



Company Overview

Incorporated in February 2015, Sri Lotus Developers & Realty Ltd. is a developer of residential and commercial properties located in Mumbai, Maharashtra, specializing in redevelopment projects within the ultra-luxury and luxury segments of the western suburbs. Since its inception, the company has prioritised customer-centric development, emphasizing lifestyle enhancement and high-quality design. The company's operations are strategically located in Mumbai, one of India's largest real estate markets. The company believes that its growth can be attributed to its promoter, the company's understanding of the real estate market, execution capabilities, sales ability and the "Lotus Developers" brand. The projects developed by the company are categorised into three types: Greenfield projects, redevelopment projects, and joint development projects. As of June 2025, Lotus has completed four projects, five ongoing projects and 11 upcoming projects across residential and commercial segments, totalling an estimated 6.71 million sq. ft. of developable area. It seeks to enhance the value of projects by creating a better living environment through the provision of comprehensive community facilities and by engaging experts in various specialized fields. According to the Anarock Report, The Lotus Developers commands a premium of approximately 22% on its quoted prices compared to the average quoted prices in the Juhu market. The probable factors contributing to this premium include good brand recall, high construction quality, timely execution, and customer satisfaction. Historically, the company has focused on the western suburbs of Mumbai. Going forward, the company plans to expand into other micro-markets in southern and central regions of Mumbai such as Nepean Sea Road and Prabhadevi, and eastern suburbs of Mumbai such as Ghatkopar.

Objects of the issue

The company proposes to utilise the net proceeds from the issue towards the following objects:

- ⇒ Investment in subsidiaries, Richfeel Real Estate Pvt. Ltd., Dhyam Projects Pvt. Ltd., and Tryksha Real Estate Pvt. Ltd., for part-funding the development and construction costs of their ongoing projects, Amalfi, The Arcadian, and Varun, respectively;
- ⇒ General corporate purposes.

Investment Rationale

Strategic position in the ultra-luxury and luxury segments of the Mumbai residential real estate market, with a customer-centric focus and strong pipeline of projects

The majority of the company's completed, ongoing, and upcoming projects are located in Mumbai and fall under the ultra-luxury and luxury segments. There has been a significant demand growth in the luxury housing market, particularly in the over Rs. 2.5 crores segment and in the Rs. 1.5-2.5 crores segment between 2021 and Q1 2025, indicating a growing interest in high-end properties, possibly due to increased affluence or demand for premium living spaces. Mumbai's position as the commercial capital of India, combined with its demographics of a high-income customer base and an expanding segment of young professionals, provides a substantial market for the company's projects in the western suburbs of Mumbai. Their project design is backed by strategic market research focusing on customer preferences such as layout planning, floor space index utilization, unit size, amenities and interior design. According to the Anarock Report, The Lotus Developers commands a premium of approximately 22% on its quoted prices compared to the average quoted prices in the Juhu market, due to strong brand recall, high construction quality, timely execution, and customer satisfaction, supported by the limited new supply and high demand. Further, the company's recent average transacted value of Rs. 61,304 per sq. ft. on carpet area reflects a premium of approximately 10% over the average quoted market price in Juhu. As of June 30, 2025, the company has five ongoing projects with an aggregate estimated developable area of 0.80 million sq. ft. and estimated saleable RERA carpet area of 0.30 million sq. ft. In addition, the company has 11 upcoming projects with an aggregate estimated developable area of 4.98 million sq. ft. With high entry barriers in Mumbai's western suburbs, primarily due to the limited availability of land and stringent regulatory approvals for project developments, the company is well-positioned to capitalise on the growing demand for real estate projects in the ultra-luxury and luxury segments of Mumbai's western suburbs.

Strong brand recognition along with ability to sell at a premium price allows the company to sell throughout the construction phase

The company's projects are executed under the "Lotus Developers" brand. The company's established presence in the western suburbs of Mumbai leads to brand recognition, particularly in the ultra-luxury and luxury segments. The company has leveraged its established brand and high-quality product offerings to sell units within its projects relatively early in the project development period, including through pre-sales after obtaining RERA approvals. This pre-sales helps the company to generate early cash flow, reducing the requirement for debt, thereby ensuring a higher return on investment. For example, projects like Ananya, Signature, Ayana, and Arc One sold between 26-36% of their saleable area within one year of launch, and up to 87% before occupancy certificate (OC) issuance in some cases. Lotus also commands a 22% price premium over the Juhu market average (Anarock Report), supported by significant value appreciation across its projects - Signature appreciated by

Issue Details

Offer Period	30 th Jul 2025 - 01 st Aug 2025
Price Band	Rs. 140 to Rs. 150
Bid Lot	100
Listing	BSE & NSE
Issue Size (no. of shares in mn)	52.8
Issue Size (Rs. in bn)	7.9
Face Value (Rs.)	1

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Monarch Network Capital Ltd., Motilal Oswal Investment Advisors Ltd.
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Registrar	KFin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	91.8	81.9
Public	08.2	18.1
Total	100.0	100.0

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Sri Lotus Developers & Realty Ltd.

232%, Ayana by 84%, Arc One by 58%, and Ananya by 24%. This combination of strong brand equity, premium pricing, and early sales performance positions Lotus Developers for sustained growth in Mumbai's high-end real estate sector.

Valuation

India's real estate industry is a major driver for economic growth and is expected to expand rapidly due to urbanization, infrastructure investments, digital innovation, and a tide of redevelopment projects, especially in metro cities like Mumbai. Sri Lotus Developers & Realty Ltd. has emerged as a prominent player in Mumbai's ultra-luxury and luxury residential segments, specialising in the redevelopment of properties in the western suburbs. The company is well-positioned to capitalise on the growing trends in the Indian real estate industry. With its strong brand recall value, the company demands premium value for its properties. As of June 2025, Lotus has completed four projects, encompassing a developable area of 0.93 million sq. ft. across residential and commercial developments. The company has maintained a robust project pipeline, comprising five ongoing projects and 11 upcoming projects, which expands its presence beyond the western region into other micro-markets in the southern and central areas in Mumbai, such as Nepean Sea Road and Prabhadevi, as well as the eastern suburbs of Mumbai including Ghatkopar. Furthermore, the company's asset-light model has resulted in a strong balance sheet and a net debt-free status. Financially, the company has demonstrated impressive growth across all fronts, with a revenue CAGR of 81.5% from FY23 to FY25, with revenue standing at Rs. 5,497 million, while the sales value grew from Rs. 1,987.8 million in FY23 to Rs. 4,629.3 million in FY25. The EBITDA grew at a CAGR of 267.8% from FY23 to FY25 to Rs. 2,890 million, with an EBITDA margin of 52.6%. The PAT grew from Rs. 168 million in FY23 to Rs. 2,279 million in FY25. **The company is currently valued at an EV/EBITDA ratio of 25.4x on the upper price band, based on FY25 earnings, which is comparatively less than its peers. Given its proven track record of timely project completion, high brand recall value, premium pricing power, healthy project pipeline, ability to sell throughout the construction phase and strong financial performance, we recommend a "SUBSCRIBE" rating for this issue from a long-term perspective.**

Key Risks

- ⇒ Any delay or failure by the company to complete its ongoing or upcoming projects by their expected completion dates or failure to complete them at all could have a material adverse impact on the company's business, financial condition, and results of operations.
- ⇒ As of June 30, 2025, Lotus Developers had 85 unsold units in its completed projects and 167 unsold units in its ongoing projects. Any inability to sell this inventory on time could adversely impact the company's business, financial performance, and overall financial condition.
- ⇒ Lotus Developers relies entirely on third-party contractors for the construction and development of its projects, with its largest contractor, Shree Gajanand Associates, accounting for 21.7%, 29.9%, and 28.1% of total expenses in FY25, FY24, and FY23, respectively. Any failure by this contractor or others to fulfill their obligations could negatively impact the company's business, operational results, and financial condition.

Sri Lotus Developers & Realty Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from Operations	1,669	4,616	5,497
Total Revenue	1,669	4,616	5,497
Expenses			
Cost of construction and development	1,310	3,189	2,449
Changes in inventories	-56	-568	-463
Employee Benefits Expenses	10	7	126
Other expenses	190	409	496
Total Operating Expenses	1,455	3,037	2,607
EBITDA	214	1,579	2,890
Depreciation & amortization	9	12	15
EBIT	204	1,567	2,874
Finance costs	6	2	2
Other Income	31	46	196
Share of net loss of joint venture accounted for using equity method	-3	0	0
PBT	226	1,611	3,068
Total Tax	58	420	789
PAT	168	1,191	2,279
Diluted EPS	0.4	3.0	5.5

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	711	462	-195
Cash flow from investing activities	-148	277	159
Cash flow from financing activities	-110	-443	2,500
Net increase/(decrease) in cash and cash equivalents	453	295	2,463
Cash and cash equivalents at the beginning of the period	270	723	1,019
Cash and cash equivalents at the end of the period	723	1,019	3,482

Source: RHP, BP Equities Research

Sri Lotus Developers & Realty Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
ASSETS			
Non-Current Assets			
Property, plant and equipment	23	18	34
Intangible assets under development	-	-	0
Investment property	11	-	-
Goodwill on consolidation	2	27	18
Investment in associates	17	-	-
Financial assets			
i. Investments	0	-	-
ii. Loans	-	2	-
iii. Other financial assets	41	178	106
Deferred tax assets	69	28	6
Total Non Current assets (A)	163	252	163
Current assets			
Inventories	2,307	4,793	5,256
Financial assets			
i. Trade receivables	104	426	2,048
ii. Cash and cash equivalents	723	1,019	3,482
iii. Other bank balances	37	224	323
iv. Loans	1,048	296	250
v. Other financial assets	106	59	350
Current tax assets	25	46	21
Other current assets	348	253	293
Total Current Assets (B)	4,699	7,116	12,023
TOTAL ASSETS (A+B)	4,862	7,368	12,186
EQUITY AND LIABILITIES			
Equity			
Equity share capital	200	200	436
Other equity	284	1,496	8,888
Equity attributable to owners of the parent	484	1,696	9,324
Non-controlling interest	-7	9	14
TOTAL - EQUITY (C)	476	1,705	9,338
Liabilities			
Financial liabilities			
i. Borrowings	298	316	249
ii. Lease liabilities	5	1	7
iii. Other financial liabilities	12	13	240
Provisions	5	8	11
Deferred tax liabilities	20	5	0
Total Non-Current Liabilities (D)	340	343	507
Current liabilities			
Financial liabilities			
i. Borrowings	2,992	3,966	973
ii. Lease liabilities	8	6	9
iii. Trade payables	78	145	118
iv. Other financial liabilities	23	114	150
Other current liabilities	946	1,038	1,034
Provisions	0	0	1
Current tax liabilities	0	51	56
Total Current Liabilities (E)	4,046	5,321	2,340
Total Equity and Liabilities (C+D+E)	4,862	7,368	12,186

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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