, India's urbanization rate is also increasing at a fast pace. As per UNDP projections, by 2046 approx. 50% of the population in India will be urban. However, rapid urbanization is expected to drive the demand for housing, offices, and other real estate asset classes in the medium-long term. UNDP has projected that there will be 8 cities with a population of 10 mn. & above by the year 2035 in India, highlighting the unmet housing demand.

Key Risk of the business

- ❑ The company's business is significantly dependent on the performance and conditions of the real estate micro-markets, with a high concentration in the Western Suburbs of Mumbai. As of June 30, 2025, all ongoing projects and the majority of upcoming projects are located in this region. Consequently, the company is exposed to risks arising from economic fluctuations, regulatory changes, and natural disasters in the Western Suburbs of Mumbai, which may impact its ability to sell projects and determine pricing for units in these developments.
- ❑ Any inability to complete ongoing or upcoming projects within their expected timelines, or at all, could materially and adversely affect the company's business, operational results, and financial health.
- ❑ As of June 30, 2025, the company had 85 unsold units in completed projects and 167 unsold units in ongoing projects. Failure to sell this inventory in a timely manner could negatively impact the company's business performance, financial results, and overall condition.

Sri Lotus Developers & Realty Ltd.

Competitive Strength

- ❑ Positioned in the Ultra Luxury and Luxury residential real estate markets of Mumbai's Western Suburbs, focusing on customer needs with a strong project pipeline.
- ❑ Strong brand recognition with the ability to sell at premium pricing, allowing us to sell throughout the construction phase.
- ❑ Asset-light model for development of projects through development agreements, enabling us to maintain the high level of cash flow generated from operating activities.
- ❑ End-to-end capabilities and timely completion of projects.
- ❑ Experienced Promoters and management team.

Threats

- ❑ The company's financial performance is subject to significant fluctuations in revenue and expenses across different periods, making period-to-period comparisons challenging.
- ❑ The company is entirely reliant on third-party contractors for the construction and development of its projects. Notably, its largest contractor, Shree Gajanand Associates, accounted for 21.71%, 29.89%, and 28.10% of total expenses in Fiscal 2025, Fiscal 2024, and Fiscal 2023, respectively. Any failure by this contractor to fulfill its obligations could have an adverse impact on the company's business operations, financial results, and overall condition.
- ❑ Moreover, any increase in the prices of construction materials, or shortages, delays, or disruptions in their supply—along with similar issues affecting contract labour—could lead to cost overruns and delays in project timelines, negatively impacting projected construction costs and completion schedules.

Shareholding

Sri Lotus Developers & Realty Ltd allocated 8.22% of its pre-IPO equity share capital to public shareholders, including both institutional and individual investors. These public shareholders collectively hold a minority stake in the company, with no single individual holding more than 1%.

The IPO is entirely a fresh issue, and the Promoter, Promoter Group, along with other existing investors, will retain their shares post-IPO.

Name of Shareholder	Pre Offer Shareholding (%)
Promoter and Promoter Group	91.78%
Non Promoter	
Other Shareholders	8.22%
Total	100%

Disclaimer

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