



S U R A J

**SURAJ ESTATE DEVELOPERS
LIMITED**

IPO NOTE

December 2023

ISSUE HIGHLIGHTS

- ❑ **Suraj Estate Developers Limited ("SEDL")** was incorporated on September 10, 1986. SEDL is involved in the real estate business since 1986 and develop real estate across the residential and commercial sectors in South Central Mumbai region. They have a residential portfolio located in the markets of Mahim, Dadar, Prabhadevi and Parel, which are sub-markets of the South-Central Mumbai micro market where SEDL has established their presence.
- ❑ The company focuses primarily on value luxury, luxury segments and commercial segments. SEDL is now venturing into residential real estate development in Bandra sub-market.
- ❑ Since most of the land parcels in the South-Central Mumbai market are in the nature of redevelopment projects, company's core competence lies in tenant settlement which is a key element for unlocking value on such land parcels.
- ❑ SEDL does not provide any construction services on its own and is 100% dependent on third party contractors for the construction services of its Projects.
- ❑ Since incorporation, they have **completed 42 projects** with a developed area of more than 1,046,543 sq.ft. in the South-Central Mumbai region. In addition to the Completed Projects, they have **13 Ongoing Projects** with a developable area of 2,034,434 sq.ft and saleable carpet area 609,928 sq. ft. and **16 Upcoming Projects** with an estimated carpet area of 744,149 sq.ft. and as on October 30, 2023, they have **Land Reserves of 10,359.77 sq.mtr.**
- ❑ In their residential portfolio, they are present across the "value luxury" and "luxury" segments across multiple price points with unit values ranging from ₹1 crore to ₹13 crore. In their commercial portfolio, they have constructed and sold built-to-suit corporate headquarters to their institutional clientele namely, **Saraswat Cooperative Bank Ltd (Prabhadevi) and Clearing Corporation of India Ltd (Dadar).**
- ❑ Currently, SEDL is developing projects such as **Ave Maria (Dadar), Vitalis (Mahim), Suraj Parkview 2 (Dadar) and Suraj Eterna (Mahim).**

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

	As at Jun' 30,	As at Mar' 31,		
	2021(03)	2023(12)	2022(12)	2021(12)
Equity Share Capital	15.88	15.88	15.88	6.35
Reserves	86.38	71.66	39.44	22.92
Net worth as stated	86.11	71.39	39.16	29.15
Revenue from Operations	102.41	305.74	272.72	239.99
Revenue Growth (%)	-	12.11%	13.64%	-
EBITDA as stated	46.73	151.00	131.73	86.63
EBITDA (%) as stated	45.64%	49.39%	48.30%	36.10%
Profit Before Tax	19.37	43.21	36.15	9.05
Net Profit for the period	14.53	32.06	26.50	6.28
Net Profit (%) as stated	14.19%	10.49%	9.72%	2.62%
EPS – Basic & Diluted (₹)	4.58 [^]	10.10	8.35	1.98
RONW (%)	18.68% [^]	58.18%	77.22%	23.62%
NAV (₹)	27.12	22.49	12.33	45.90
ROCE (%)	6.78%	21.93%	19.42%	14.51%

Source: RHP, *Summary Statement, [^] not annualised

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹ 400 Cr

Issue summary

Issue size: ₹ 400 Cr

No. of shares: 11,764,705 – 11,111,111 Shares

Face value: ₹ 5/-

Price band: ₹ 340 - 360

Bid Lot: 41 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 1,531 – 1,597 Cr

BRLMs: ITI Capital, Anand Rathi Advisors

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Monday, 18th Dec'2023

Issue closes on: Wednesday, 20th Dec'2023

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	21-12-2023
Refunds/Unblocking ASBA Fund	22-12-2023
Credit of equity shares to DP A/c	22-12-2023
Trading commences	26-12-2023

Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@Upper		
QIB	5,882,352	5,555,555	200	50%
NIB	1,764,706	1,666,667	60	15%
-NIB2	1,176,471	1,111,111	40	-
-NIB1	588,235	555,556	20	-
RET	4,117,647	3,888,889	140	35%
Total	11,764,705	11,111,111	400	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	41 Shares	574 Shares	2,788 Shares
Minimum Bid Lot Amount (₹)	₹ 14,760 [^]	₹ 2,06,640 [^]	₹ 10,03,680 [^]
Appl for 1x	94,851 Applications	968 Applications	1,936 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue [~]	Post issue [^]
33,250,000	45,014,706	44,361,111

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	82.05%	61.50%
Promoters Group	17.95%	13.45%
Public	0.00%	25.05%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated as 'Suraj Estate Developers Private Limited' on September 10, 1986. The company was promoted by Rajan Meenathakonil Thomas. Currently the promoter holds 27,282,000 Equity Shares, representing 82.05% of the pre-Issue issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Rajan Meenathakonil Thomas is the Chairperson and Managing Director of the company. He has been associated with the company since its incorporation and has over 36 years of experience in various aspects of the real estate business.

Rahul Rajan Jesu Thomas is the Whole-time Director of the company. He has over 16 years of experience in various aspects of the real estate business.

Sujatha R. Thomas is the Non-Executive Director of the company. She has been associated with the company since its incorporation. She has over 30 years of experience in various aspects of the real estate business.

Mrutyunjay Mahapatra is an Independent Director of the company. He was associated with State Bank of India and Syndicate Bank and is Member of Governing Council of RBI Innovation hub. He has experience in various aspects of banking.

Sunil Pant is an Independent Director of the company. He was working with State Bank of India, and with Gerson Lehrman Group, USA as Consultant. He has over 36 years of experience in banking.

Dr. Satyendra Shridhar Nayak is an Independent Director of the company. He was on the board of Bharat Wire Ropes Ltd. He has experience in consulting.

Key Managerial Personnel

Shreepal Shah is the Chief Financial Officer of the company with effect from December 1, 2021. He has been associated with the company since July 9, 2018.

Shivil Kapoor is the Company Secretary of the company with effect from December 1, 2021.

OBJECTS OF THE ISSUE

Objects	Amount
• Repayment/Prepayment of the aggregate outstanding borrowings of the company and their Subsidiaries, Accord Estates Pvt Ltd, Iconic Property Developers Pvt Ltd and Skyline Realty Pvt Ltd;	285.00
• Acquisition of land or land development rights	35.00
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue Shares offered [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	27,282,000	82.05%		27,282,000	61.50%
Promoters Group	5,967,800	17.95%		5,967,800	13.46%
Total for Promoter & Promoter Gr	33,249,800	100.00%		33,249,800	74.95%
Public	200	0.00%	11,111,111	11,111,311	25.05%
Total for Public Shareholders	200	0.00%	11,111,111	11,111,311	25.05%
Total Equity Share Capital	33,250,000	100.00%	11,111,111	44,361,111	100.00%

([^] at upper price band)

BUSINESS OVERVIEW

Suraj Estate Developers Ltd ("SEDL") is involved in the real estate business since 1986 and develop real estate across the residential and commercial sectors in South Central Mumbai region. They have a residential portfolio located in the markets of Mahim, Dadar, Prabhadevi and Parel, which are sub-markets of the South-Central Mumbai micro market where SEDL has

established their presence. They are focused primarily on value luxury, luxury segments and commercial segments. SEDL is now venturing into residential real estate development in Bandra sub-market. Their focus area of operation is the South-Central region in Mumbai mainly consisting of Mahim, Matunga, Dadar, Prabhadevi and Parel, as their expertise lies in the redevelopment of tenanted properties under Regulation 33(7) of the Development Control and Promotion Regulations (“DCPR”) in the Mumbai region.

Since most of the land parcels in the South-Central Mumbai market are in the nature of redevelopment projects, company’s core competence lies in tenant settlement which is a key element for unlocking value on such land parcels. SEDL identifies cessed/ non-cessed properties with existing tenants and tie up with the landlords of such tenanted properties by entering into a development agreement or on outright purchase basis through conveyance deed. SEDL does not provide any construction services on its own and is 100% dependent on third party contractors for the construction services of its Projects. Since incorporation, they have completed 42 projects with a developed area of more than 1,046,543 sq. ft. in the South-Central Mumbai region. In addition to the Completed Projects, they have 13 Ongoing Projects with a developable area of 2,034,434 sq.ft and saleable carpet area 609,928 sq. ft. and 16 Upcoming Projects with an estimated carpet area of 744,149 sq. ft.

Further, SEDL has completed 4 projects in preceding 3 Financial Years. The company has completed 42 projects in the last 37 years of its existence delivering on an average 3 to 4 projects in 3 years. Although, the completion of 4 projects in last 3 years is in line with company’s historical average delivery rate, there was some delay caused during the Covid-19 pandemic during such period.

Details of the 42 projects completed by SEDL since its incorporations:

Fiscal Year	No. projects completed	Project Name	Fiscal Year	No. projects completed	Project Name
1991	1	Suraj Venture-A	2004	4	Bobby Apartments, Christina Apartments, Our Lady of Vailankanni & Our Lady of Perpetual Succour and Godavari Sadan
1992	1	Suraj Venture-B	2006	4	Brahmsidhhi CHS, Jacob Apartments, Suraj Eleganza-I, and Gloriosa Apartments
1993	2	Vinayak Darshan and Elizabeth Apartment	2007	2	Suraj Eleganza-II and ICICI Apartments
1994	2	Suraj Sadan and Rahul-II	2011	4	Diomizia Apartments, Saraswat Bank Bhavan (Phase-I-upto 7th floor), Eternity Apartments and Harmony
1996	2	Suraj Height –I, II, III and Suraj Muktiyash	2012	2	CCIL Bhavan (Phase-I-up to 6th floors) and Tranquil Bay-I
1997	3	Our Lady of Lourdes, Shweta Apartments and Suraj Vista	2016	1	Mahadevachiwadi CHS
1998	1	Rahul-I	2017	1	Hallmark
2000	2	ICICI Apartments and Madonna Wing A	2019	1	Ocean Star-II
2001	1	Neat House	2020	2	Elizabeth Apartment and Mon Desir
2002	1	Sujatha Apartments	2022	1	Mangirish
2003	1	Lavanya Apartments	2023	3	St. Anthony Apartments, Lumiere and Tranquil Bay-II

In their residential portfolio, they are present across the “value luxury” and “luxury” segments across multiple price points with unit values ranging from ₹1 crore to ₹13 crore. In their commercial portfolio, they have constructed and sold built-to-suit corporate headquarters to their institutional clientele namely, **Saraswat Cooperative Bank Ltd (Prabhadevi)** and **Clearing Corporation of India Ltd (Dadar)**. To cater to the increasing need for smaller independent offices in the commercial segment, they plan to foray into developing boutique office spaces on Tulsi Pipe Road, Mahim.

SEDL has a longstanding presence of over 36 years in the real estate market in Mumbai. Their customer-centric business model focuses on addressing customer requirements in various locations, ticket sizes and configurations. Their ability to deliver differentiated product offerings through their deep understanding of the real estate market coupled with design and execution capabilities, strong brand presence and extensive marketing initiatives has helped them to successfully grow their business. Their strong presence in the South-Central Mumbai region has generated significant brand recall in submarkets in this region and substantial sales referrals from existing customers.

SEDL is one of the market leaders in the redevelopment projects in South Central Mumbai submarkets. From 2016 to 2023, they had launched 42 residential projects out of which 14 projects (97.62%) are redevelopment projects. They have over the years earned their reputation in South-Central Mumbai region through quality-conscious development and specialization in

the redevelopment of tenanted properties. Majority of their projects executed are on land owned by them or through development agreements with landowners. Since most of the land parcels in the South-Central Mumbai market are in the nature of redevelopment projects, their core competence lies in tenant settlement which is a key element for unlocking value on such land parcels.

As on October 31, 2023, they have redeveloped houses for more than 1,011 tenants free-of-cost under DCP Regulations. Compliance of Regulation 33(7) of the DCP Regulations enables sanction of more than FSI - 3.00 for development by the regulatory authorities. Currently, there are 19,642 number of cessed properties in the island city of Mumbai which are yet to be redeveloped.

SEDL works with a host of leading architects, namely Sanjay Puri Architects and Vivek Bhole Architects Pvt Ltd for their projects. Almost all aspects of their real estate development business are conducted through in-house capabilities, including acquisition of suitable land, and delivering a project from conceptualization to completion.

SEDL was founded by their Promoter, Rajan Meenathakonil Thomas, who is the Chairperson and Managing Director with over 36 years of experience in various aspects of real estate business. The leadership team also consists of Rahul Rajan Jesu Thomas, Whole-time Director with over 16 years of experience in various aspects of real estate business along with other professionals, each having vast experience across different industries and who are instrumental in implementing their business strategies.

Since incorporation, SEDL has completed 42 projects with a developed area of more than 1,046,543 sq. ft. in the South-Central Mumbai region. In addition to the Completed Projects, they have 13 Ongoing Project with a developable area of 20,34,434 sq. ft. and saleable carpet area 609,928 sq. ft. and 16 Upcoming Projects with an estimated carpet area of 744,149 sq. ft.

SEDL is amongst the prominent real estate developers, focused primarily on value luxury and luxury segments and commercial segment through:

- Construction and development of high quality 1 BHK flats and compact 2 BHK flats, catering to aspirational buyers and provide value for money residential projects, in premium locations (“**Value Luxury Segment**”);
- Construction and development of high quality 2 BHK flats, 3 BHK flats and 4 BHK flats, catering to ultra-high net worth and high net worth individual buyers in the South-Central Mumbai region (“**Luxury Segment**”);
- Construction and development of commercial offices on a built-to-suit model for select clientele and boutique offices (“**Commercial Segment**”).

Value Luxury Segment

SEDL is one of the market leaders in terms of Supply of 1BHK, 2BHK and 3BHK units in the South-Central Mumbai. In this segment, SEDL provides 1BHK flats ranging from 300 to 500 square feet carpet area and compact 2BHK flats ranging from 500 to 800 square feet carpet area which have witnessed a robust demand in the South-Central Mumbai region. Recently, in this segment they have completed projects namely, St. Anthony Apartments (Mahim) and Elizabeth Apartment (Dadar). They are an early entrant in this segment by providing spacious 1BHK flats and compact 2BHK flats with sea views, banquets, parking space, gymnasium, and premium quality amenities.

The high demand of Value Luxury Segment of the projects in the South-Central Mumbai region:

Project Name	Expected Completion Date as filed with RERA	Total No. of Units for Sale	Units Sold as of Dec'31, 2021	% of units Sold
Emmanuel (Dadar)	Dec'2025	59	57	96.61%
Suraj Eterna (Mahim)	Dec'2026	66	40	60.61%
Suraj Park View 2 (Dadar)	Dec'2026	46	32	69.57%
Lousiandra (Dadar)	Jun'2022	60	60	100.00%

To cater to the high demand of 1 BHK flats and compact 2 BHK flats in the South-Central Mumbai region, **SEDL is developing projects such as Ave Maria (Dadar), Vitalis (Mahim), Suraj Parkview 2 (Dadar) and Suraj Eterna (Mahim).**

Luxury Segment

In this segment SEDL provides 2 BHK flats ranging from 800 to 950 sq. ft. carpet area and 3 BHK flats ranging from 1,000 to 1,500 sq. ft. carpet area and 4 BHK flats ranging from 1,800 to 2,200 sq. ft. carpet area which have witnessed robust demand in the South-Central Mumbai region. Recently, in this segment they have Completed Projects namely Mangirish (Dadar) and

Ongoing Projects:

As of October 31, 2023, SEDL had 13 Ongoing Projects with a Developable Area of 2,034,434.40 sq.ft.

	Project Type	Nature of Project	Segment	Developable Area (sq.ft)	Carpet Area for Sale (sq.ft)	Total units For sale	Units Sold	Expected Completion Date	Ticket Size (₹ Cr)
Suraj Estate Developers Limited									
Louisandra, Dadar	Residential	Redevelopment	Value Luxury	63,360.13	28,800	60	60	30-06-24	1.5 – 4
Ave Maria, Dadar	Residential	Redevelopment	Value Luxury	177,020.55	23,061	44	42	30-12-24	1.5 – 3
Vitalis, Mahim	Residential	Redevelopment	Value Luxury	349,410.20	81,027	143	88	31-12-26	1.7 – 3
Suraj Eterna, Mahim	Residential	Redevelopment	Value Luxury	61,416.26	33,431	66	40	31-12-26	1.5 – 3
Palette, Dadar	Residential	Redevelopment	Luxury	495,929.10	179,672	146	103	29-06-24	4.5 – 8
Ocean Star- I, Dadar	Residential	Redevelopment	Luxury	251,722.46	60,381	48	37	30-06-26	6 – 8
CCIL Bhavan (Phase-II* Dadar	Commercial	Redevelopment	Commercial	27,278.60	22,410	2	2	30-12-24	35 – 70
Suraj Parkview 2, Dadar	Residential	Redevelopment	Luxury	64,396.28	20,875	46	32	31-12-26	1.5 – 3
Saraswat Bank Bhavan, Prabhadevi	Commercial	Redevelopment	Commercial	21,754.46	17,363	1	1	NA	90 -120
Mestry House, Mahim	Residential	Redevelopment	Value Luxury	17,343.87	1,298	3	-	NA	1.5 - 3
Sub-Total				1,529,631.91	468,318	558	405		
Accord Estates Private Limited									
Nirvana, Parel	Residential	Redevelopmen	Value Luxury/ Luxury	321,881.83	91,096	84	58	30-12-24	2.3 - 5
Sub Total				321,881.83	91,096	84	58		
Skyline Realty Private Limited									
Emmanuel, Dadar	Residential	Vacant Land	Value Luxury	78,577.20	28,138	59	57	30-12-25	1.7 - 3
Sub Total				78,577.20	28,138	59	57		
Uditi Premises Private Limited									
Suraj Lumina, Mahim	Residential	Redevelopmen	Value Luxury/ Luxury	104,343.46	22,376	35	-	31-12-28	2 - 4
Sub Total				104,343.46	22,376	35	-		
Total				2,,034,434.40	609,928	736	520		

*Additional 2.5 Floors

Financial Performance

	For the 3 months ended Jun'30,		For the year ended March 31,		
	2023	2023	2022	2021	
Revenue from operations	102.41	305.74	272.72	239.99	
EBITDA	46.73	151.00	131.73	86.63	
EBITDA margin as of revenue from operations (%)	45.64%	49.39%	48.30%	36.10%	
PAT	14.53	32.06	26.50	6.28	
PAT Margin (%)	14.19%	10.49%	9.72%	2.62%	
Net Debt	550.95	565.07	614.56	579.63	
Total Equity	86.11	71.39	39.16	29.15	
Inventories	634.11	652.27	620.98	565.28	
Trade Receivables	156.31	113.05	93.23	80.67	
ROE (%)	18.68%	58.18%	77.22%	23.62%	
ROCE (%)	6.78%	21.93%	19.42%	14.51%	

COMPETITIVE STRENGTHS

- **Established brand with a long-standing presence in Value Luxury Segment and Luxury Segment in the residential real estate market of South-Central Mumbai region**

SEDL is one of the market leaders in combined South-Central Mumbai sub-markets and has deep knowledge of the market, regulatory environment and long-standing presence in Value Luxury and Luxury Segment has helped them in identifying opportunities in this market. Their longstanding presence in South Central Mumbai has resulted in better understanding of emerging trends, customer preferences and significant brand recall. Their in-house expertise of redevelopment and the successful delivery of 42 Completed Project has helped them in building customer trust over the last 36 years.

- **Diversified portfolio encompassing product offerings across various price points**

The company has a diversified portfolio of residential developments, spread across price points, unit sizes and micro-markets in the South-Central Mumbai, catering to a wide spectrum of economic and demographic segments, from value luxury to luxury residences. Their ability to cater to the needs of customer across income brackets through a range of differentiated products offerings, supported by their technical and execution capabilities has enabled them to successfully grow their business. They have developed a diversified portfolio of projects that includes redevelopment projects as well as open plot projects, in the Value Luxury Segment and Luxury Segment from 1 BHK flats to 4 BHK flats.

Typology	Range of Carpet Area (in Sq.Ft.)	No. of offerings
1 BHK flats	300 – 400	6
	400 – 500	12
2 BHK flats	500 – 650	7
	650 – 800	4
	800 – 950	1
3 BHK flats	800 - 950	2
	1000 – 1300	3
	1300 – 1500	1
4 BHK flats	1800 - 2200	2

The diversity in their portfolio of projects, created by their range of offerings and price help them to cater different segments of the market and diversify their risk of dependence on a particular segment.

- **Strong expertise in tenant settlement in the redevelopment projects**

The company has expertise in tenant settlement in the redevelopment projects in residential sub-markets of Mahim, Matunga, Dadar, Prabhadevi, and Parel. From 1986 to 2023, SEDL completed 42 residential and commercial projects out of which 41 projects (97.62%) are redevelopment projects. Since most of the land parcels in the South-Central Mumbai market are in the nature of redevelopment projects, tenant settlement is a key element for unlocking value on land parcels. They have a dedicated inhouse team focusing on various requirements and concerns of tenants. As on October 31, 2023, they have redeveloped houses for 1,011 tenants free-of-cost under **DCP Regulations** thereby simultaneously freeing considerable areas of FSI for commercial development.

- **Innovative marketing and sales strategies**

Company's experienced marketing and sales team track market trends which enables them to position their projects appropriately in terms of location and price points and creates a cohesive marketing strategy designed to secure and build brand value and awareness. Some of these strategies include exclusive code names for each project, large public launches with a book-building approach, and the implementation of the concept of self-sustained communities. They use differentiated sales strategies and multiple approaches to sell their products.

- **Experienced promoters and strong management team**

SEDL was founded by their Promoter, Rajan Meenathakonil Thomas, who is the Chairperson and Managing Director with over 36 years of experience in various aspects of real estate business. The company continues to leverage the experience of their Promoter, Directors, Key Managerial Personnel, and senior management team to further grow their business and strategically target new market opportunities.

KEY BUSINESS STRATEGIES

- **Enhance the leading market position in the South-Central Mumbai region by leveraging the Upcoming Projects**

SEDL continues to focus primarily on residential projects in the Value Luxury and Luxury Segments within select micro-markets of the South-Central Mumbai region by leveraging their brand, deep experience, and a track record of successful execution.

Through the execution of these Upcoming Projects, they intend to consolidate their leading market position in the South-Central Mumbai region. The South-Central Mumbai region is a prime real estate market in the MMR region in terms of its aspiration value / premium product positioning, higher realisation, and stable demand for real estate developments.

- **Continue to focus on redevelopment projects through asset light model**

SEDL aims to strengthen their redevelopment project portfolio pre-dominantly through asset light model. As on October 31, 2023, they have 13 Ongoing Projects and 16 Upcoming Projects, wherein 3 Upcoming Projects are based on asset light model aggregating to 10.34% of the total Projects. They intend to leverage their brand and leadership position to grow their business by entering into development agreements with housing societies. Such an approach will enable them to be more capital efficient and reduce their upfront land acquisition costs. They intend to follow this strategy in the South-Central Mumbai region where they have a strong presence and to expand their presence in other parts of MMR region.

- **Continue to pursue the differentiated product offerings in value luxury segment**

The share of 1 BHK flats and compact 2 BHK flats in Value Luxury Segment housing in new launches continues to increase and there has been relatively better demand from end users in these segments, resulting in better sales volume and velocity. The company therefore intend to further strengthen their presence in delivering value luxury 1 BHK flats and compact 2BHK flats in South-Central Mumbai region. they are also developing compact 2 BHK flats, with ticket sizes ranging between ₹2 crore and ₹3 crore and flat size ranging between 500 sq. ft. up to 800 sq. ft. along with parking and other amenities.

- **Continue to expand Land Reserves in South Central Mumbai region and opportunistically build the position in other sub-markets within MMR region**

SEDL intends to take advantage of emerging consolidation opportunities in the real estate industry generated by regulatory changes, such as RERA, and other market factors, by following a flexible strategy for land acquisition. They intend to continue to evaluate various land acquisitions models, such as outright purchase, joint ventures, joint development, and development management and the same is critical to increase their market penetration across the various market segments in which they operate. While areas in and around South-Central Mumbai region are expected to remain their primary focus, they are opportunity centric and have evaluated and will continue to evaluate growth opportunities outside of their current focus area on a case-by-case basis.

- **Continue to selectively develop Commercial Projects in the South-Central Mumbai region**

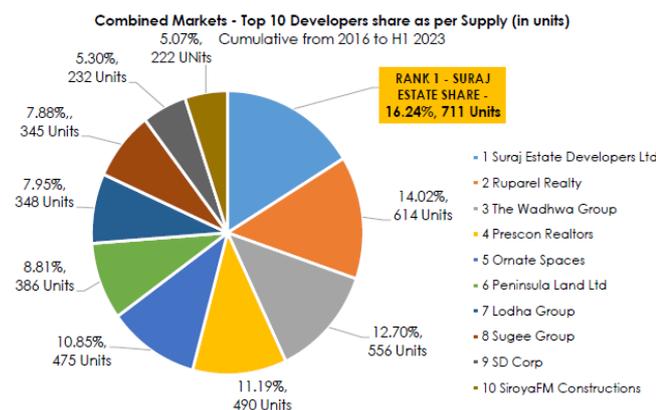
The company intends to continue to focus on the development of commercial spaces to enable them to create value through complimentary asset classes. They have constructed and sold build-to-suit offices to institutional clientele. To cater to the increasing need of smaller independent offices in the commercial segment, they are currently proposing a 16 storey commercial building situated on Tulsi Pipe Road, Mahim.

INDUSTRY OVERVIEW

Share of Suraj Estate Developers among the Top-10 developers as per supply (in No. of units)

Total supply in the combined sub-markets is 12,496 units. Out of this, the total share of Top-10 developers is 35.04% i.e., 4,379 units.

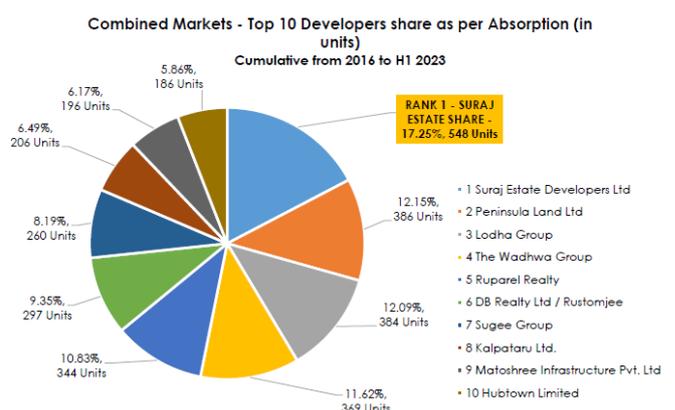
Out of the Top-10 developers, **Suraj Estate Developers Ranks 1st with 16.24% market share.**



Share of Suraj Estate Developers among the Top-10 developers as per absorption (in No. of units)

Total absorption (in units) in the combined sub-markets is 6,599 units. Out of this, the total share of Top-10 developers is 48.13% i.e., 3,176 units.

Out of the Top-10 developers, **Suraj Estate Developers Limited ranks 1st with 17.25% market share**



COMPETITION

SEDL faces competition from various national and regional real estate developers. Their competitors includes listed real estate developers in the regions and areas where they operate, including **Macrotech Developers (Lodha Group), Oberoi Realty, Hubtown Developers and D B Realty**. They also face competition from various small unorganized operators in the residential segment.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Closing Price as on Nov'17, 2023	Total Revenue (₹ in Cr)	EPS		NAV	P/E	RoNW (%)
					Basic	Diluted			
Suraj Estate Developers Ltd	Consolidated	5	[•]	305.74	10.10	10.10	22.49	[•]	58.18%
Oberoi Realty Ltd	Consolidated	10	1,342.40	4,192.58	52.38	52.38	335.81	25.63	16.83%
Sunteck Realty Ltd	Consolidated	1	453.60	362.44	0.10	0.10	198.45	4,536.00	0.62%
Keystone Realtors Ltd	Consolidated	10	543.25	685.66	7.67	7.67	146.59	70.83	6.29%
Shriram Properties Ltd	Consolidated	10	106.38	674.40	3.88	3.88	70.58	27.42	5.63%
Mahindra Lifespace Developers Ltd	Consolidated	10	510.85	606.61	6.56	6.56	116.75	77.87	5.64%
D B Realty Ltd	Consolidated	10	211.95	698.24	(2.94)	(2.94)	60.69	(72.09)	(5.93)
Hubtown Ltd	Consolidated	10	67.24	319.09	4.16	4.16	171.03	16.16	2.03

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on the website of BSE as of November 17, 2023,

Comparison of KPIs with listed industry peers for FY2023

(in ₹ Cr, unless otherwise specified)

Listed Peers	Revenue from Operation	EBITDA	EBITDA %	PAT	PAT %	Net Debt	Total Equity	Inventories	Trade Receivables	ROCE %	ROE %
Suraj Estate Developers	305.74	151.00	49.39%	32.06	10.49%	565.07	71.39	652.27	113.05	58.18	21.93
Oberoi Realty	4,192.58	2,332.07	55.62	1,904.55	45.43	3,431.17	12,210.12	8,543.10	1,098.31	15.31	16.83
Sunteck Realty	362.44	71.18	19.64	1.41	0.39	527.20	2,787.86	5,725.12	149.62	1.75	0.62
Keystone Realtors	685.66	109.08	15.91	79.50	11.59	611.94	1,687.73	2,570.35	61.64	3.71	6.11
Shriram Properties	674.40	46.21	6.85	68.25	10.12	526.78	1,199.84	2,220.81	78.80	2.17	5.85
Mahindra Lifespace Developers	606.61	75.82	12.50	102.83	16.95	187.69	1,805.93	2,097.58	129.10	3.03	5.72
D B Realty	698.24	(114.71)	(16.43)	(90.01)	(12.89)	2,604.34	2,069.75	2,582.20	68.55	(2.27)	(4.47)
Hubtown	319.09	74.28	23.28	26.28	8.24	799.34	1,328.74	2,014.13	202.50	3.30	2.03

AXIS CAPITAL LIMITED

Axis House, 1st Floor, Level-1, C-Wing, C-2, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025.

Tel: +91 22 4325 2525; Fax: +91 22 4325 3000

www.axiscapital.co.in

This document has been prepared by Axis Capital Limited. Affiliates of Axis Capital Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Affiliates research report.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient.

Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.

Axis Capital Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval.

Axis Capital Limited, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document.

This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Axis Capital Limited. The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein.

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Axis Capital Limited to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Copyright in this document vests exclusively with Axis Capital Limited.