

Rating: Subscribe for Listing Gain

Issue Offer

Fresh Issue of 52,800,000 shares up to which makes total issue size of INR 7,920 mn.

Issue Summary

Price Band (INR)	140-150
Face Value (INR)	1
Implied Market Cap (INR mn)	73,306.5
Market Lot	100
Issue Opens on	July 30, 2025
Issue Close on	Aug 1, 2025
No. of share pre-issue	43,59,09,986
No. of share post issue	48,87,09,986
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Monarch Network Capital Limited
Motilal Oswal Investment Advisors Limited

Registrar

KFin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	91.78%	81.86%
Public & Others	8.2%	18.14%

Objects of the issue

Exp. Amt (INR Mn.)

Investment in its Subsidiaries, Richfeel Real Estate Private Ltd, Dhyan Projects Private Ltd and Tryksha Real Estate Private Ltd for part-funding development and construction cost of its Ongoing Projects, Amalfi, The Arcadian and Varun, respectively	650
General corporate purposes	341.2

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Lotus Developers is a real estate development company based in Mumbai, Maharashtra, with a strategic focus on Redevelopment Projects in the Ultra-Luxury and Luxury residential segments, particularly in the city's western suburbs. The company has positioned itself as a lifestyle-focused developer, emphasizing customer satisfaction and premium living environments. Operating in one of India's most dynamic real estate markets, Lotus Developers has built its portfolio through land acquisitions starting in 2017 and a combination of Greenfield, Redevelopment, and Joint Development Projects. The company's growth and direction have been significantly influenced by its Promoter, Mr. Anand Pandit, a veteran in the industry with over 24 years of experience. His prior experience includes completing over 3.32 million square feet of residential and commercial developments in Mumbai through separate entities.

Investment Rationale

Strategic Market Positioning and Timely Project Completion: Lotus Developers is strategically positioned to capitalize on the increasing demand for high-end residential spaces in Mumbai, particularly in the INR 15 million to INR 25 million and > INR 250 million segments. This is driven by rising affluence and the growing preference for premium lifestyles. A notable strength is its consistent ability to complete projects well ahead of schedule often by approximately 20 months before the RERA completion dates across both residential and commercial segments, enhancing customer confidence and operational efficiency.

Strong Brand Recognition with Premium Pricing and Pre-Sales Capability: Lotus Developers brand enjoys strong recognition in the Mumbai luxury real estate market, allowing the company to command premium pricing and achieve high pre-sales even during the construction phase. The brand's reputation built on a foundation of quality construction, luxury specifications, and customer-centric delivery has enabled units in the Juhu area to sell at up to a 22% premium over market rates. Pre-sales figures further underscore market confidence, with over 87% of units in the Signature project and more than 55% of the Ayana project sold before occupancy.

Asset-Light Development Model Enhancing Capital Efficiency : Lotus Developers follows an asset-light model by focusing on redevelopment and joint development agreements, which helps reduce upfront land costs and improves capital efficiency. This approach preserves cash flow and lowers debt levels, supporting a strong balance sheet.

End-to-End Execution Capabilities with Proven Delivery Record : The company has a fully integrated execution model with in-house teams handling everything from land acquisition to construction and post-sales support. By combining internal expertise with trusted external partners, the company ensures cost-effective, high-quality delivery, reinforcing its reputation as a reliable developer in Mumbai's competitive market.

Valuation & Outlook: Sri Lotus Developers has established a presence across real estate industry with a growing portfolio. The company's asset-light model, brand-driven premium pricing, and history of ahead-of-schedule project delivery are key strengths. As of June 30, 2025, approximately 90% of its upcoming projects are structured under capital-efficient models, and it has demonstrated significant price appreciation across key developments. The company has a consistent increase in the PAT over the 2 years, with a 90.3% increase YoY in FY25. At the upper band of INR 150, the issue is valued at a P/E ratio of 32.17x, based on PAT of annualized FY25 EPS of INR 4.7. We are recommending a "Subscribe for Listing Gain" rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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