



**LOTUS**  
DEVELOPERS



# **Sri Lotus Developers & Realty Ltd.**

## Sri Lotus Developers & Realty Ltd.

<b>Rating</b> <b>SUBSCRIBE</b>	<b>Issue Opens On</b> <b>July 30, 2025</b>	<b>Issue Closes On</b> <b>August 1, 2025</b>	<b>Listing Date</b> <b>August 6, 2025</b>	<b>Price Band (INR)</b> <b>140-150</b>	<b>Issue Size (INR Mn.)</b> <b>7,920</b>
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### Company Overview:

**Sri Lotus Developers Ltd.** is a Mumbai-based real estate development company focused on constructing premium and luxury residential and commercial projects. The company primarily operates in the western suburbs of Mumbai, targeting HNI and ultra-HNI individuals seeking luxury and ultra-luxury homes.

Its core strategy is built on an **asset-light business model** centered around **Redevelopment Projects** and **Joint Development Agreements (JDAs)**, allowing it to avoid outright land purchases and minimize capital intensity.

Sri Lotus also executes projects through **SPVs**, ensuring project-level financial flexibility. Its disciplined execution, premium positioning, and early monetization strategy support strong cash flows and low indebtedness.

The commercial segment has seen a significant rise, contributing over 80% of revenue in FY25, led by projects including *Signature* and *Arc One*. Its Residential offerings range from 2BHK to luxury penthouses priced above ₹70 million.

### Outlook:

The Company led by its proven track record, and high brand recall value has able to scale its **revenue and EBITDA rapidly at 267.8% CAGR over 81.5% and FY23-25**, led by **increase in area under development and strong delivery of units**. Further, as of June 30, 2025, the company has **5 ongoing projects** with a total estimated developable area of **0.8 Mn. Sq. Ft.**, and **11 upcoming projects** spanning with **developable area of 5.0 Mn. Sq. Ft.**, providing enough earnings visibility for the foreseeable future.

With its initial issue, the Company **plans to raise ~INR 7.9bn through issue of fresh equity**, to fund **investment of ~INR 5.5bn in its subsidiaries and rest of ~INR 2.4bn for general corporate purposes**.

Lotus Developers initial issue is priced at 24.5x FY25 EBITDA, higher than its peer average of 20.7x FY25 EBITDA. Given its strong growth, asset-light business model, and superior return profile, we believe the Company demands premium over its peers and believe value in its initial offering. We assign a **"SUBSCRIBE"** rating to its initial issue.

### OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn.)	52.8
Fresh issue (# shares) (Mn.)	52.8
Offer for sale (# shares) (Mn.)	0
Price band (INR)	140-150
Post issue MCAP (INR Mn.)	73,306

Issue	# Shares	INR Mn	%
<b>QIB</b>	2,64,00,000	Max. 3,960	Not more than 50%
<b>NIB</b>	79,20,000	Min. 1,188	Not less than 15%
<b>Retail</b>	1,84,80,000	Min. 2,772	Not less than 35%
<b>Net Offer</b>	5,28,00,000	7,920	100%

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoters & Promoter Group	91.8%	81.9%
Others	8.2%	18.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Objects of the Offer	INR Mn.
1. Investment in Subsidiaries for part-funding development and construction cost of Ongoing Projects	5,500
2. General corporate purposes	2,420

BRLM
1. Monarch Network Capital Limited
2. Motilal Oswal Investment Advisors Limited

Particulars (INR Mn.)	FY23	FY24	FY25
Revenue	1,669	4,616	5,497
EBITDA	214	1,579	2,890
EBITDA Margin (%)	13%	34%	53%
Profit After Tax	171	1,191	2,279
PAT Margin (%)	10%	26%	41%
Net Worth	476	1,705	9,338
RONW (%)	36%	70%	24%

Source: IPO Prospectus, DevenChoksey Research and Analysis

Indicative Timetable	
Offer Closing Date	Friday, Aug 1, 2025
Basis of Allotment	Monday, Aug 4, 2025
Initiation of Refunds	Tuesday, Aug 5, 2025
Credit of Shares to Demat	Tuesday, Aug 5, 2025
Listing Date	Wednesday, Aug 6, 2025

Source: IPO Prospectus

## Sri Lotus Developers & Realty Ltd.

### Industry Overview

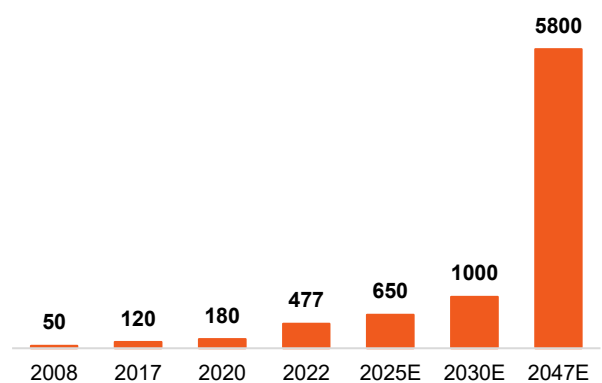
#### Overview of the Indian Real Estate Sector

- India is one of the fastest-growing major global economy. The real estate sector along with its ancillary industries, has remained a significant growth driver for the Indian economy.
- The real estate market has grown substantially over the past two decades. Over 2008-17, it grew steadily at 10.2% CAGR from USD 50bn in 2008 to USD 120bn in 2017.
- Indian real estate market witnessed large policy changes and positive reforms between 2016 and 2017, with introduction of RERA and GST. Led by simplification, higher accountability, governance and transparency, the industry observed stronger growth of 14.5% CAGR over 2017-20 to reach USD 180bn by 2020.
- In early 2020, the world was hit by COVID-19 led pandemic, and the demand for residential real estate increased over night. Industry witnessed strong demand tailwind driven by increase in aspirations among families for larger homes, due to which the market witnessed an exponential growth of 62.8% CAGR over 2020-22 to reach USD 477bn in 2022.
- Further, led by improvement in affordability, rising disposable incomes, and stronger infrastructure development, the real estate sector is anticipated to observe an upward growth trajectory. The market is expected to grow at 9.0% CAGR over 2025-30, to reach USD 1,000bn by 2030, while it is expected to grow at 10.9% over 2030-47, to reach USD 5,800bn by 2047.
- India's real estate sector comprises of four broad segments: residential, commercial, retail, and industrial (logistics). Residential real estate continues to dominate in terms of volume and buyer interest, accounting for a major share of new launches and unit sales. The commercial and retail segments are evolving with increasing participation from institutional investors and REITs.
- Historically the Indian real estate industry has been highly fragmented, but with implementation of RERA and tighter financing norms, the industry has witnessed a gradual shift towards more prominent and established developers.
- Tier-1 developers have been gaining market share, led by their proven track record, execution capability, build quality, brand recall and trust.

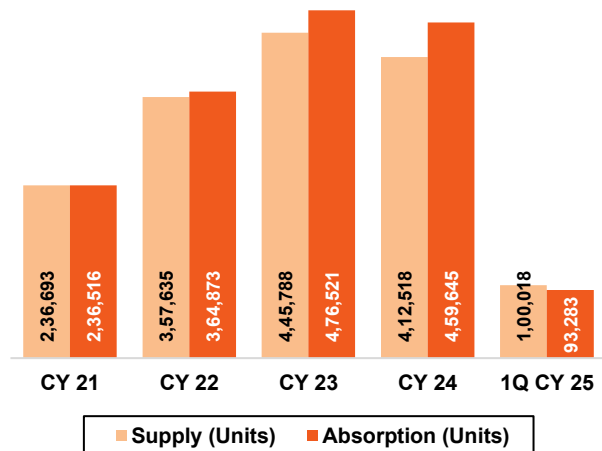
#### Demand and Supply Trends across key markets

- Organized developers are focused on the top seven cities of the real estate market including MMR, Pune, Bengaluru, Hyderabad, NCR, Chennai, and Kolkata. Mumbai Metropolitan Region (MMR) and Pune have consistently outperformed the industry in terms of supply, absorption, and pricing.
- Over 2021-24, the India's Top-7 cities have witnessed a robust growth in new residential launches and absorption, leading to a steady decline in unsold inventory to 5.5 lakh units in 2024, with inventory overhang reducing to a 6–7 year low of 14 months. Indian real estate industry's Q125 performance saw consistent momentum, with supply and absorption reaching ~24% and ~20% of 2024, respectively.

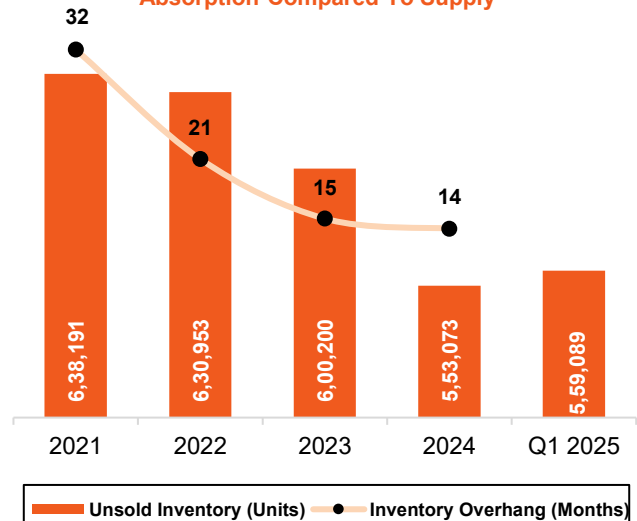
Market Size of Real Estate in India (USD Bn)



Supply and Absorption Trends in Pan India (Top Seven Indian Markets Combined)



Decline in Inventory Overhang led by Higher Absorption Compared To Supply



Source: IPO Prospectus, DevenChoksey Research

## Sri Lotus Developers & Realty Ltd.

### Industry Overview

Mumbai is one of the biggest real estate markets in India, with various micro-markets along with South Mumbai (the city), suburbs, extended suburbs, and neighboring areas such as Thane and Navi Mumbai. The city has witnessed significant improvement and development in physical infrastructure led by completion of big projects including various metro lines, coastal road project, Atal Setu and many others.

### Demand drivers for real estate in the Mumbai Metropolitan Region (MMR):

- **Economic Driver:** Mumbai's play a key role as a financial hub of India, as it is a home to headquarters of many financial institutions and key established conglomerates, which aggregately generates huge employment and attracts high-income professionals, thus fueling strong demand for affordable, mid-luxury, luxury and ultra-luxury housing units.
- **Demographic Drivers:** Mumbai houses the glamorous and flourishing media and film industry, which attracts a growing base of young individuals with high aspirations and dreams to achieve. The demand from these young cohort is very strong in specific micro-markets including suburbs including Goregaon, Andheri, Versova and developed areas like Bandra, Juhu and South Mumbai.
- **Physical Infra-led Demand:** Mumbai hosts key infrastructure including spread-out and dense railway network, expanding and trending metro lines, Worli Sea link highway, Coastal roads, and others which drives migration of people from nearby cities to Mumbai, for career growth and business opportunities driving consistent and stable demand for housing units.
- **Availability of Social Infrastructure:** The city hosts many prominent and quality healthcare institutions, schools, colleges, and Grade-A malls, which has improved its appeal and attractiveness among people to migrate from the extended suburbs and suburbs to emerging micro-markets. This strong influx has led to huge demand for luxury and ultra-luxury units in prominent locations.

### Specific Challenges In Mumbai MMR:

#### 1. High Property Prices:

- Many micro-markets in Mumbai has observed one of the highest property prices in India, making housing unaffordable for the masses. High property prices act as the key entry barrier for many buyers, who reluctantly look for alternatives in extended suburbs of including Thane, Vasai-Virar and Navi-Mumbai.

#### 2. Income Disparity :

- Led by huge existence in income disparity between individuals, makes it challenging for middle-income buyers to afford houses across the city.

#### 3. Limited Land Availability:

- **Scarcity of Land:** The geographical constraints and high population density limit available land for new developments.
- **Redevelopment Projects:** Redevelopment of old buildings is complex and time-consuming due to legal and regulatory aspects.

#### 4. Construction Costs:

- **Rise Construction Costs:** Rise in the cost of construction in Mumbai can affect the feasibility of projects as land cost in Mumbai are also high.
- **Delays and Cost Overruns:** Delays in project completion often led to cost overruns, impacting profitability.

### Outlook:

The sector outlook remains optimistic, supported by favorable demographic trends, urbanization, and rising nuclear households. New project launches are expected to remain concentrated among organized developers with strong execution capabilities. Land scarcity is accelerating redevelopment in key MMR areas, while reforms like RERA and PMAY are boosting transparency, affordability, and consolidation—strengthening long-term industry fundamentals.

Infrastructure investments, such as expressways, regional airports, and mass transit systems, will continue to shape micro-market demand patterns. Additionally, sustainability certifications (LEED, IGBC) and digital transformation in sales and construction processes are gaining importance across the real estate value chain.

## Sri Lotus Developers & Realty Ltd.

### Company Overview:

#### Introduction:

Sri Lotus Developers specializes in the development of **residential and commercial premises** in Mumbai, Maharashtra. The company particularly focuses on **Redevelopment Projects** within the **Ultra Luxury Segment and Luxury Segment in the western suburbs of Mumbai**. Most of their Completed, Ongoing, and Upcoming Projects are in the Ultra Luxury Segment and Luxury Segment. They also **selectively develop commercial projects, primarily in Andheri West**.

As of June 30, 2025, their residential segment accounted for ~60.5% of the total estimated saleable area across their Ongoing and Upcoming projects.

Projects Revenue Mix (%)	Name of the Project	FY23	FY24	FY25
Greenfield Projects	Signature	31.9%	57.7%	61.9%
Redevelopment Projects	Ananya	43.3%	21.1%	2.9%
	Ayana	24.7%	10.3%	10.7%
	Arc-one	-	10.9%	18.8%
Joint Development Projects	Lotus Amara	-	-	4.6%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>98.9%*</b>

\*Note : In FY25, revenue from projects accounted for INR 5,436.8 Mn and sale of services for INR 60.00 Mn., totalling INR 5,496.8 Mn. revenue from operations.

Source: IPO Prospectus, DevenChoksey Research

#### Asset-light business model:

The two core strategies defining Sri Lotus Developers' asset-light business model are **Redevelopment Projects** and **Joint Development Projects**. These models allow them to acquire interest in land without outright purchasing it, thereby reducing upfront capital investment.

#### 1. Redevelopment project work under Sri Lotus Developers' model

- The company first **identifies existing premises for redevelopment** through meticulous market research and analysis to find suitable locations.
- It assesses project feasibility, cost, and applicable laws, including land size, FSI usage potential, and regulatory approvals. The company generally **participates in tenders floated by co-operative housing societies to acquire land development rights**.
- After the development agreement with the owner society and its members is executed, and once necessary pre-construction regulatory approvals (like Intimation of Approval or Commencement Certificate) are obtained, it initiates the process to **vacate the existing building structure** from tenants/members, adhering to regulatory compliance and commercial obligations.
- Following the complete vacation of the site, construction activity begins.

#### 2. Joint Development Agreement (JDA)

A JDA is an arrangement where the company **enters into a development agreement with the holders of a land parcel** (including those with long-term leasehold rights from an owner society) to jointly develop a project. The benefits of a JDA include:

- Being **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.
- Allowing them to **simultaneously undertake multiple projects**.
- **Reducing the risks associated with land development** compared to outright land acquisition.
- Contributing to their **asset-light business model** by reducing capital required compared to Greenfield Projects.

#### Significant Shift Towards Commercial Segment:

- Commercial segment's contribution to total revenue, jumping from **31.9% in FY23 to 80.7% in FY25**.
- This growth was driven by projects like "Signature" (a Greenfield Commercial project) and the introduction of "Arc One" (a Redevelopment Commercial project) in FY24, both of which saw increased sales and average selling prices.

Revenue Mix (%)	FY23	FY24	FY25
Luxury Residential Segment	50.5%	25.0%	6.4%
Ultra Luxury Residential Segment	17.6%	6.4%	7.3%
Commercial Segment	31.9%	68.6%	80.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>94.4%*</b>

\*Note - The remaining 5.6% comes from the Joint Development Project and service-related revenue

Source: IPO Prospectus, DevenChoksey Research



## Sri Lotus Developers & Realty Ltd.

### Company Overview:

#### Geographic Presence:

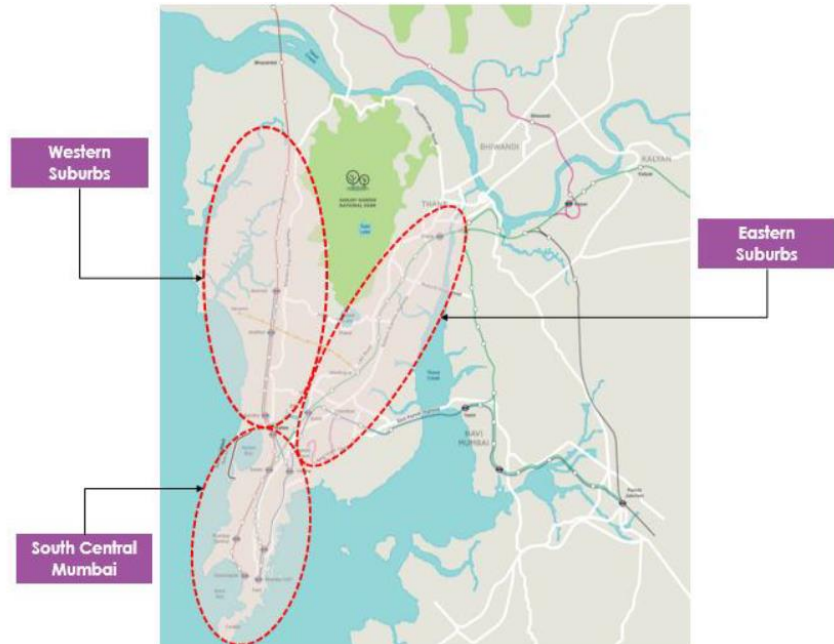
- The company primarily operates in the **Western Suburbs of Mumbai**, focusing on areas such as Juhu and Andheri.
- The company aims to strengthen its position in these Western Suburbs, along with strategic expansion into other micro-markets in the **southern and central regions of Mumbai**, specifically mentioning Nepean Sea Road and Prabhadevi, and the **eastern suburbs of Mumbai**, such as Ghatkopar.

#### Target Segment:

- The company targets key customer segments in the higher income housing market, specifically high and ultra-high net worth individuals. Their projects provide "ultra-luxury and luxury homes".
- The Western Suburbs of Mumbai, particularly Juhu, are a preferred choice for affluent residents, including celebrities and business families, emphasizing its reputation as a premium location.

#### Market Share:

- The company's target segment is "Redevelopment Projects in the Ultra Luxury Segment and Luxury Segment in the western suburbs" of Mumbai.
- Lotus Developers held an average market share of 13% in supply and 12% in sales in the Juhu market for projects above INR 70 Mn. between CY21 to Q1 CY25.
- Between CY21 and Q1 CY25, the Company accounted for 15.0% consolidated market share in Juhu in the INR 70Mn+ segment. Moreover, it have launched 33 redevelopment units out of the total 223 units under redevelopment.



Source: IPO Prospectus, DevenChoksey Research

#### Pricing ranges for its residential units:

- It's luxury 2BHK and 3BHK flats are priced within a range of **INR 30 Mn to INR 70 Mn**, while its **ultra-luxury offering** of various sizes including 3BHK, 4BHK, and 4+BHK flats and penthouses, starts with a price range of **INR 70 Mn.** and above. The demand for luxury housing, particularly in the INR25mn+ segment, increased exponentially from 3% in 2021 to 22% in Q1 2025. **The company commands a premium of ~22% on its quoted prices compared to the average quoted prices in the Juhu market.**

#### Focusing on supply-constrained areas:

- **Benefit from price appreciation:** The Company focuses largely on the Juhu micro-market, which has witnessed consistent increase in prices driven by limited supply and robust demand, leading to strong realizations and premiums over the average industry prices.
- **Increase in project value:** Most of their projects have witnessed significantly price appreciation between the project commencement and completion period, providing strong returns to the homeowners, driving improved trust and customer satisfaction.
- **Strong cash flow:** The Company has maintained healthy pre-sales book, led by its proven track record and capability, which allows it to maintain lower indebtedness and higher return on investment.

#### Special Purpose Vehicles (SPVs) for projects:

- Each project is executed through a separate SPV (established as subsidiaries), to efficiently manage the day-to-day execution of the individual projects, and to monitor and fund their capital needs as and when required.
- The net proceeds from the initial issue are intended to be utilized for investment in these subsidiaries for part-funding development and construction costs of ongoing projects.

## Sri Lotus Developers & Realty Ltd.

### Company Overview:

### Upcoming and Ongoing Projects:

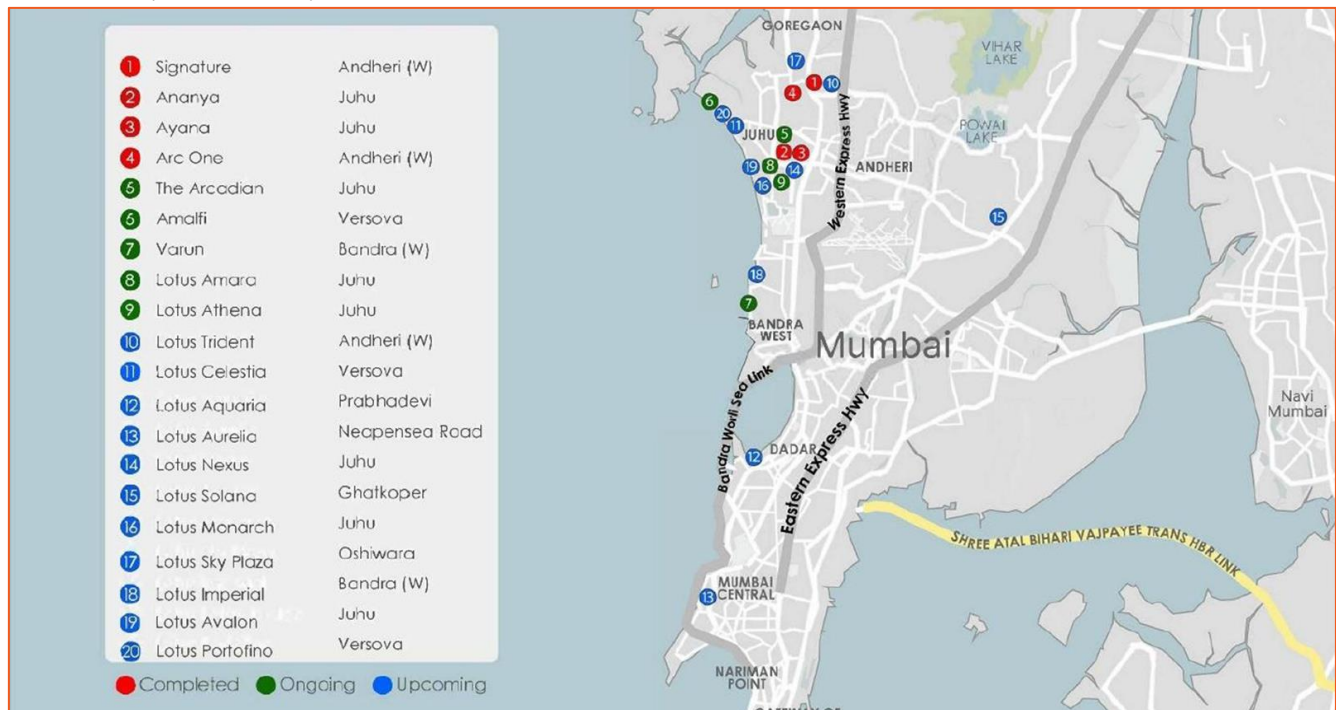
- As of June 30, 2025, the company has **5 Ongoing Projects** in the western suburbs of Mumbai, with the total estimated developable area of **0.8 Mn. Sq. Ft.**, and an estimated saleable RERA carpet area of **0.3 Mn. Sq. Ft.** These projects are expected to yield 231 units.
- The company has **11 Upcoming Projects**, mostly located in prime locations within the western suburbs of Mumbai, with others situated in the south central and eastern suburbs of Mumbai.
- The total estimated developable area for the upcoming projects is **5.0 Mn. Sq. Ft.**, with **9** of these projects being **Redevelopment Projects** and **one** being a **Joint Development Project**, aligning with the company's asset-light business model.

Type of Project	No. of Projects	Developable Area (Sq. Ft.)	Saleable Area (Sq. Ft.)
Residential	2	2,48,042	1,06,521
Commercial	2	6,83,406	2,71,875
<b>Completed Projects</b>	<b>4</b>	<b>9,31,448</b>	<b>3,78,396</b>
Residential	5	7,97,292	2,95,586
<b>Operational Projects</b>	<b>5</b>	<b>7,97,292</b>	<b>2,95,586</b>
Residential	8	28,61,826	8,75,693
Commercial	3	21,16,554	7,65,343
<b>Upcoming Projects</b>	<b>11</b>	<b>49,78,379</b>	<b>16,41,036</b>
<b>Total Projects</b>	<b>20</b>	<b>67,07,119</b>	<b>23,15,018</b>

Source: IPO Prospectus, DevenChoksey Research

Particulars	Developable/Estimated Developable Area As of June 30, 2025					
	Completed Projects		Ongoing Projects		Upcoming Projects	
	Developable Area(sq. ft.)	%	Estimated Developable Area(sq. ft.)	%	Estimated Developable Area(sq. ft.)	%
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%
<b>Total</b>	<b>9,31,448</b>	<b>100.00%</b>	<b>7,97,291</b>	<b>100.00%</b>	<b>49,78,379</b>	<b>100.00%</b>

Source: IPO Prospectus, DevenChoksey Research



Source: IPO Prospectus, DevenChoksey Research

### RESEARCH ANALYST

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## **Sri Lotus Developers & Realty Ltd.**

### **Strategies:**

#### **Dominating Ultra-Luxury & Luxury Segments in Mumbai's Western Suburbs**

Mumbai's growing affluence and shift towards luxury housing, as highlighted in the Anarock Report, present significant opportunities in the Ultra Luxury and Luxury Segments, especially in the western suburbs. With 5 ongoing and 8 upcoming projects in this region, the Company is strategically positioned to capture the rising demand.

#### **Enhanced focus on asset-light model**

As of June 30, 2025, the Company has 5 ongoing and 11 upcoming projects totaling 5.8 Mn. Sq. Ft. of developable area, primarily under its asset-light model through redevelopment and joint development. This capital-efficient approach, backed by strong execution and established relationships, enables the Company to expand strategically across Mumbai.

#### **Strategic Expansion into South-Central, Eastern, and Emerging Western Micro-Markets of Mumbai**

The Company with a stronghold in Mumbai's western suburbs, is expanding into high-value micro-markets such as South-Central Mumbai, Eastern Suburbs (Ghatkopar), and Bandra. The Company is well-positioned to capitalize on growth opportunities in these premium zones, led by its strong presence and brand recall value in luxury real estate market.

#### **Strengthening Brand Visibility Through Quality Real Estate Development and Strategic Commercial Projects in Mumbai**

The Company aims to strengthen its brand by delivering high-quality, customer-focused real estate projects, supported by innovation, efficient execution, and strong after-sales service. With 2 completed and 3 upcoming commercial projects—primarily in Andheri West—the Company plans to selectively expand in high-demand micro-markets like Juhu, reinforcing its presence in Mumbai's premium real estate space.

### **Risks:**

#### **High Concentration Risk in Western Suburbs of Mumbai**

The company's operations are predominantly focused on the Western Suburbs of Mumbai (accounting for ~82.7% of its saleable area), a region with limited land and strained infrastructure. Economic and regulatory fluctuations in this area could significantly impact real estate prices and project demand, adversely affecting business performance and financial outcomes.

#### **Risk of Delayed Project Completion**

Delays in project completion due to issues like land title clearance, approvals, or financing may lead to penalties under RERA, customer dissatisfaction, and legal disputes. Although the company has a history of completing projects early, any delays could impact financial performance and result in litigation from co-operative housing societies under RERA/MoFA.

#### **Dependency on Third-Party Contractors and Unsold Inventory Risk**

The company relies entirely on third-party contractors for construction. Delays or failures by contractors could lead to additional costs, penalties, and project delays, adversely affecting the business. While no material defaults have occurred in the past three years, dependency on contractors and specialist agencies remains a risk.

#### **Supply Chain and Regulatory Approval Risks**

Disruptions in the supply of construction materials or labor, along with price increases, could delay project timelines and increase costs. The company has faced negative cash flows in recent years due to ongoing projects not yet generating revenue and delays in receivables, which may continue to impact financial stability.



## Sri Lotus Developers & Realty Ltd.

### SWOT Analysis



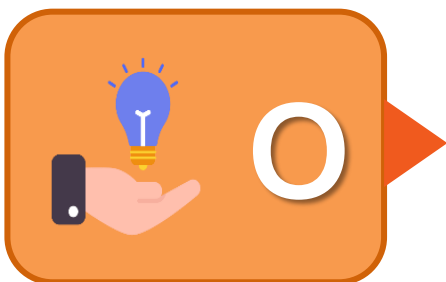
#### Strengths:

- **Diversified Project Portfolio:** The company is involved in plotted developments, villas, and residential apartments, showcasing execution capabilities across product types .
- **Strong Presence and Brand Value:** The Company over the years, has developed goodwill by delivering quality projects on time, and by maintaining a strong presence across key micro-markets and suburbs in the MMR region, driving a strong brand recall value to the customer.
- **In-house Architectural and Engineering Design Capabilities:** Enables control over quality, cost, and timelines, which is essential for efficient project execution.
- **Asset-light Land Acquisition Model:** Focus on joint development agreements (JDAs) and partnerships reduces upfront capital requirements and limits balance sheet risk.



#### Weaknesses:

- **Geographic Concentration:** Majority of its the projects are in the western suburbs, lending a concentrated portfolio.
- **Limited Execution Track Record in Large-Scale Projects:** Most completed projects are mid-sized; and its lack of experience in large, complex developments may limit its scalability.
- **Low Brand Visibility Outside Local Market:** Weak national brand recognition may impede expansion into newer, and more competitive geographies.



#### Opportunities:

- **Urbanization in Tier-II and Tier-III Cities:** Rising real estate demand in non-metro cities presents scalable expansion potential.
- **Government Push for Affordable Housing:** Policies like PMAY and CLSS (Credit Linked Subsidy Scheme) could support demand for plotted and budget housing segments.
- **Potential to Leverage IPO for Capital Expansion:** Post-IPO visibility and funding can be used to enter new micro-markets and expand land banks.



#### Threats:

- **Regulatory Risks:** Real estate remains heavily regulated, and changes in local zoning laws, RERA norms, or environmental clearances can delay or derail projects.
- **High Competition in Plotted Development Segment:** Low entry barriers in this space attract local competitors, putting pressure on margins.
- **Execution Delays Due to External Agencies:** Delays in municipal approvals, utility connections, or vendor performance can affect project timelines.
- **Land Title and Legal Disputes:** Risks of legal complications in land ownership or JDAs could delay launches or cause reputational harm.

## Sri Lotus Developers & Realty Ltd.

### Peer Comparison

Peers	Sri Lotus Developers & Realty Ltd.	Suraj Estate Developers Ltd.	Oberoi Realty Ltd	Anant Raj Ltd
Market cap	73,306	15,395	6,35,159	1,93,050
Enterprise Value	70,723	19,246	6,18,893	1,98,339
Sales	5,497	5,491	53,957	20,600
Sales Growth (YoY)	19.1%	33.2%	18.0%	38.9%
EBITDA	2,890	2,026	32,536	4,928
EBITDA Margin (%)	52.6%	36.9%	60.3%	23.9%
Net profit	2,279	1,002	22,255	4,258
Profit Margin (%)	41.5%	18.2%	41.2%	20.7%
Total Equity (at the end last FY)	9,338	9,027	1,57,049	41,608
ROAE (%)	24.4%	14.1%	15.1%	10.9%
ROAIC (%)	30.9%	10.0%	12.9%	9.8%
P/E	32.2x	15.4x	28.5x	45.3x
P/S	0.0x	2.8x	11.8x	9.4x
EV/EBITDA	24.5x	9.5x	19.0x	40.2x
EV/Sales	1.0x	3.5x	11.5x	9.6x
Net Debt / EBITDA	-0.89	2.07	0.07	0.27
Net Debt / Equity	-0.28	0.46	0.01	0.03

Source: Factset, IPO Prospectus, DevenChoksey Research

## Sri Lotus Developers & Realty Ltd.

### Outlook:

Sri Lotus Developers, is a **prominent developer of residential and commercial real estate projects in the MMR region**, with a key focus on **western suburbs for offering luxury and ultra-luxury projects**. It's majority of the **projects are under redevelopment and JDA agreements**, to deploy asset-light strategy, to maintain efficient capital allocation and driving higher return on investments.

The Company led by its proven track record, and high brand recall value has able to scale its **revenue and EBITDA rapidly at 267.8% CAGR over 81.5% and FY23-25**, led by **increase in area under development and strong delivery of units**. Further, as of June 30, 2025, the company has **5 ongoing projects** with a total estimated developable area of **0.8 Mn. Sq. Ft.**, and **11 upcoming projects** spanning with **developable area of 5.0 Mn. Sq. Ft.**, providing enough earnings visibility for the foreseeable future.

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Lotus Developers initial issue is priced at 24.5x FY25 EBITDA, higher than its peer average of 20.7x FY25 EBITDA. Given its strong growth, asset-light business model, and superior return profile, we believe the Company demands premium over its peers and believe value in its initial offering. We assign a **"SUBSCRIBE"** rating to its initial issue.

### Relative Valuation

Company Name	CMP (INR)	Market Cap (INR Mn)	Revenue CAGR	EBITDA CAGR	PAT CAGR	EBITDA Margin (%)	EV/Sales		EV/EBITDA		P/E		ROE	ROIC
			Last 2 FY	Last 2 FY	Last 2 FY	FY25	FY25	TTM	FY25	TTM	FY25	TTM	FY25	FY25
<b>Sri Lotus Developers &amp; Realty Ltd.</b>	150	73,306	81.5%	267.8%	268.3%	52.6%	1.0x	1.0x	24.5x	24.5x	32.2x	32.2x	24.4%	30.9%
<b>Domestic Peers</b>														
<b>Suraj Estate Developers</b>	316	15,395	34.0%	15.7%	76.5%	36.9%	3.4x	3.5x	9.2x	9.5x	14.4x	15.4x	14.1%	10.0%
<b>Oberoi Realty Ltd</b>	1,696	6,35,159	13.4%	23.5%	8.1%	60.3%	11.1x	11.5x	18.4x	19.0x	26.7x	28.5x	15.1%	12.9%
<b>Anant Raj Ltd</b>	573	1,93,050	46.7%	57.5%	67.9%	23.9%	8.3x	9.6x	34.5x	40.2x	39.5x	45.3x	10.9%	9.8%
<b>Mean</b>			31.4%	32.2%	50.8%	40.4%	7.6x	8.2x	20.7x	22.9x	26.9x	29.7x	13.4%	10.9%
<b>Median</b>			34.0%	23.5%	67.9%	36.9%	8.3x	9.6x	18.4x	19.0x	26.7x	28.5x	14.1%	10.0%

Source: Factset, IPO Prospectus, DevenChoksey Research and Analysis

## Sri Lotus Developers & Realty Ltd.

### Financials:

Income Statement (INR Mn.)	FY23	FY24	FY25
<b>Revenue</b>	<b>1,669</b>	<b>4,616</b>	<b>5,497</b>
Operating Expenditure	1,455	3,037	2,607
<b>EBITDA</b>	<b>214</b>	<b>1,579</b>	<b>2,890</b>
<b>EBITDA Margin %</b>	<b>13%</b>	<b>34%</b>	<b>53%</b>
Other Income	31	46	196
Depreciation	9	12	15
Interest	6	2	2
<b>PBT</b>	<b>229</b>	<b>1,611</b>	<b>3,068</b>
Tax	58	420	789
<b>PAT</b>	<b>171</b>	<b>1,191</b>	<b>2,279</b>
<b>PAT Margin (%)</b>	<b>10%</b>	<b>26%</b>	<b>41%</b>
<b>Adjusted EPS</b>	<b>0.35</b>	<b>2.44</b>	<b>4.66</b>

Cash Flow (INR Mn.)	FY23	FY24	FY25
Net Cash Flow from Operating Activities	711	462	-195
Net Cash Flow from Investing Activities	-148	277	159
Net Cash Flow from Financing Activities	-110	-443	2500
Net Increase/(Decrease) in Cash	453	295	2463
<b>Cash &amp; Cash Equivalents at the Beginning</b>	<b>270</b>	<b>723</b>	<b>1019</b>
<b>Cash &amp; Cash Equivalents at the End</b>	<b>723</b>	<b>1019</b>	<b>3482</b>

Balance sheet (INR Mn.)	FY23	FY24	FY25
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	23	18	34
Other financial assets	41	180	106
Other Current assets	99	55	24
<b>Current Assets</b>			
Inventories	2,307	4,793	5,256
Trade receivables	104	426	2,048
Cash and cash equivalents	761	1,243	3,805
Other financial assets	1,155	355	600
Other current assets	373	299	314
<b>Total Assets</b>	<b>4,862</b>	<b>7,368</b>	<b>12,186</b>
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	200	200	436
Other equity	284	1,496	8,888
Non controlling interest	-7	9	14
<b>Total Equity</b>	<b>476</b>	<b>1,705</b>	<b>9,338</b>
<b>Non-Current Liabilities</b>			
Borrowings	298	316	249
Lease liabilities	5	1	7
Other current liabilities	37	26	252
<b>Current Liabilities</b>			
Borrowings	2,992	3,966	973
Lease Liabilities	8	6	9
Other Financial liabilities	101	259	268
Other current liabilities	946	1,090	1,091
<b>Total Equity and Liabilities</b>	<b>4,862</b>	<b>7,368</b>	<b>12,186</b>

Source: IPO Prospectus, DevenChoksey Research

## **Sri Lotus Developers & Realty Ltd.**

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