

Macrotech Developers Ltd.
Sector Real Estate

Issue Highlights

Issue Open	April 7, 2021
Issue Close	April 9, 2021
Issue Price	Rs. 483 - Rs. 486 per share
Total Issue Size	Rs. 2,500 Cr
Of which	
Fresh Issue	Rs. 2,500 Cr
Face Value	Rs. 10 per share
Market Lot	30 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- Axis Capital Ltd
- J.P. Morgan India Private Ltd
- Kotak Mahindra Capital Company Ltd
- ICICI Securities Ltd
- Edelweiss Financial Services Ltd
- IIFL Securities Ltd
- JM Financial Ltd
- YES Securities (India) Ltd
- SBI Capital Markets Ltd
- BOB Capital Markets Ltd

Registrar To The Offer

- Link Intime India Private Ltd.

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About the Company

Macrotech Developers is one of the largest real estate developers in India, by residential sales value for the financial years 2014 to 2020, as per Anarock report. They were formerly known as Lodha developers private ltd. The company's core business is residential real estate developments with a focus on affordable and mid-income housing. Currently, they have residential projects in the Mumbai Metropolitan Region (MMR) and Pune. In 2019, they forayed into the development of logistics and industrial parks and entered into a joint venture with ESR Mumbai 3 Pte. Ltd ("ESR"), a subsidiary of ESR Cayman Ltd, an Asia Pacific focused logistics real estate platform. They also develop commercial real estate, including as part of mixed-use developments in and around its core residential projects. Their brands include "Lodha", "CASA by Lodha" and "Crown Lodha Quality Homes" for affordable and mid-income housing projects, the "Lodha" and "Lodha Luxury" brands for premium and luxury housing projects, and the "iThink", "Lodha Excelus" and "Lodha Supremus" brands for office spaces. As of December 31, 2020, they have completed 91 projects, 36 projects are ongoing and 18 are planned projects. Further, ~290 and 540 acres are an ongoing and planned development in their logistics and industrial park portfolio. In addition, they have land reserves of ~3,803 acres for future development in the MMR.

Objects of the Issue

- Reduction of the aggregate outstanding borrowings of the company on a consolidated basis
- Acquisition of land or land development rights
- General corporate purposes

Valuation

The real estate market in India has grown at a CAGR of ~10% from USD 50bn in 2008 to USD 120bn in 2017, and is expected to further grow at a CAGR of 17.7% to reach USD 1tn by 2030 driven by urbanization, inflow of FDI, nuclearization of families and increase in per capita income. Besides, low home loan interest rates, reduction in Stamp duty and introduction of reforms such as GST and implementation of RERA have also helped in maintaining transparency and boosting sales.

Macrotech Developers is well placed as real estate developer with capabilities and in-house resources to carry on a project from its initiation to completion. Over the years, they have established a strong reputation and track record in affordable and mid-income as well as premium housing projects. They have a diversified portfolio of residential developments, spread across price points and micro-markets in the MMR, which has largest share of supply and absorption of residential units. Its brand 'Lodha' is well established in the market and have track record of delivering quality products. This helps in increasing customer confidence, influences buying decision and target premium pricing for products. Going forward it plans to develop in MMR market as well as focus on tier-1 cities in India. Also it intends to develop more commercial projects as demand is likely to be driven by growing trend towards a 'walk-to-work' culture.

Key Risk:

- Rise in Covid cases may impact business
- High Debt on balance sheet

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S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

.....

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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