



IPO NOTE

SURAJ ESTATE DEVELOPERS LIMITED

Rating:

SUBSCRIBE



ISSUE OFFER

Issue Opens on	DEC 18, 2023
Issue Close on	DEC 20, 2023
Total IPO size (cr)	400.00
Fresh issue (cr)	400.00
Offer For Sale (cr)	NIL
Price Band (INR)	340-360
Market Lot	41
Face Value (INR)	5
Retail Allocation	35%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NIB Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
33,250,000	44,361,111

INDICATIVE TIMETABLE

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

Suraj Estate Developers Limited is a real estate construction company. The company develops residential and commercial real estate in the South Central Mumbai region. The company's projects include Suraj Eleganza-II and ICICI Apartments, CCIL Bhavan (Phase-I up to 6th floor) and Tranquil Bay-I, Elizabeth Apartment and Mon Desir, St. Anthony Apartments, Lumiere and Tranquil Bay-II, Brahmsidhhi CHS, Jacob Apartments, Suraj Eleganza-I and Gloriosa Apartments and others.

OBJECTS OF THE ISSUE

- Repayment of the aggregate outstanding borrowings.
- Acquisition of land or land development rights.

OUTLOOK & VALUATION

Since 1986, SEDL has been a real estate developer in the South Central Mumbai area, working on projects in both the residential and commercial sectors. The residential portfolio of SEDL is situated in the sub-markets of Mahim, Dadar, Prabhadevi, and Parel, which are part of the South Central Mumbai micro market. It has shown consistent growth over the stated periods, and the management is optimistic that this trend will continue.

With extensive market knowledge, SEDL is a market leader in the combined South-Central Mumbai submarkets; yet, the company must contend with competition from a range of national and regional real estate developers.

The IPO is coming at a P/E of 35.64 which looks fairly priced so we recommend applying for this IPO for listing gains.



KEY MANAGERIAL PERSONNEL

01

Rajan Meenathakonil Thomas

Chairperson and Managing Director of the Company. He has been associated with Company since its incorporation. He has received Lifetime Achievement Award from ET Now in the year 2022. He has over 36 years of experience in various aspects of real estate business.

02

Rahul Rajan Jesu Thomas

He holds a bachelor's degree in Commerce from the University of Mumbai and corporate finance certificate from Harvard University. He has received 40 under 40 award from Realty+ in the year 2022. He has over 16 years of experience in various aspects of real estate business.

03

Shreepal Shah

Chief Financial Officer of Company. He holds a bachelor's degree in Engineering from University of Mumbai and a master's degree in Business Administration from University of Pune. Prior to joining Company, he was working with P. Raj & Co., Chartered Accountants providing business and finance advisory.

04

Shivil Kapoor

Company Secretary of the Company. He holds a bachelor's degree in Commerce from Devi Ahilya Vishwavidyalaya, Indore, bachelor's degree in Law from Devi Ahilya Vishwavidyalaya, Indore and is a member of the Institute of Company Secretaries of India.

05

Dipen Sheth

Vice President - Sales of the Company. He holds a bachelor's degree in Commerce from University of Mumbai. Prior to joining Company, he was associated with Kanakia Spaces Private Limited and Oasis Lifespaces Private Limited.



COMPANY PROFILE

- Suraj Estate has developed more than 10 lakh square feet of land in Mumbai.
- In the residential portfolio, Suraj Estate is present in the 'Value Luxury' and 'Luxury' segments in various price categories with unit values ranging from Rs. 10.00 million to Rs. 130.00 million.
- The company focuses primarily on value luxury, luxury segments, and commercial segments. SEDL is now venturing into residential real estate development in the Bandra sub-market.
- The company's projects include Suraj Eleganza-II and ICICI Apartments, CCIL Bhavan and Tranquil Bay-I, Elizabeth Apartment and Mon Desir, St. Anthony Apartments, Lumiere and Tranquil Bay-II, Brahmsidhhi CHS, Jacob Apartments, Suraj Eleganza-I and Gloriosa Apartments and others.

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
- Diversified portfolio encompassing product offerings across various price points in value luxury and luxury segments.
- Strong expertise in tenant settlement in redevelopment projects
- Experienced promoters and management team.

KEY STRATEGIES

- Enhance leading market position in the South Central Mumbai region by leveraging Upcoming Projects
- Continue to focus on redevelopment projects through asset-light model
- Continue to expand Land Reserves in the South Central Mumbai region and opportunistically build a position in other sub-markets within the MMR region.
- Continue to selectively develop Commercial Projects in the South Central Mumbai region.

KEY CONCERNS

- Business is dependent on the performance of, and the conditions affecting, the real estate sub-markets in the South-Central Mumbai region.
- Any uncertainty in the title to real estate assets could have a material adverse impact on current and future revenue.
- The industry in which the company operates is competitive and highly fragmented resulting in increased competition that may adversely affect results.
- Any negative cash flows in the future would adversely affect cash flow requirements.

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

Name of the Company	EPS (Basic)	P/E	Total Income (ML)	NAV	RoNW (%)
Suraj Estate Developers Limited	10.1	-	3,057.44	22.49	58.18%
Peer Group					
Oberoi Realty Limited	52.38	25.63	41,925.82	335.81	16.83%
Sunteck Realty Limited	0.10	4536.00	3,624.37	198.45	0.62%
Keystone Realtors Limited	7.67	70.83	6,856.60	146.59	6.29%
Shriram Properties Limited	3.88	27.42	6,744.03	70.58	5.63%
Mahindra Lifespace Developers Limited	6.56	77.87	6,066.10	116.75	5.64
D B Realty Limited	(2.94)	-72.09	6,982.40	60.69	(5.93)
Hubtown Limited	4.16	16.16	3,190.90	171.03	2.03

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	158.75	158.75	63.50
Other Equity	716.64	394.35	229.24
Net Worth	715.13	393.81	293.65
Total Borrowings	3,457.27	3,966.04	4,640.45
Revenue from Operations	3,057.44	2,727.18	2,399.87
EBITDA	3,078.90	2,739.07	2,439.98
Profit Before Tax	432.12	361.51	90.46
Net Profit for the year	320.64	265.04	62.77



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