Real Estate
Initiating coverage

India I Equities
23 April 2025

Suraj Estates

Distinct play, for choice of micro-markets and products. Initiating, with a Buy

Rating: Buy
Target price (12-mnth): Rs.442
Current market price: Rs.314

Key data	SURAJEST IN / SRAE.BO
52-week high / low	Rs842 / 280
Sensex / Nifty	79596 / 24167
Market cap	Rs.15bn
Shares outstanding	48m

Shareholding, %	Dec'24	Sep'24	Jun'24
Promoters	69.6	75.0	75.0
- of which, Pledged	-	-	-
Free float	30.4	25.1	25.1
- Foreign institutions	1.9	3.1	2.5
- Domestic institution	2.5	2.5	2.0
- Public	26.0	19.4	20.6

Bhavin Modi | Research Analyst

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Investment summary

Summary	Its choice of micro-markets and differentiated products make Suraj Estate stand out. On its long-standing operations (over 38 years' delivery) in south-central Mumbai (high barriers to entry, paucity of land parcels), cost and time effective redevelopment model, keen focus on the value-luxury category (conforming to demographics) and select luxury developments, it has emerged as a real estate supplier of choice in its chosen markets. On its strong project pipeline with a much-anticipated launch of key projects like Suraj Vibe (Mahim, commercial) and Bandra luxury projects, it will further strengthen its leading position
Market share gain in its chosen south-central Mumbai region	One of the top developers with ~16% of the market in terms of supply (of units), and ~16% of the market in absorptions in the combined residential sub-markets (Mahim, Matunga, Dadar, Prabhadevi, Parel), Suraj Estate's leading position in the combined sub-markets of south-central Mumbai is testimony to its ability to identify the right locations and offer apt products at appropriate prices
Strong pipeline, with right product positioning	At 31st Dec'24, it had 13 ongoing projects (~2m sq.ft. development potential, ~0.6m sq.ft. saleable carpet area), 19 forthcoming (entailing an estimated ~1m sq.ft. saleable carpet area) and ~2.56 acres of land reserve. Its diversified portfolio at various price points (Value luxury, Luxury) enables it to address diverse customer needs. Such a strong project pipeline (most at its present strongholds at different prices and a proven delivery track-record) provides ample near- to medium-term growth assurance. The launches of Suraj Vibe* and Bandra project are key ponderable
Redevelopment projects, for an asset-light growth	The company intends to lever its already established brand in redevelopments to further strengthen its project portfolio on its home turf (SCM) and in other parts of the MMR. The asset light model of redevelopment helps the Company to enjoy superior margins of ~40 to 50% as explained in page 14. Further, returns are better compared to outright land acquisition due to lower cash outflow during project commencement. This leads to superior RoE and RoCE as compared to peers.

* Codename

Investment summary

Valuation

Well established in SCM with expertise in redevelopment of tenanted properties, the company is set benefit from the paucity of vacant land in SCM. Further, on its right-product positioning, a strong pipeline and leading EBITDA margins, premium valuations are expected for the company due to the growth potential and strong management. We initiate coverage on the stock with a Buy rating and a **TP of Rs442**, based on discounted cash flow methodology. At CMP of Rs314, we understand stock is mispriced taking into consideration the bear case TP of Rs372/share where launches of marquee projects are delayed.

Key risks

Delay in the Suraj Vibe and Bandra project launches and delivery; Geographical concentration in SCM; Regulatory changes; Cyclical nature of the Industry

Financial summary

Particulars Y/E Mar	FY22	FY23	FY24	FY25e	FY26e	FY27e
Sales (Rs m)	2,727	3,057	4,122	5,923	5,212	7,321
Net profit (Rs m)	264	322	675	1,166	1,295	1,901
EPS (Rs)	8.3	10.1	15.7	27.2	30.2	44.3
P/E (x)	45.5	37.3	20.2	11.7	10.5	7.2
EV/EBITDA (x)	68.8	54.9	24.8	13.6	11.7	6.4
P/BV (x)	30.6	16.8	2.6	1.5	1.2	1.1
RoE (%)	77.2	58.2	23.0	16.2	12.7	15.8
RoCE (%) (pre tax)	19.8	22.5	29.2	19.5	16.4	20.4
Net Debt/Equity (x)	15.6	7.9	0.6	0.2	0.1	-0.1

	Bear Case	Base Case
Value per share	372	442
CMP	314	314
Upside	**~19%**	**~41%**
Catalyst	Launches of marquee projects (Suraj Vibe, Bandra project, Girgaonkarwadi) is delayed by 12 months	

Source: Company, Anand Rathi Research

Inspiring real estate journey

ANANDRATHI

1986
Incorporated as a private limited company

1990
Completed maiden residential project at Mahim (W)

1992
'Vinayak Darshan' at Dadar (W) to a public sector bank

2000
'ICICI Apartments' at Dadar (W) as office quarters

2005
14 residential apartments in Dadar (W) to CCIL as office quarters

2018
Raised Rs 200 cr term loan from Piramal Capital & Housing Finance for luxury projects

2017
Launched 2 luxury projects - Flagship 'The Palette' and a sea-facing luxury project 'Ocean Star' at Dadar (W)

2012
Delivered a commercial building 'CCIL Bhavan' at Dadar (W) as corporate office for CCIL

2010
Delivered Commercial building 'Saraswat Bank Bhavan' at Prabhadevi

2019
Forayed into value luxury segment with 2 project at Dadar (W). Started 1BHK apartments

2021
- Launched two value luxury projects at Mahim (W)
- Debt from ICICI Ventures through a subscription model towards NCD

2022
- Launched value-luxury project Parkview-2 at Dadar (W), & concluded 2 commercial sale with Saraswat & CCIL
- Entered into Society Redevelopment (Asset Light Model)

2023
- Availed New debt of Rs 175cr from IndusInd Bank
- **Raised Rs 400 cr via IPO Listing**

2024
- Residential project 'Suraj Lumina' at Mahim west
- **Secured ~Rs. 343 cr via Preferential Issue**

Source: Company, Anand Rathi Research

Business verticals

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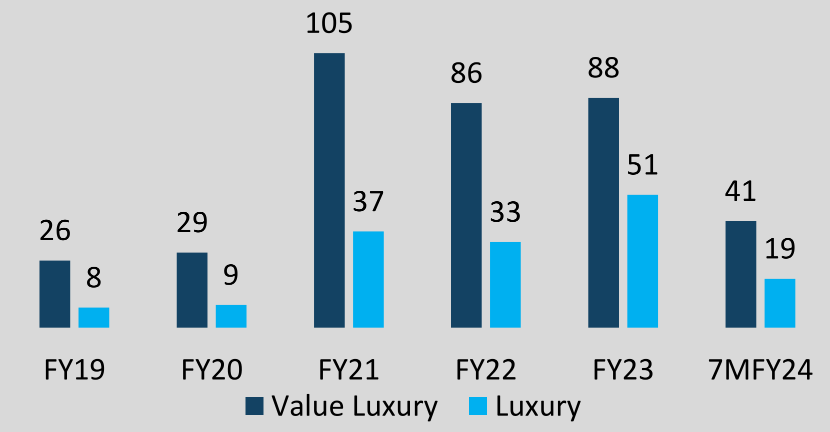
Residential

- Suraj Estate primarily operates in residential market in SCM with two product categories at prices of Rs10m to Rs130m
- Projects are blue-themed with sea-views. Additional attractions include banquets, parking, gymnasia and premium amenities
- **Value luxury**: Spacious 1 BHK (300 – 450 sq.ft.) and compact 2 BHK (500 – 800 sq.ft.) of Rs10m to 30m
- **Luxury**: Spacious 2, 3, 4 BHK (of respectively 800-950, 1,000-1,500, 1,800-2,200 sq.ft. carpet area) at Rs30m to 130m with distinctive floor to floor height of 12 feet 6 inches

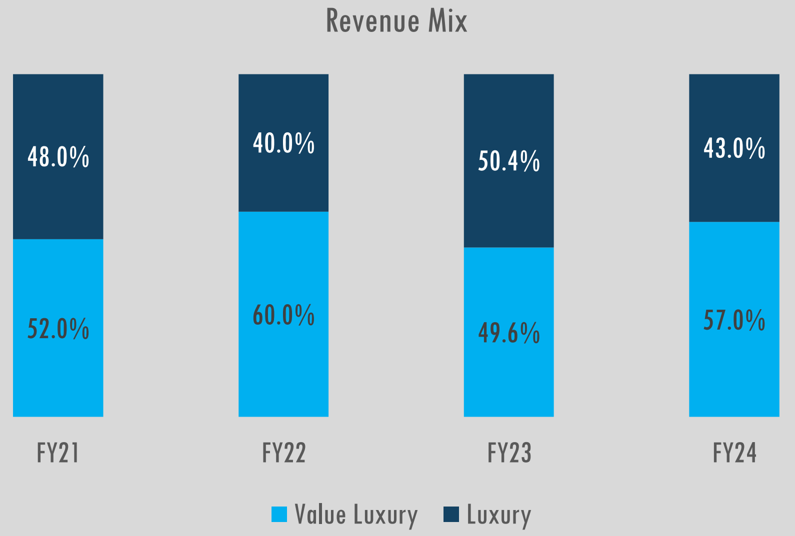
Commercial

- Focuses on developing and selling built-to-suit headquarters to institutional clients like Saraswat Bank, CCIL ,etc. It does not intend to develop commercial properties for leasing and holding for long time
- Currently, it develops BTS space of 2 full floors and 1 part floor for CCIL with carpet area of ~22,410 sft at ~Rs898m
- To meet the needs for both smaller independent offices and large floor plate for corporate clients, it plans to launch marquee boutique office spaces 'Suraj Vibe' on Tulsi Pipe Road, Mahim.

Value luxury, key to volumes (in units)



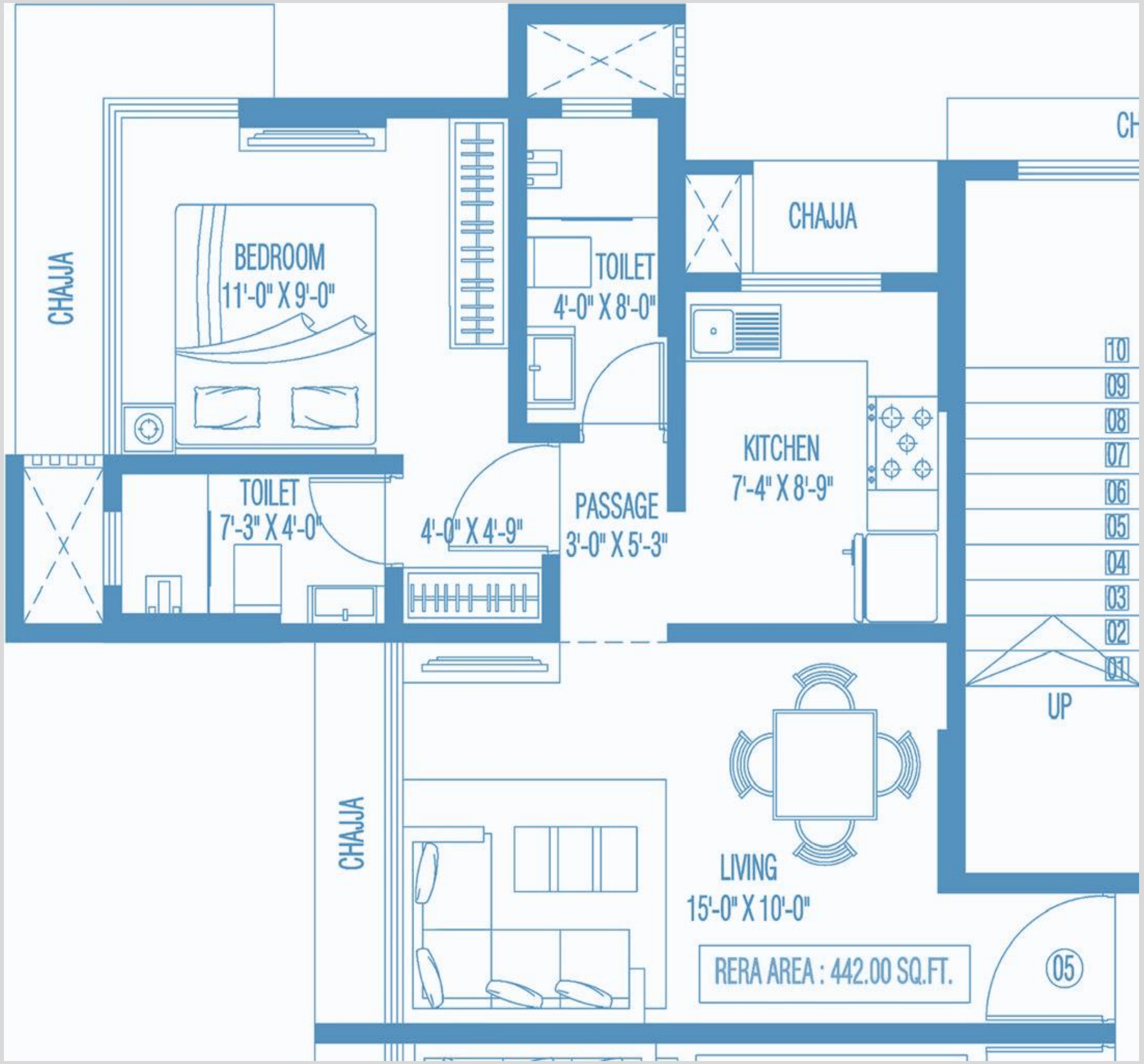
Steady proportion of value luxury in revenue mix



Source: Company, Anand Rathi Research

Value luxury

Typical unit plan



Floor Plan of Emmanuel

Source: Company, Anand Rathi Research

Features

- The target audience is in the age group of 35-to-45-year-old working professionals seeking convenience and value
- Gentry is the middle- and upper-class targets
- The company has fully sold value luxury projects such as Emmanuel, Louisandra and Parkview 2
- Value luxury sees strong demand in SCM
- MCGM has waived 100% property tax for flats up to carpet area of 500 sq.ft., boosting affordability for first-time buyers and real-estate investment

Luxury

Typical floor plan

Features

- Highly differentiated products with expansive and stunning sea view and distinctive floor to floor height of 12 feet 6 inches
- Additional features include double-glazed windows that insulates against sound and weather, a swimming pool, multi-level podium parking, walking track, club house, kids play area, gymnasium, and luxury fittings and fixtures, among other amenities
- Palette at Dadar and Ocean Star at Prabhadevi stand out as remarkable projects in SCM
- Gentry includes doctors, professionals, businessmen, directors of top corporate bodies with repeated purchase and exclusive demand for *jodi* flats or duplexes
- Forthcoming launch of luxury projects at Bandra

Source: Company, Anand Rathi Research   Floor Plan of Ocean Star, 3BHK 1,309 sq ft

SCM, A premier real estate destination

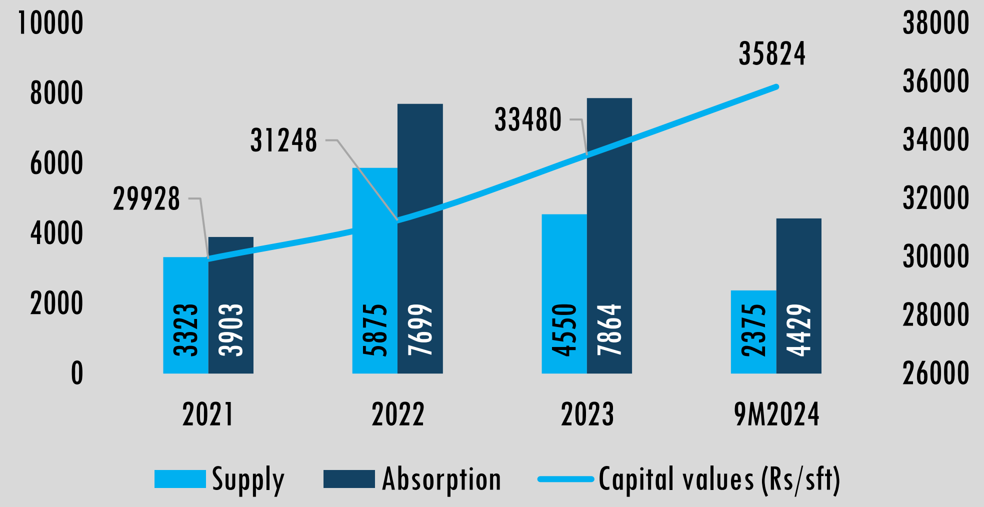
SCM, An attractive destination for the aspirational segment

- SCM is an attractive real estate market for its aspirational value in terms of high realisation, product positioning and rising demand across segments and price points
- A high-income customer base of young population preferring convenience-living provides a substantial market for this region. The evolving trends of family expansion, the rise of nuclear families and urgent need to upgrade have further stimulated demand within SCM
- From a BD strategy, SCM is significant because of the large pool of old and dilapidated buildings and one of the few locations to allow residential and commercial projects.

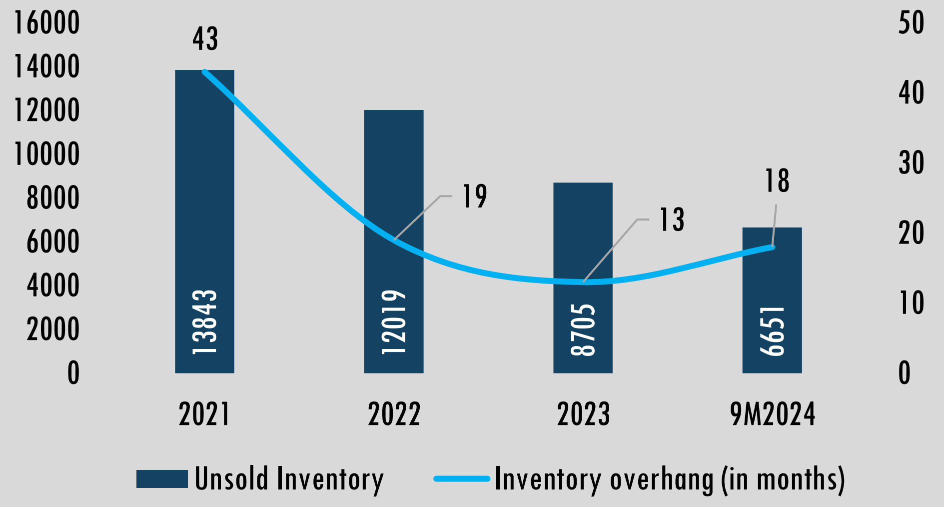
Dadar, Parel, Mahim and areas in the vicinity are coveted locations in SCM

- Matunga, Mahim, Prabhadevi, Dadar and Parel are much coveted in SCM for their multiple accessibilities and proximity to office and retail markets of Worli, Lower Parel and BKC
- Infrastructure like mono-rail, MTHL with the Worli-Sewri connector, coastal road projects and the Worli Sea face provides varied access points. A host of forthcoming metro lines (Line 3: Colaba–SEEPZ; Line 11: CSMT–Wadala; Line 4: Wadala–Thane) are expected to further boost connectivity
- Further, SCM is endowed with Grade A hospitals, leading educational institutions and recreational areas, further enhancing SCM attractiveness.

Supply and absorption in SCM with rise in capital values



Decreasing inventories in SCM



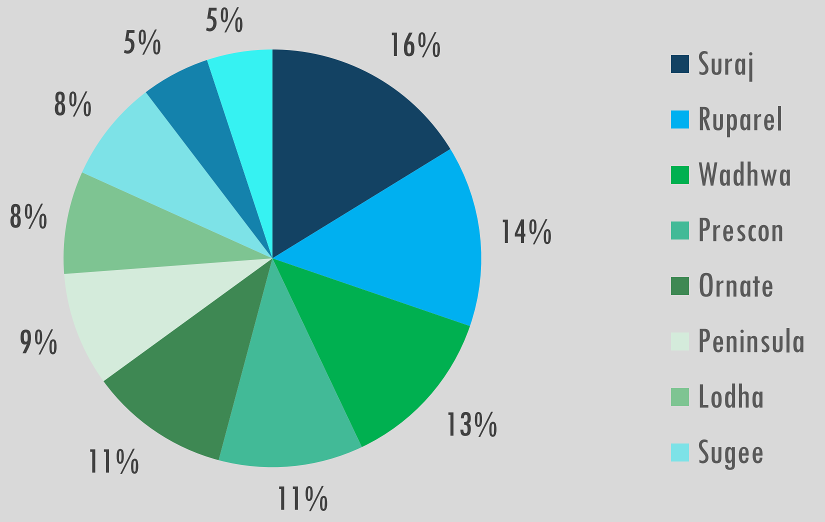
Source: Company, Anand Rathi Research, Lotus DRHP

Leading developer in chosen SCM market

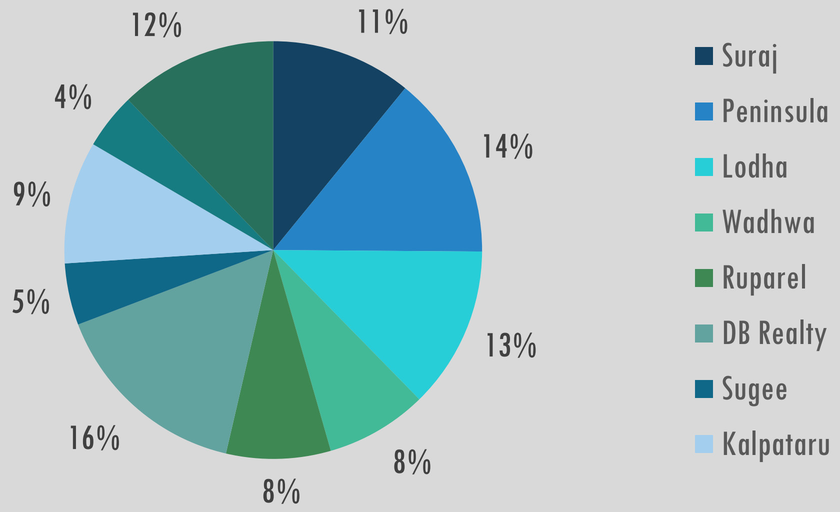
Stronghold in high-barrier-to-entry market

- The company views SCM as an attractive real estate market in terms of high realisation, product positioning and rising demand across segments and price points
- Its stronghold is in SCM, known for its high-barrier-to-entry market due to paucity of land, high land cost, expertise in tenant re-housing, and regulatory and process approvals
- Suraj Estate, with its renowned deep expertise and sound knowledge in tenant settlement and redevelopment in the last four decades, makes it a preferred developer in SCM
- Since incorporation, it has delivered 42 projects with developed area of more than ~1.05m sq.ft. in SCM. Further, it plans to expand into the Bandra market.
- Moreover, most of its projects are blue-themed, meaning projects benefit from a sea-view due to selecting the right land parcels in SCM.
- Other factors appealing to customers are variety of amenities (clubhouse, landscaped gardens, etc.), right pricing and mix of value-luxury and luxury apartments.

Suraj : ~16% market share in supply units



Suraj : ~11% market share in absorption in value terms



Source: Company, Anand Rathi Research

Capitalising on its expertise in re-development

Rich experience, preferred developer in re-development and tenant settlement

- SCM has a dearth of freehold land. Since most of projects are of redevelopment, tenant settlement is a significant element in unlocking the value
- Till date, it has delivered 42 projects, 41 of which are redevelopment and provided redeveloped houses to ~1,011 tenants free of costs.
- Its rich expertise and experienced BD-cum-liaising team have core competency in identifying cessed and non-cessed properties with tenants, and tie-ups with land-lords of such tenanted properties by entering into a development agreement (DA) or outright purchase through a conveyance deed
- Landlords and societies in SCM prefer Suraj as a partner of choice for redevelopment given the track record.
- Redevelopment is undertaken under Regulation 33(7) of the DCPR which requires a minimum approval of 51%. The company has achieved majority approval for most of its projects
- Targeted micro-markets augur well for the company as it has matching skills to meet huge growth opportunities with 19,000+ dilapidated buildings.

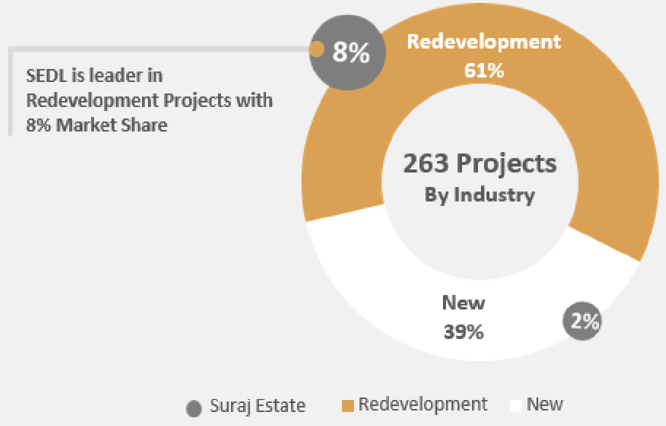
Company identifies huge scope of redevelopment

52,000 units
Supply from redevelopment projects** from 2017 to Q1 2023 in MMR, majorly in SCM

19,642
Cessed buildings - buildings more than 50 years old that need redevelopment in SCM

16,502
Buildings that are more than 80 years old and need development in SCM

Re-development projects constitute ~87% of Suraj's portfolio



Source: Company Commissioned Anarock Report

Note: *SCM sub-markets refer to Mahim, Matunga, Dadar, Prabhadevi and, Parel; Cumulative from 2016 to 2022

Source: Company, Anand Rathi Research

Benefits of re-development under the 33(7)/ *pagadi* system

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DCR 33 (7), Building prior to 1969

Residents eligible for new flats during re-development

01

***Pagdi* system**

Protected by The Maharashtra Rent Control Act, a unique tenancy model where tenants pay a nominal rent, often as low as Rs50

02

Neglected repairs, Safety issues

Low rentals discourage landlords from maintaining buildings, often resulting in neglect in repairs

03

Redevelopment agreement

Builders partner with landlords to revitalize aging buildings and provide modern housing for tenants

04

Benefits

- Better safety and living conditions
- Tenants obtain ownership rights, provided >405 sq. ft.
- Address shortage of land in the island city
- Modernisation of the urban landscape
- **Additional FSI for builders,** minimum 3 FSI

Redevelopment timelines

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USP of Suraj Estates

Value unlock

Step	Time lines	Activity
00		Identification of land parcels (size, title, location, tenant density, FSI scheme)
01	Zero date	Acquisition of land by way of conveyance / development rights / JDA
02	4-6 months	Obtaining 51% consent of tenants for re-development
03	3 months	Obtaining IOD
04	3 months	Site vacation, demolition of old structure
05	3 months	Obtaining CC and RERA registration
06	3-4 months	Construction time – 3 years for G+22 storey building and up to 4-5 years for high-rise development from G+40 to 50 storeys
07	3 months	OC and handing over possession

Levering an asset-light re-development model

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Re-development u/s 33(7) has inherent upfront low costs, increasing returns

- Under 33(7), projects have inherent FSI of 3x (excl, fungible FSI). Company does not have to incur upfront TDR or premium FSI costs
- In alongside table, we see margins are better under 33(7) as costs involved in land and TDR/premium is minimal. These margins further improve in case of low costs legacy land. Approval and construction costs are highest in 33(7)B as inherent FSI is 1.33x and need to construct free housing for existing members.
- Compared to outright land acquisition, redevelopment involves lower capital deployment and ensures interest-cost savings. 16 of 19 forthcoming projects are redevelopment.
- The company focuses on quick-turnaround projects by developing standalone projects. Due to lower tenants, securing NOC approval is faster and restricts rental costs
- Gestation period is higher relatively in redevelopment. However, lower upfront costs, a capital-efficient model and better returns justify the long gestation period

Common size cost and margin structure under different development models

Real estate model	Redevelopment under 33(7)		Vacant land - normal development under Reg 30	Society redevelopment under 33(7)B
	Current	Land acquired in the past	Current	Current
Land cost	17	2	26	3
Approval cost	14	14	21	29
Construction cost	22	22	17	29
Sales & Marketing costs	3	3	1	2
Other costs (consultants, rent, others)	5	5	2	8
Total costs	**61**	**46**	**67**	**71**
Margins	**39**	**54**	**33**	**29**
Sale price	**100**	**100**	**100**	**100**

Redevelopment under section 33(7) requires lower premiums and offers higher FSI, thereby reducing total project approval cost

Higher construction cost under 33(7) & 33(7)B associated with the requirement to provide free rehousing for tenants

Suraj Estate enjoys higher margins due to inexpensive land bank which was acquired historically.

Source: Company, Anand Rathi Research

Redevelopment model compared to outright land acquisition

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DCPR 33(7) and 33(7)B have better returns with low costs, but longer gestation times

	DCPR 33(7) Redevelopment of Tenanted Properties	DCPR 33(7) B Redevelopment of Societies	Vacant Land Normal Development
FSI	Inherent 3.0 +35% fungible No TDR / Additional FSI Cost. Also has FSI Upside of Clubbing scheme notified under 33(7)	Inherent 1.33 +35% fungible Additional FSI of up to 1.67 + 35% fungible by way of payment of TDR / Additional FSI premium depending on road width	Inherent 1.33 + 35% fungible Additional FSI of up to 1.67 + 35% fungible by way of payment of TDR / Additional FSJ premium depending on road width
Land Status	Conveyance / DA	DA	Conveyance / JDA
Tenant Consent for Redevelopment	51%	51%	Not applicable
Upfront Capital Requirement	Moderate	Low	High
Land Cost	Moderate	Negligible	High
Approval Cost	Lower cost due to concessions	High approval cost	High approval cost
Project Turnaround Time & Litigation Risk	Moderate	Moderate	Low
Property Maintenance Cost	Low	Moderate	High
Mortgage of Land for Project Finance	Yes	No	Yes
Availability of plots in the MMR	High	High	Low
EBIDTA margins	High	Low	Moderate
RoE / RoCE	Moderate	High	Low
Scalability	High	High	Low

Source: Company, Anand Rathi Research

Varied offerings to cater to various demographics

Product positioning with different products and prices

Residential

- The company has a range and diversity of residential projects in price, size and micro-markets in SCM, catering to a wide spectrum of economic and demographic segments, from value-luxury to luxury and diversify from the risk of depending on a particular segment

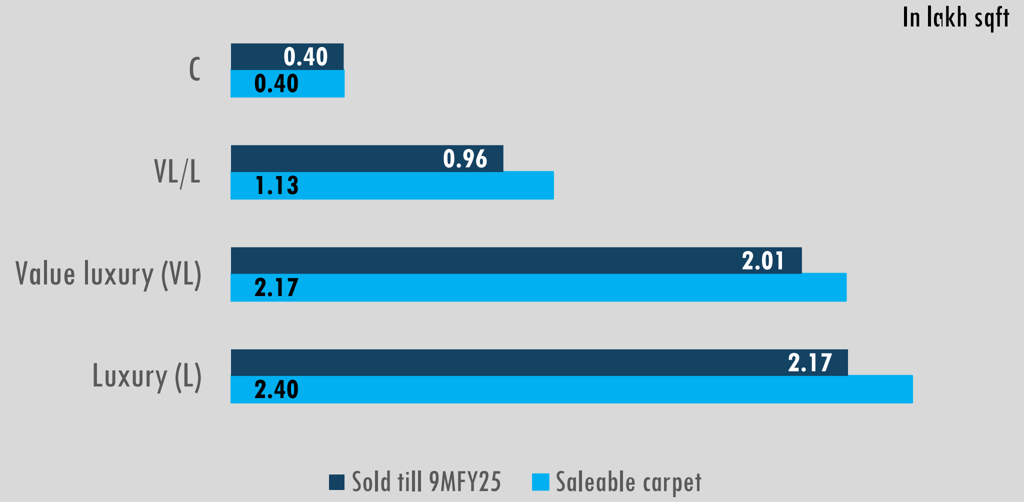
- Its commitment to the value-luxury category is driven by robust and consistent demand, which has been resilient even in challenging periods such as pre-Covid'19 and Covid-19 times. This consistent performance highlights the non-cyclical nature of the business, enabling the company capture a larger share of this lucrative market.

Commercial

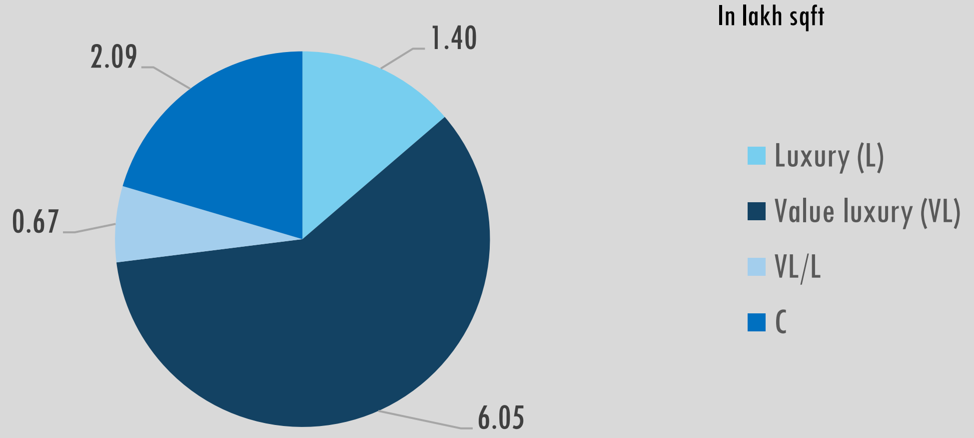
- To meet the need for both smaller independent offices and large floor plate for corporate clients, it plans to launch marquee boutique office spaces 'Suraj Vibe'* on Tulsi Pipe Road, Mahim.

- With the recent acquisition of adjacent land, it plans to launch with larger floor plates. Total carpet area is ~210,000 sq.ft.

Ongoing projects display mix of luxury and value luxury...



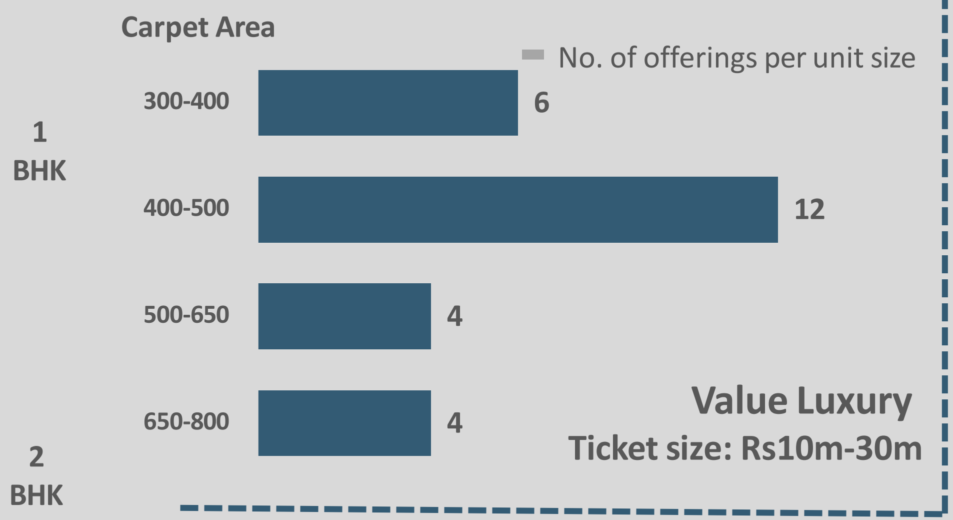
... also mirrored in product mix of forthcoming project

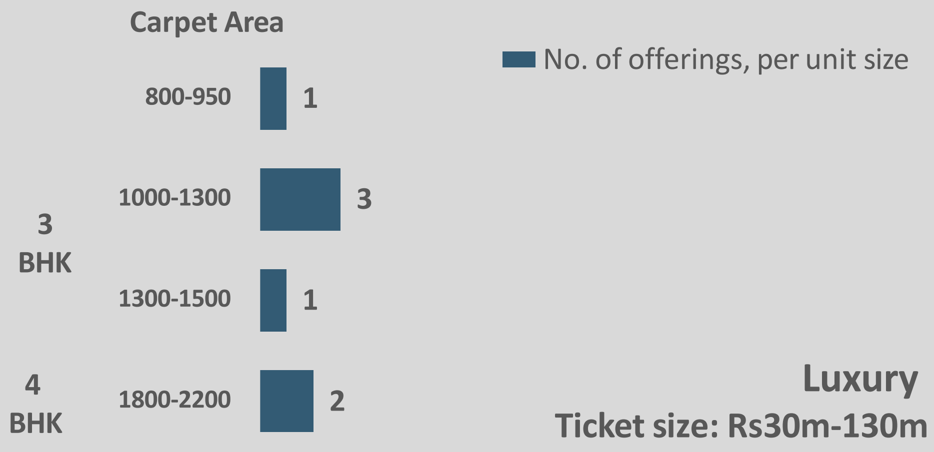


Value luxury : Spacious 1 BHK (300 – 500 sq.ft. Rs10 to 20 mn) and compact 2 BHK (500 – 800 sft, Rs 20 to 30 mn);
Luxury : Spacious 2 BHK (800 -950 sft), 3BHK(1000 -1500 sft), 4BHK (1800-2200 sft) with price range of Rs 30 to 130 mn.

* Codename
Source: Company, Anand Rathi Research

Present Across Price Points & Unit Sizes





36% Share of value-luxury in **ongoing** projects (by carpet area)

67% Share of value luxury in **coming** projects (by carpet area)

Better sales volumes and velocity

- Share of value-luxury in new launches continues to increase
- Greater demand from end users

Strong project pipeline with boutique office and value-luxury in focus

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Strong project pipeline offers near-term cash-flow assurance

At the start of FY25, management guided to launching seven projects with Rs11.5bn GDV. However, due to the general and Maharashtra elections, approvals were delayed and no launches occurred. Further, management was concluding deals for abutting land for marquee projects which delayed the launches. Company is exploring potential upside of additional saleable area for portfolio projects in accordance with recently announced Metro FSI under TOD policy.

Robust pipeline with forthcoming project GDV of Rs60bn with piecemeal launches in the next 36 to 48 months augurs well for the company, ensuring a steady stream of development and cash-flow assurance. This not only ensures cash-flow stability but also enables recycling the cash-flow to new opportunities and sustained growth

The next line-up of marquee launches of Suraj Vibe and the Bandra projects are key to the valuations.

Forthcoming Residential

- 18 forthcoming projects to be launched between FY26 and FY29 with estimated ~8 lakhs sq.ft. carpet area. 15 of these are redevelopment projects (~76% value-luxury, ~16% L/VL, ~8% luxury).
- The company now sees strong demand trend in both value-luxury and luxury categories, leading to more sales volumes and velocity. Velocity for the value-luxury category expected to be steady seeing current traction and non-cyclical nature.
- In residential, marquee forthcoming projects expected to be launched is in Bandra at Mount Mary in FY27 with GDV of Rs20bn.

Forthcoming Commercial

- Marquee project 'Suraj Vibe'on Tulsi Pipe Road, Mahim with carpet area of ~210,000 sq.ft. with GDV of ~Rs 12bn expected to be launched in H1FY26.
- By offering a variety of commercial spaces, Company creates complementary asset classes that enhance overall value.

Source: Company, Anand Rathi Research

Increasing land reserves in SCM and other micro-markets

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Open to different regions with flexible land-acquisition strategies

Sr. No.	Location Mount Mary, Hill Road, Bandra (W)	Developer company/entity	Company / entity's effective stake, %	Leased/ Owned/ Development Rights	Plot sq. mtrs.
1	C.T.S. No. **918**	Accord Estates Pvt. Ltd	100	Leasehold rights	1,173.57
2	C.T.S. No. **930**	Accord Estates Pvt. Ltd	100	Owned	364.21
3	C.T.S. No. **917**	Accord Estates Pvt. Ltd	100	Development rights	3,884.91
4	C.T.S. No. **929**	Accord Estates Pvt. Ltd	100	Development rights	1,740.12
5	C.T.S. No. **931**	Accord Estates Pvt. Ltd	100	Development rights	890.29
6	C.T.S. No. **916**	Accord Estates Pvt. Ltd	100	Development rights	1,578.25
	Bandra (W)				**9,631.35**
7	CTS No 3429, 3430, 3262 - Kole Kalyan Property, Santacruz (E)	Suraj Estate Developers	100	Development rights	728.42
	Santacruz (E)				**728.42**
				Grand Total	**10,359.77**

- Land parcels at Bandra (West) and Santacruz (East) for future development
- FSI potential of more than 2.0
- Consolidation in the real estate sector creating opportunities
- Ability to secure land at strategic locations
- Flexible strategy for land acquisition such as outright purchase, joint ventures, joint development & development management
- Focus on SCM, other MMR sub- markets

Source: Company, Anand Rathi Research

Recent success in business development

ANANDRATHI

Continuous engagement by BD and liaison team exploring adjacent opportunities and enhancing efficiency

Project	Issue	GDV (Rs m)
Marinagar Phase 2 – Mahim	Amicably settled litigation with OLV and OLPS and filed consent terms. Land-owner paid Rs470m and allocated an additional ~3,300 sq mtrs. Saleable carpet area increased to ~107,000 sq.ft. (earlier 60,000 sq.ft.)	3,500
Marinagar Phase 3 - Mahim	Won development rights. After handing over surplus area to MHADA and the existing tenant, carpet area for sale is ~64,000 sq.ft.	2,250
Lobo Villa & Ellis Villa - Mahim	Acquired freehold plot of ~1,073 sq. mtrs. for Rs331m. After handing over surplus area to MHADA and the tenant, carpet area for sale is ~30,000 sq.ft.	1,200
Vacant land - Mahim	Acquired freehold plot of ~1,464 sq. mtrs. for Rs1,010m. Carpet area for a commercial building: 103,000 sq.ft. Expected to merge with Suraj Vibe	5,250*
Sai Kirti - Dadar	Negotiation with Sai Kirti Society (Parkview 1&2) and entering into a DA. This settlement provides sale potential of 74,000 sq.ft.	3,500
Shivaji Park - Luxury	Acquisition of land parcel admeasuring ~4,200 sq ft to develop luxury projects clubbing Regulation 33(7) with 33(7)(22) for Rs47.5m and RERA carpet area of ~16,000 sq ft	~800

* If synergy of larger floor plate is considered, enhanced GDV increased by Rs2bn.

Source: Company, E-Pack RHP, Anand Rathi Research

Strong brand and right strategies lead to extraordinary margins

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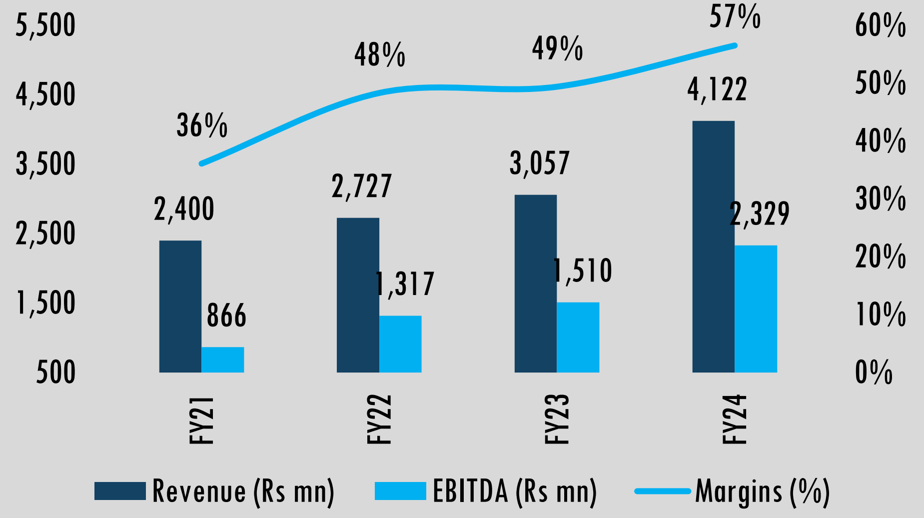
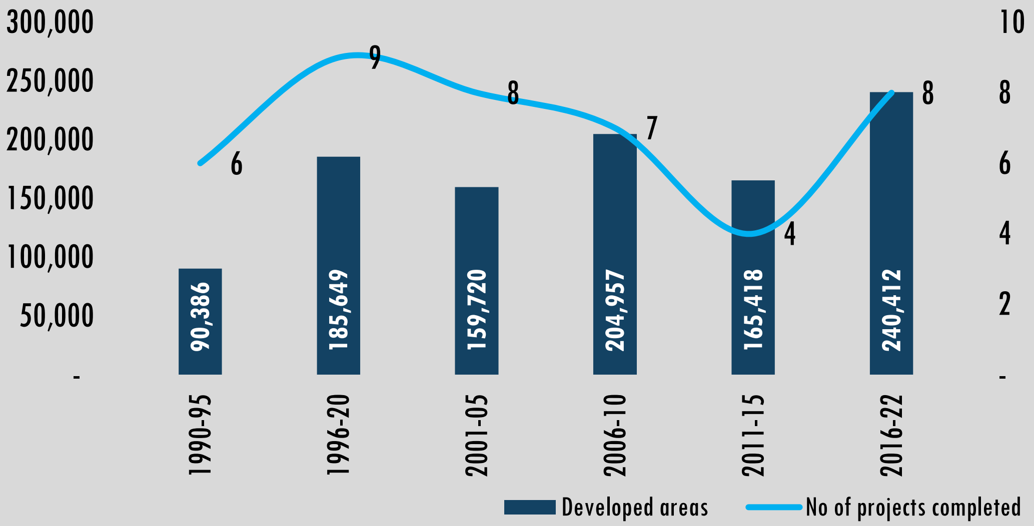
Right mix of location, pricing and BD strategies help outstanding margins

- Company has improved margins because of right mix of strategies adopted by BD team, sales-marketing team and projects team.
- Low-cost redevelopment model, legacy land parcels at right price and low initial commitment towards approvals assisted in cost advantages. Moreover, right mix of luxury product (non-cyclical), luxury product (rich margin) and robust pricing with demand in SCM has proven beneficial.
- Moreover, quick turnaround strategies by selecting standalone buildings and discipline in execution adhering to timelines by project team helped the company avoiding cost overrun and leading better margins

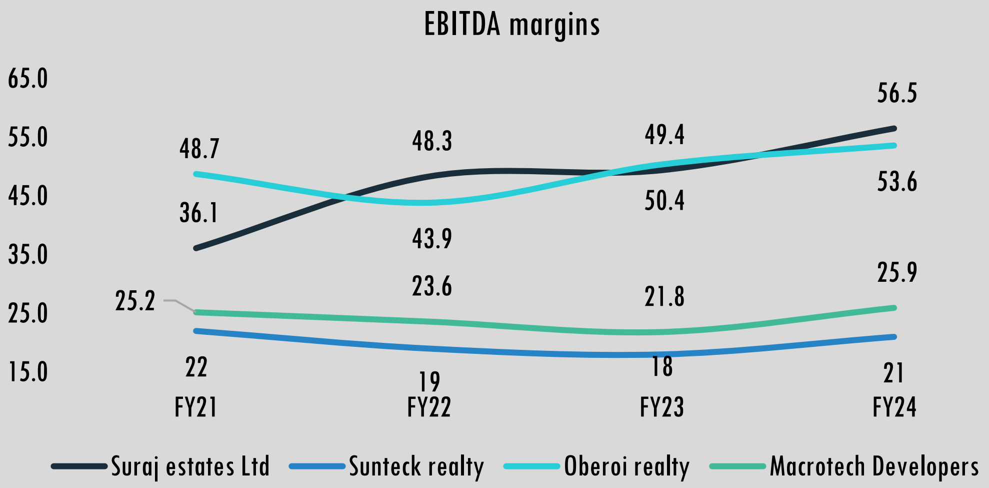
Improving EBITDA margins showcasing benefit of asset-light model



Suraj Estate legacy in timely project completion



Enjoying better margins than leading peers

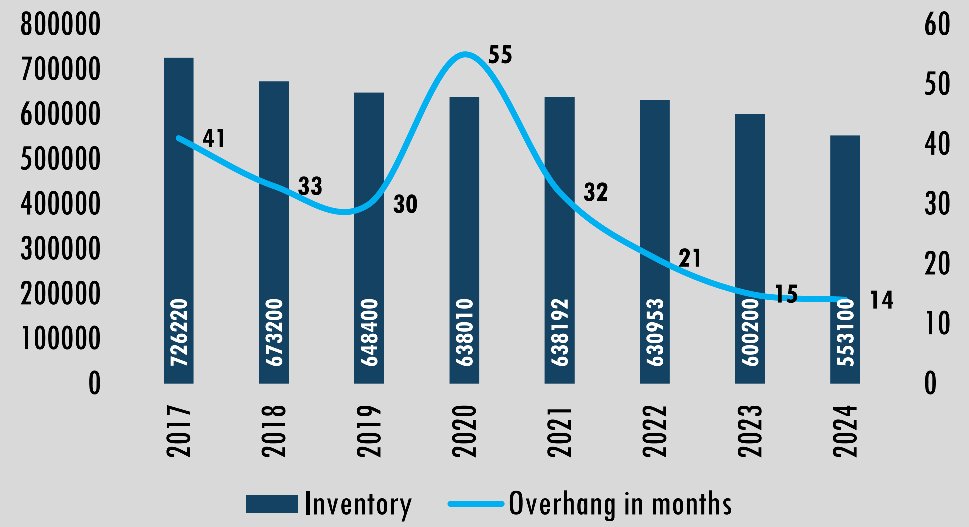


Source: Company, Anand Rathi Research

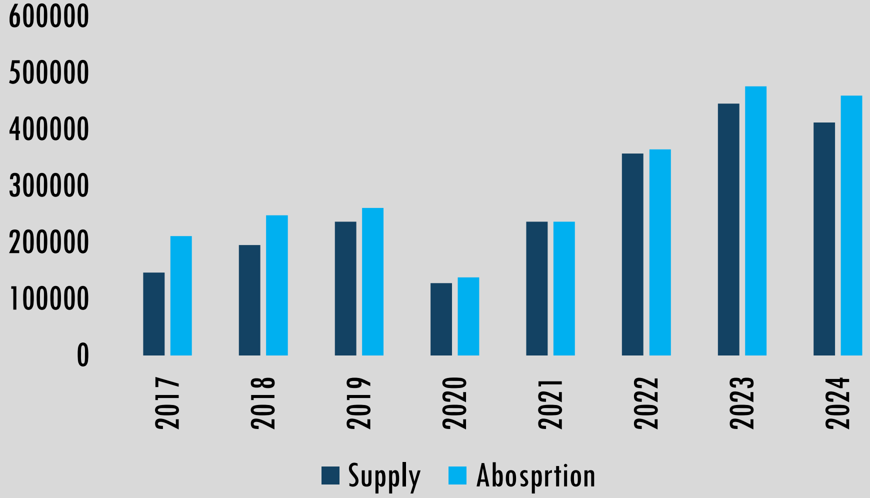
Real Estate (RE) overview

- After agriculture, RE is the second-largest generator of employment, encompassing four primary segments: housing, commercial, retail, and hospitality, with residential contributing nearly 80%.
- The RE market is expected to grow from $300bn now to $4.8trn by 2047. The sector is on the cusp of a hyper-growth phase, followed by steady, 5-6%, growth in subsequent years. The share of RE in GDP is anticipated to rise from ~7% to ~ 18% by 2047
- RE has gradually shifted from highly non-regulated to the regulated (or formal) sector on the entry of PE funds, developers and occupiers. Policy changes, economic growth and the improving socioeconomic and demographic scenarios are key macro factors in RE development in India. Increasing urbanisation, nuclearisation of Indian families, greater affordability, and access to housing finance are the key growth drivers.

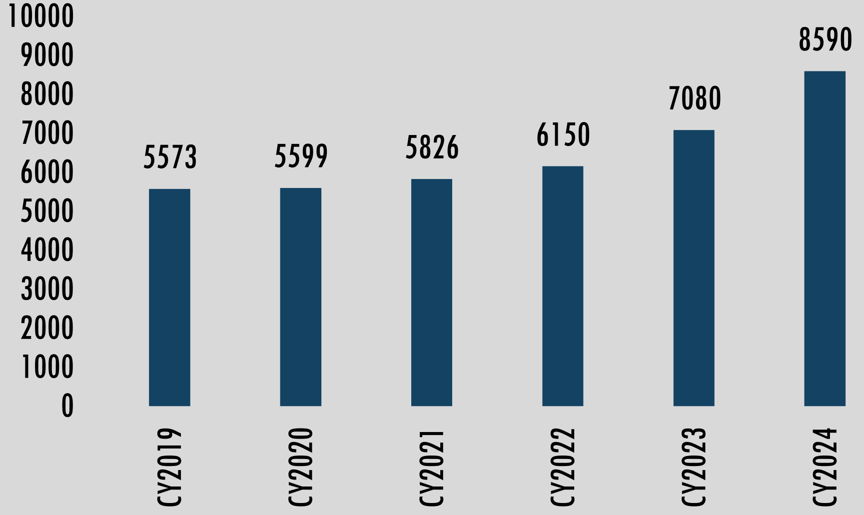
Falling inventory reflects greater alignment of demand and supply



Launches/ sales grew 79%/74% in CY24 compared to CY19 (In Units)



Rising capital values (+21% y/y) displays robust underlying demand (Rs/sft)



Source: Company, Anand Rathi Research,EY-CREDAI, UNDP World Urbanization Prospects 2018

RE trend

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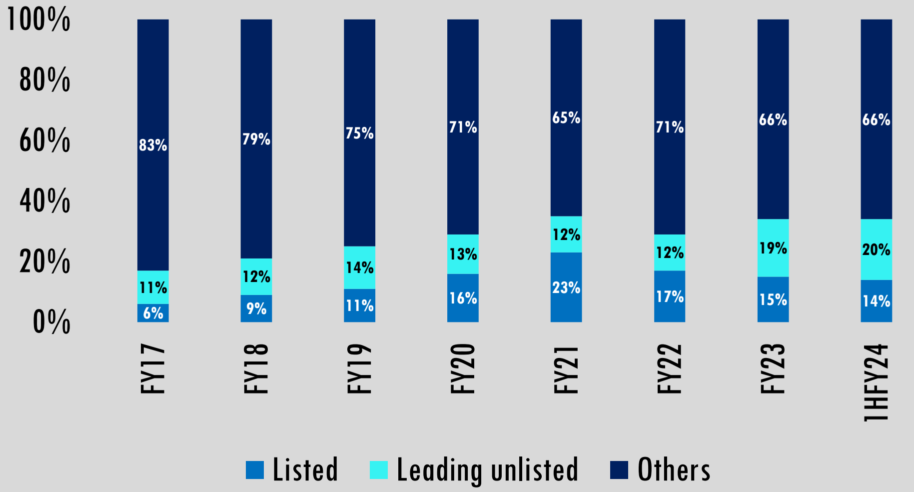
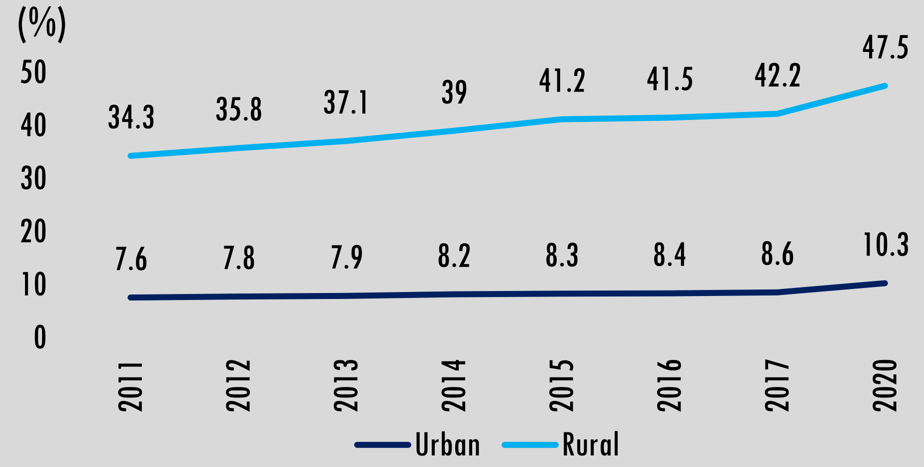
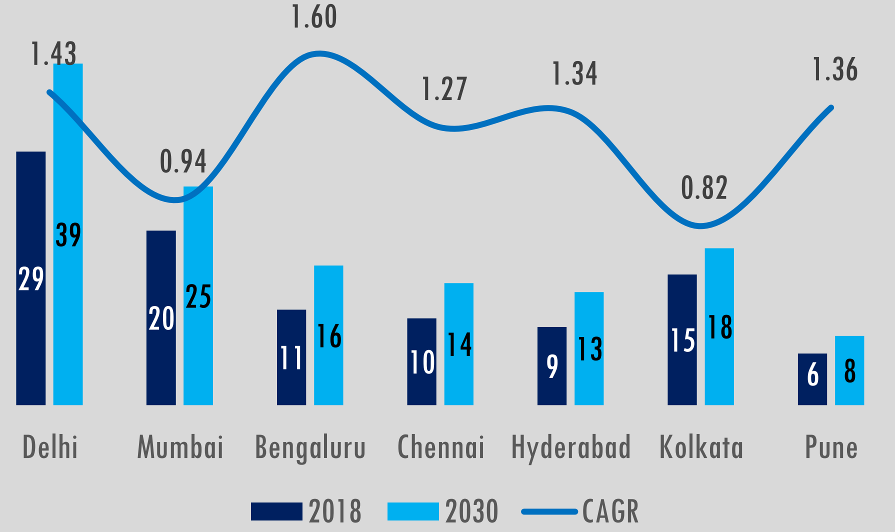
Developer Consolidation



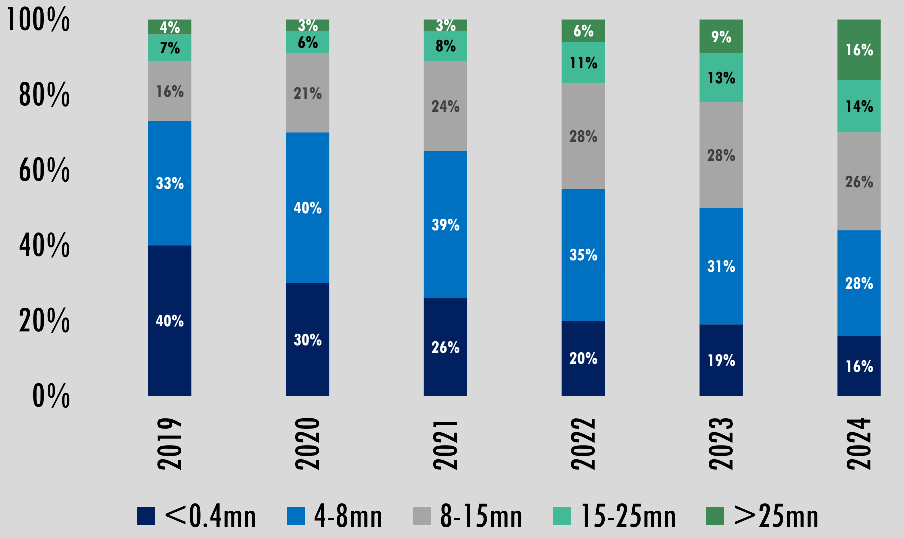
Increasing penetration of housing finance



Projected populations of top urban agglomerations (m)



Rising shift towards premium categories



Source: Company, Anand Rathi Research , EY-CREDAI, UNDP World Urbanization Prospects, 2018, Lotus DRHP

Residential micro-markets in MMR

From a residential real estate perspective, MMR can be broadly divided into seven micro-markets based on region, population profile and type of real estate development

Micro-market	Key locations	Category	Launches (CY24)	Absorption (CY24)
South-Central Mumbai	Cuffe Parade, Colaba, Lower Parel, **Prabhadevi**, **Dadar**, Worli, **Parel**, **Mahim**, **Matunga**, Mahalaxmi, Byculla, Sewri, Wadala	Luxury and ultra-luxury	2%	3%
Western suburbs	**Bandra**, Khar, Andheri, Jogeshwari, Vile Parle, Goregaon, Malad, Kandivali, Borivali	High-end, luxury, ultra-luxury	13%	13%
Eastern suburbs	Kurla, Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion, Bhandup	Mid, high-end, luxury	13%	12%
Thane	Thane, Ghodbunder Road, Wagle Estate	Mid, high-end, luxury	11%	12%
Navi Mumbai	Vashi, Airoli, Panvel, Belapur, Rabale, Mahape, Turbhe, Ghansoli, Sanpada, Kharghar	Mid, high-end, luxury	16%	19%
Extended eastern suburbs	Shil Phata, Palava City, Dombivali, Kalyan, Asangaon, Badlapur, Titwala, Karjat	Affordable, mid	25%	26%
Extended western suburbs	Vasai, Virar, Mira Road, Bhayander, Naigaon	Affordable and mid	20%	15%

Source: Company, Anand Rathi Research, Lotus DRHP

MMR - Flourishing RE market

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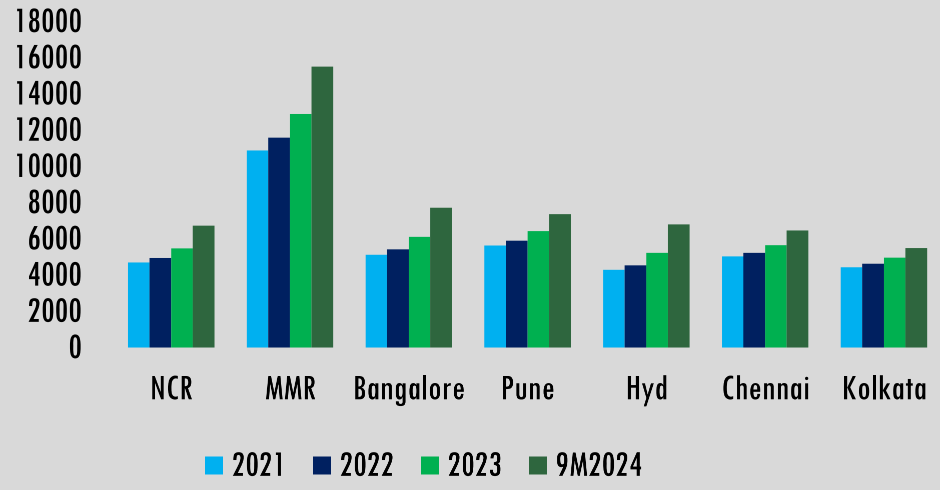
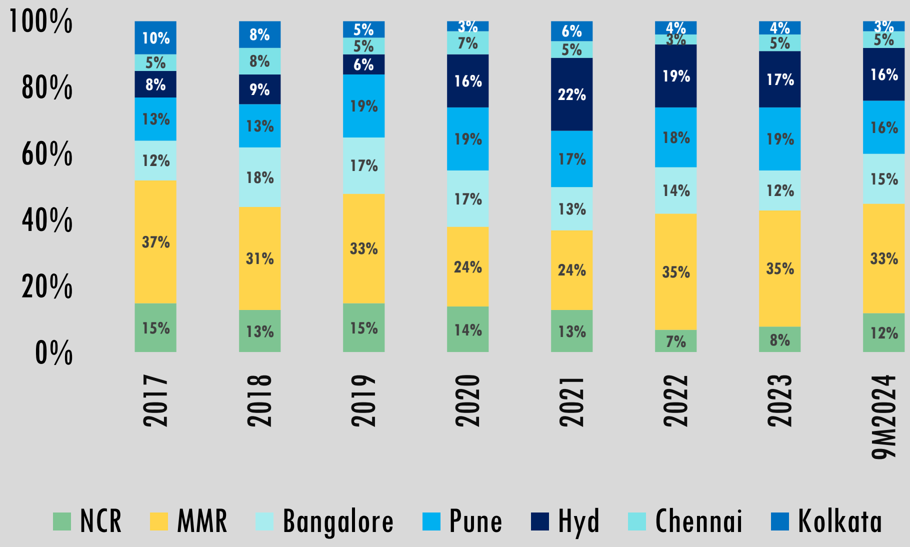
Contributing 6% of GDP and 1/3rd of tax revenues, MMR serves vast potential of RE development

- Being financial capital, it provides immense opportunity for RE development to accommodate rising work force within the city and suburbs, extended suburbs and neighboring areas.
- Between 2017 to 9M 2024, MMR contributed highest share in residential supply compared to other top 6 cities, average residential supply in MMR at ~33%.
- In same lines, absorption in MMR was highest with average sales at ~34%. Increasing absorption has led to 15% reduction in unsold residential units.

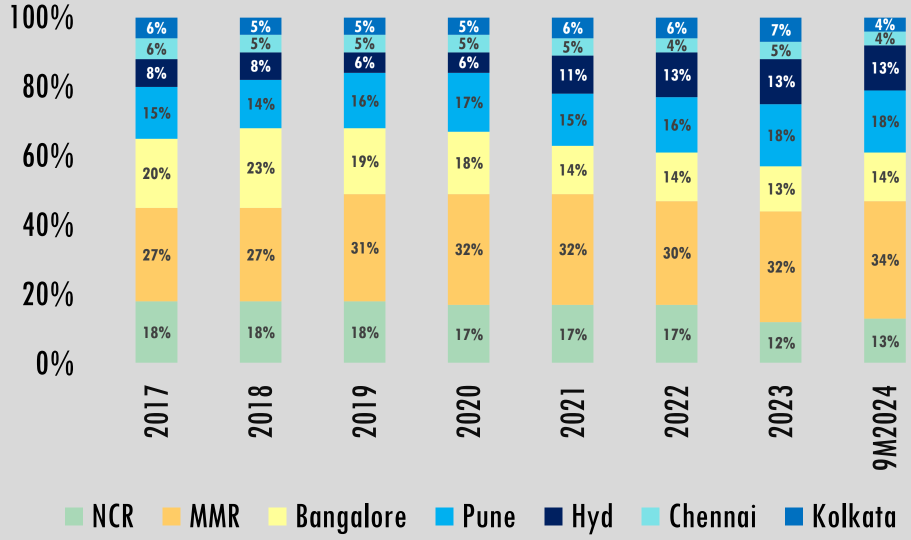
Average price on saleable area (Rs/sq ft)



Share of Supply



Share of Absorption



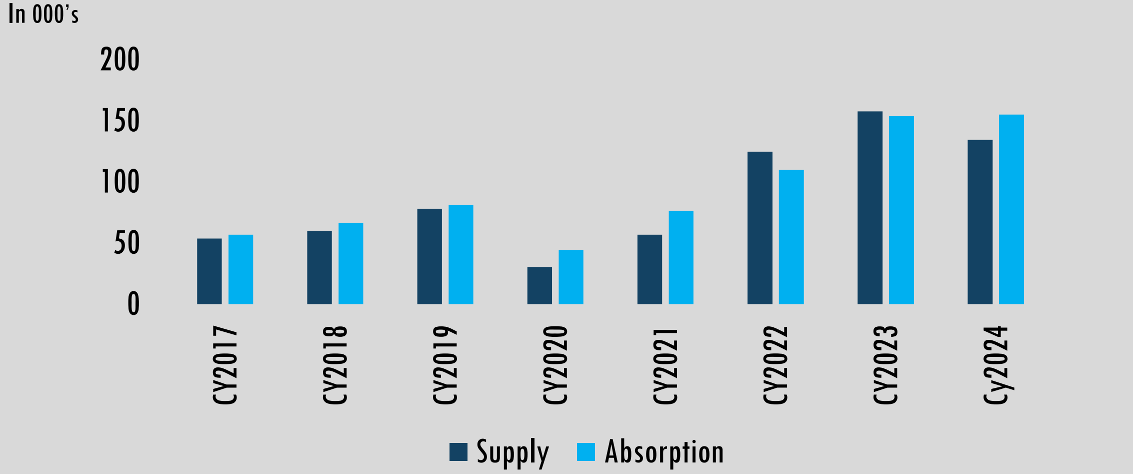
Source: Company, Anand Rathi Research, Lotus DRHP

MMR - Key growth drivers and trends

Rising employment among professionals fueling demand

- The MMR is a significant employment hub for the formal and grey sector. Employment opportunities create demand for housing units, specifically in the grey sector, swelling demand in the suburban MMR
- The rise in double-income households with working professionals led to a rise in disposable incomes. The affordability index in the MMR has steadily declined as income surpasses price increases in the MMR
- Moreover, steady interest rates led to a substantial fall in the EMI-income ratio.

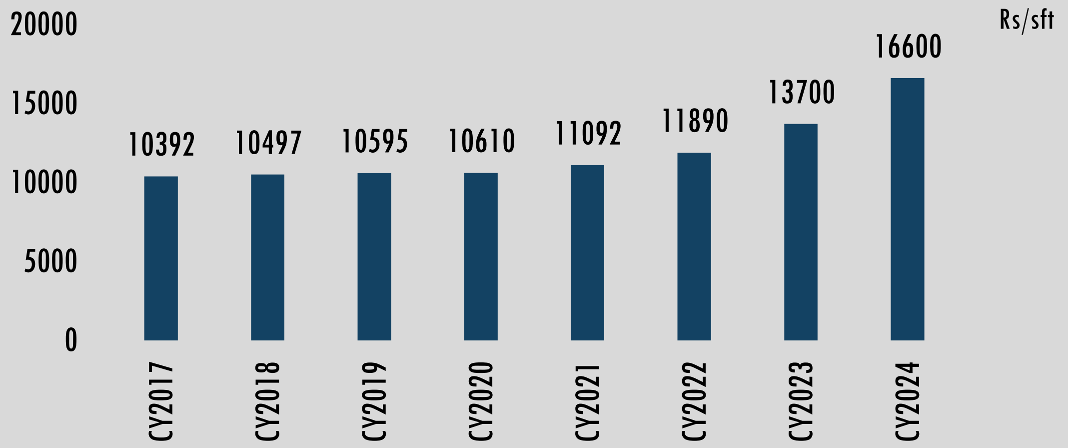
Accelerated absorption and supply, post-Covid'19



Forthcoming infrastructure improving connectivity especially for suburbs

- The MMR is well connected with other cities via air, road and rail
- Several infrastructure developments in the MMR are underway to broaden the transport network especially from residential areas to various business districts. The vast forthcoming infrastructure is spread across metro-rail, road, air, etc. as detailed in Annexure 1
- Access to quality infrastructure would further augment economic activity, thereby creating more job opportunities leading to heightened demand for RE.

Rising capital values driven by completion of major infrastructure projects



Source: Company, Anand Rathi Research, Lotus DRHP

MMR - Key growth drivers and trends

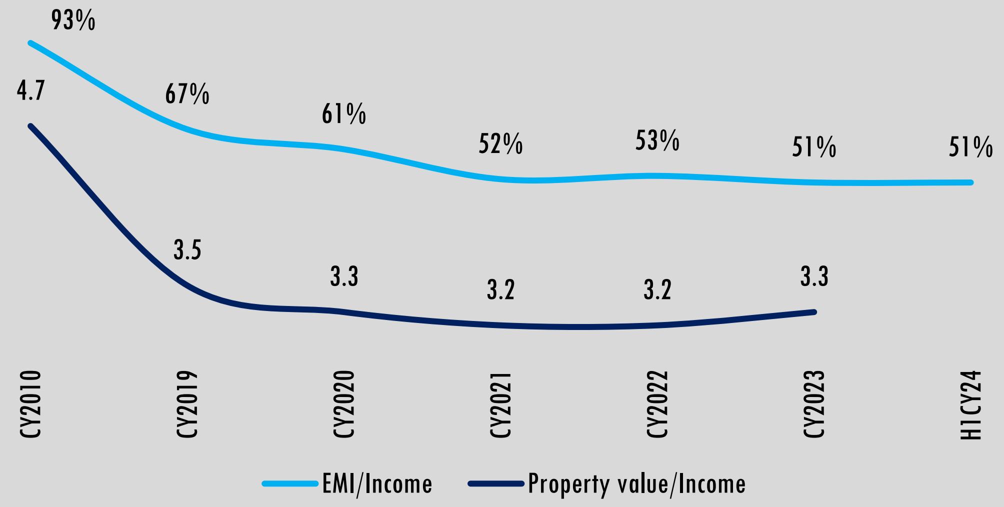
Preference for larger spaces and quality developers

- After the pandemic demand for spacious homes increased, with homebuyers looking for more space owing to the WFH culture and rising aspirations to improve the quality of life
- Millennials, a significant part of the workforce in the MMR, are inclined to ready-to-move-in spacious houses, thoughtfully designed and with flexibility, especially for WfH setups. This augurs well for leading developers
- Sales of luxury units of over Rs40m rose 37.8% y/y in H1 2024. The NCR led in luxury sales with ~5,855 units sold, a 72% y/y rise, followed by Mumbai with ~3,820 units, an 18% increase y/y.

Constructive government steps boost RE market

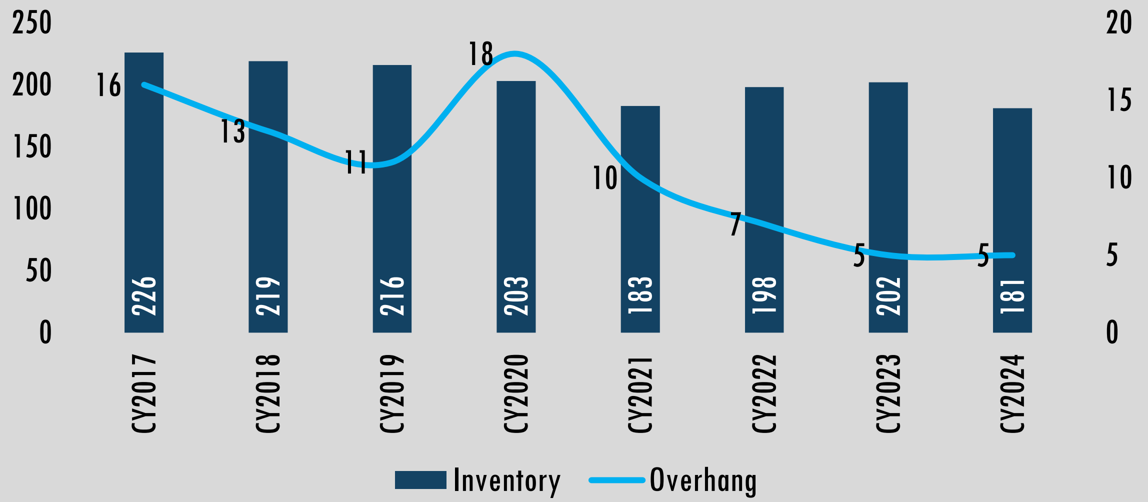
- As said before, steps by the government particularly in the RE sector especially during Covid-19 brought about a significant turnaround
- The introduction of new DCPR with higher FSI available, easing approvals for open-area deficits, transaction-based development near metro-rail stations, the introduction of fungible FSI, and clear parking norms streamlined approval processes and benefited developers
- Covid'19-induced steps such as reduced stamp duty in Maharashtra and lower premium and approval costs are beneficial for the MMR.

Fall in EMI-income and property-income ratios indicate rising affordability



A record five-quarter inventory overhang

Inventory in 000's / Overhang in quarters



Source: Company, Anand Rathi Research, Lotus DRHP

Financials

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Income statement (Rs m)	FY23	FY24	FY25e	FY26e	FY27e
Net revenues	**3,057**	**4,122**	**5,923**	**5,212**	**7,321**
Growth (%)	12.1	34.8	43.7	-12.0	40.5
Direct costs	1,347	1,351	3,457	2,736	4,297
Gross margins (%)	44.1	32.8	58.4	52.5	58.7
SG&A	200	442	242	317	291
EBITDA	**1,510**	**2,329**	**2,224**	**2,159**	**2,734**
EBITDA margin (%)	49.4	56.5	37.6	41.4	37.3
Depreciation	26	37	44	29	26
Other income	21	35	47	37	46
Finance costs	1,074	1,389	620	438	213
PBT	432	939	1,607	1,730	2,540
ETR (%)	26	28	27	25	25
Associates/(minorities)	-1	-0	-	-	-
Net income	322	675	1,166	1,295	1,901
Adj. net income	**322**	**675**	**1,166**	**1,295**	**1,901**
WANS	32	43	43	43	43
Adj. EPS	**10**	**16**	**27**	**30**	**44**
FDEPS growth (%)	111	76.9	79.2	56.1	52.4

Source: Company, Anand Rathi Research

Balance sheet (Rs m)	FY23	FY24	FY25e	FY26e	FY27e
Equity share capital	159	214	235	238	238
Net worth	714	5,162	9,263	11,056	12,957
Total debt	5,931	4,256	4,298	1,956	1,206
Minority interest	1	0	0	0	0
DTL/ (Assets)	-35	-65	-65	-65	-65
Capital employed	**6,611**	**9,353**	**13,496**	**12,947**	**14,097**
Net tangible assets	50	267	238	235	229
Net intangible assets	109	108	108	108	108
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	-	-	-	-	-
Investments (strategic)	89	0	0	0	0
Investments (financial)	-	-	-	-	-
Current assets (excl. cash) (incl. LT Assets)	9,481	11,346	13,205	16,314	16,606
Cash	280	1,118	2,023	475	2,583
Current liabilities (incl. LT liabilities)	3,397	3,485	2,079	4,185	5,429
Working capital	6,084	7,860	11,127	12,129	11,177
Capital deployed	**6,611**	**9,353**	**13,496**	**12,947**	**14,097**
Contingent liabilities	245	-	-	-	-

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Financials

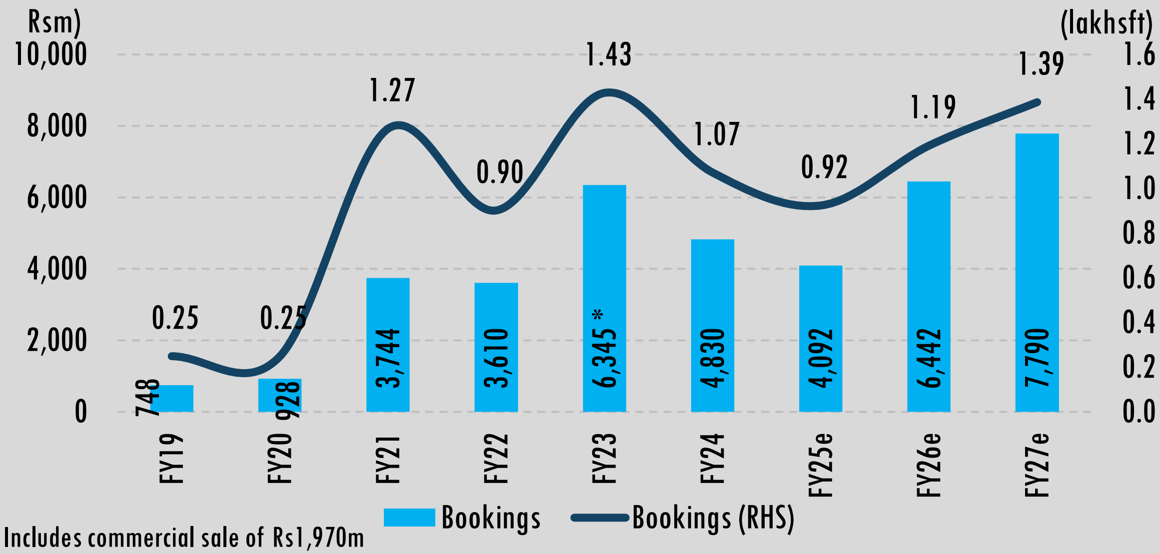
Cashflow (Rs m)	FY23	FY24	FY25e	FY26e	FY27e
PBT (adj. OI and interest)	**1,484**	**2,293**	**2,180**	**2,130**	**2,707**
+ Non-cash items	26	37	44	29	26
Operating profit before WC changes	1,510	2,329	2,224	2,159	2,734
- Incr. / (decr.) in WC	-267	1,776	3,266	1,002	-951
Others including taxes	135	294	441	435	639
Operating cashflow	**1,641**	**259**	**-1,483**	**722**	**3,045**
- Capex (tangible + intangible)	8	253	15	25	20
Free cashflow	**1,634**	**6**	**-1,499**	**697**	**3,025**
Acquisitions	-	-	-	-	-
- Dividend (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	1	3,773	2,935	499	-
+ Debt raised	-475	-1,705	42	-2,342	-750
- Fin. investments	87	-88	-	-	-
- Misc. items (CFI + CFF)	1,028	1,325	573	400	168
Net cashflow	**44**	**837**	**905**	**-1,547**	**2,107**

Ratio analysis	FY23	FY24	FY25e	FY26e	FY27e
P/E (x)	37.3	20.2	11.7	10.5	7.2
EV/EBITDA (x)	54.9	24.8	13.6	11.7	6.4
EV/Sales (x)	5.8	4.1	2.7	2.9	1.7
P/BV (x)	16.8	2.6	1.5	1.2	1.1
RoE	58.2	23.0	16.2	12.7	15.8
RoCE	22.5	29.2	19.5	16.4	20.4
RoIC	18.6	24.6	19.8	16.9	18.9
DPS (Rs)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (incl. DDT) (%)	-	-	-	-	-
Net Debt/Equity (x)	7.9	0.6	0.2	0.1	-0.1
Receivables (days)	92.2	94.4	98.1	178.3	83.9
Inventory (days)	778.7	654.5	542.6	767.4	603.9
Payables (days)	32.2	31.8	17.6	46.1	43.8
CFO/ PAT (%)	510.3	38.4	-127.3	55.8	160.2

Source: Company, Anand Rathi Research

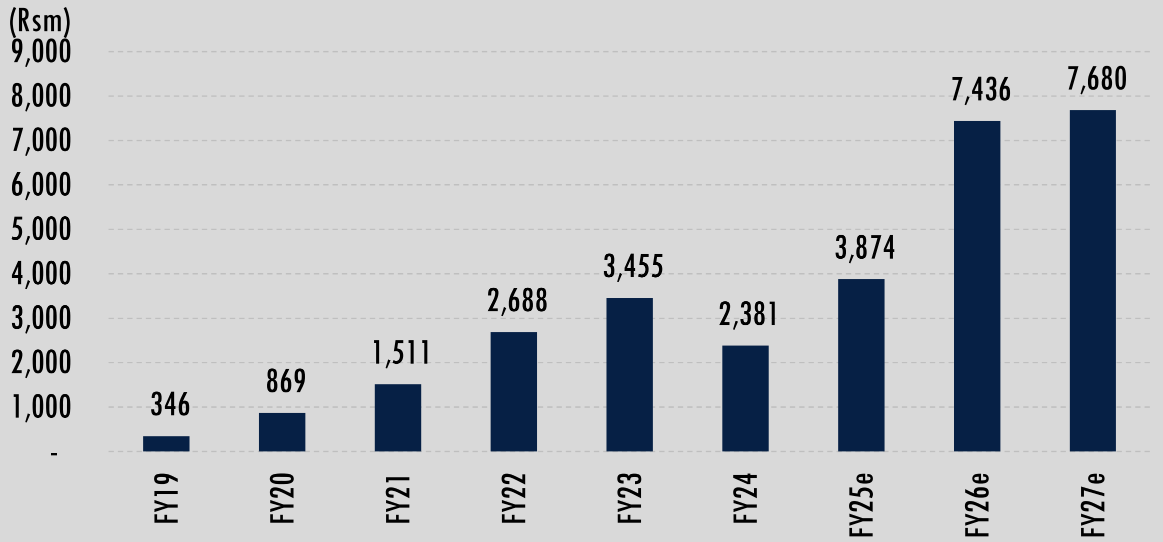
Financials – Story in charts

Post-Covid'19, pre-sale bookings rose manifold on launches and brand recall

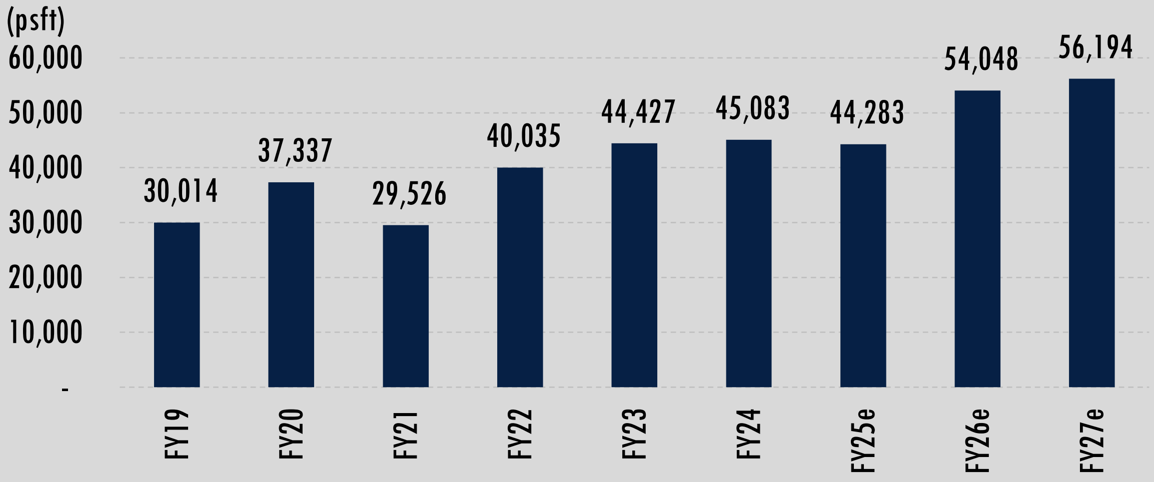


* Includes commercial sale of Rs1,970m

Collections grew in tandem with bookings and realization (per sq.ft.)



Increase in bookings coupled with rise in realization per sq.ft.



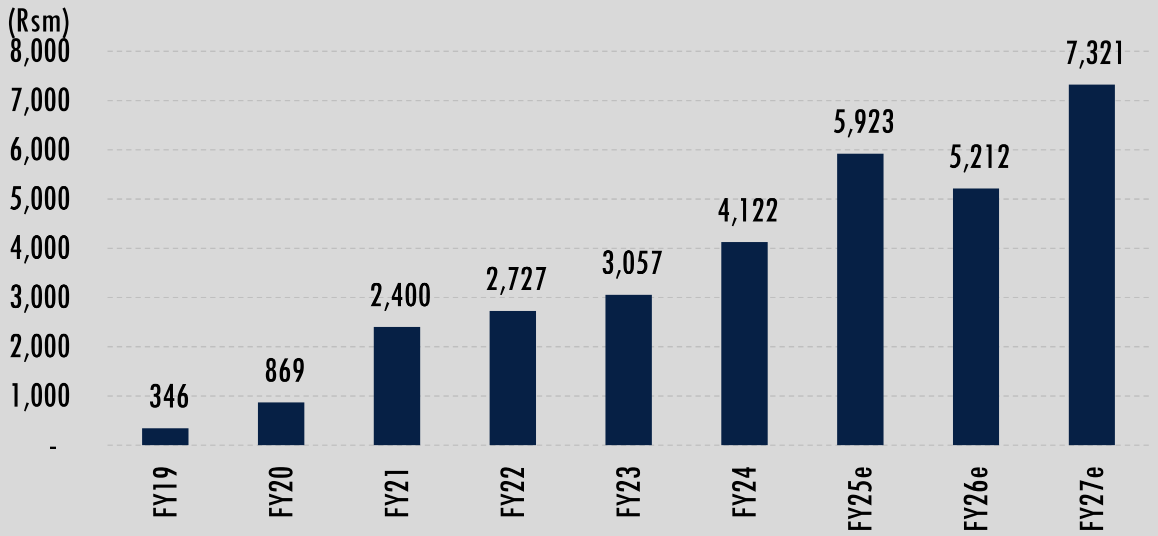
Many launches in the next two years anticipated to catapult growth

- Larger projects such as the ones in Bandra, Suraj Vibe, Marinagar and the Girgaonkar project are in advanced stage of approvals and lined up for back-to-back launches in the next 12-24 months
- Realisation per sq.ft. expected to rise from Rs44,283 in FY25 to Rs56,194 in FY27, attributed to steady growth in value-luxury and the launch of Bandra and Suraj Vibe projects where per sq.ft. realization is expected to be on higher side.
- Collections are on an increasing trend due to disciplined execution by the company, triggering timely milestone payments from customers.

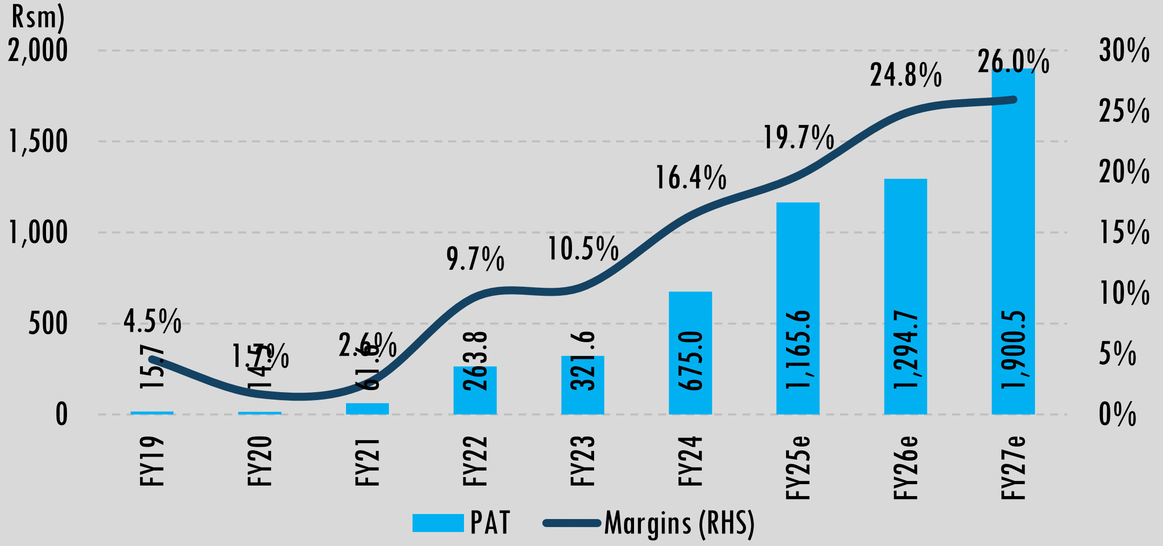
Source: Company, Anand Rathi Research

Financials – Story in charts

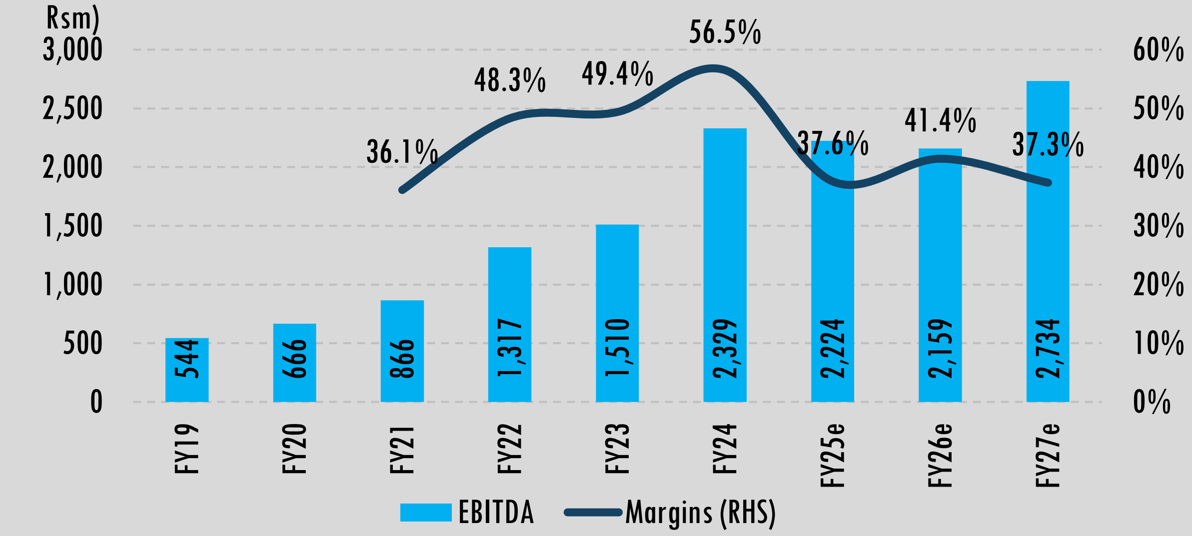
Revenue expected to grow in line with bookings



PAT margins to increase with fall in debt and interest costs



EBITDA margins superior due to legacy land and high margins on luxury units



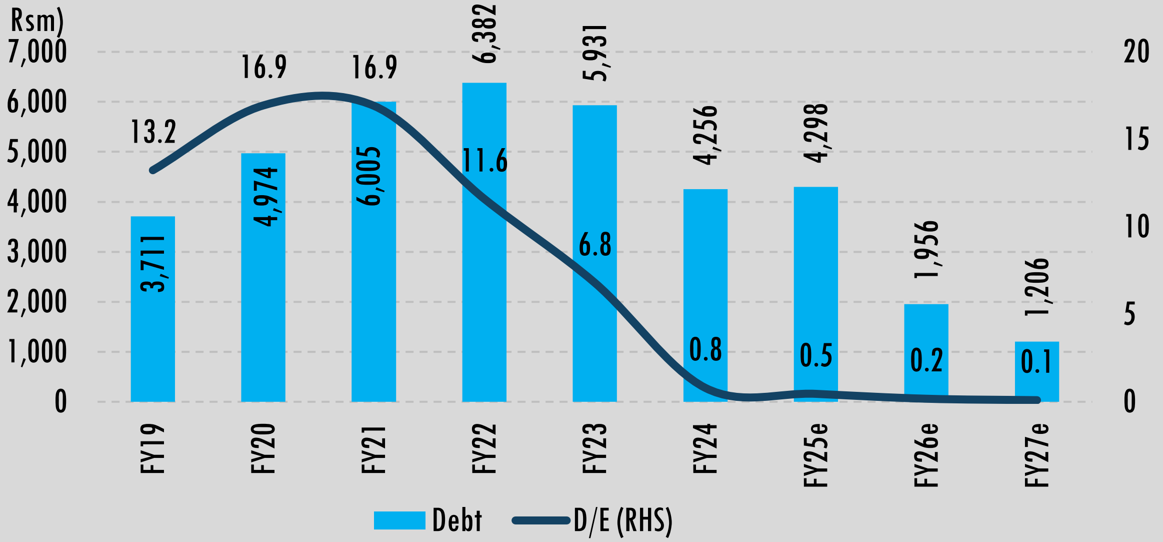
Increasing realization and asset-light model expanding margins

- Revenue has registered a ~37% CAGR over FY20-24 with mounting demand for luxury and value-luxury units. Growth is expected to continue at a ~21% CAGR over FY24-27 ensuing many launches and steady demand for value-luxury units
- EBITDA margins expected to be stable ~35-40% due to legacy land parcels, strong pricing scenario, value luxury launches and cost-efficient execution
- With high-cost land debt already repaid, the company expects a drop in debt-servicing costs and better margins. The rise in realization per sq.ft. has a positive direct impact on bottom-line margins

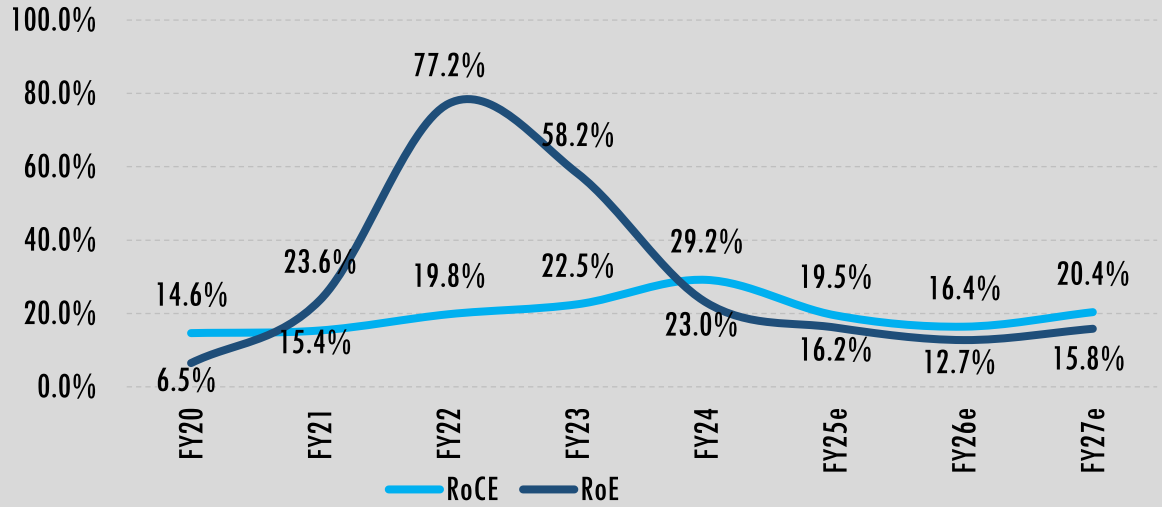
Source: Company, Anand Rathi Research

Financials – Story in charts

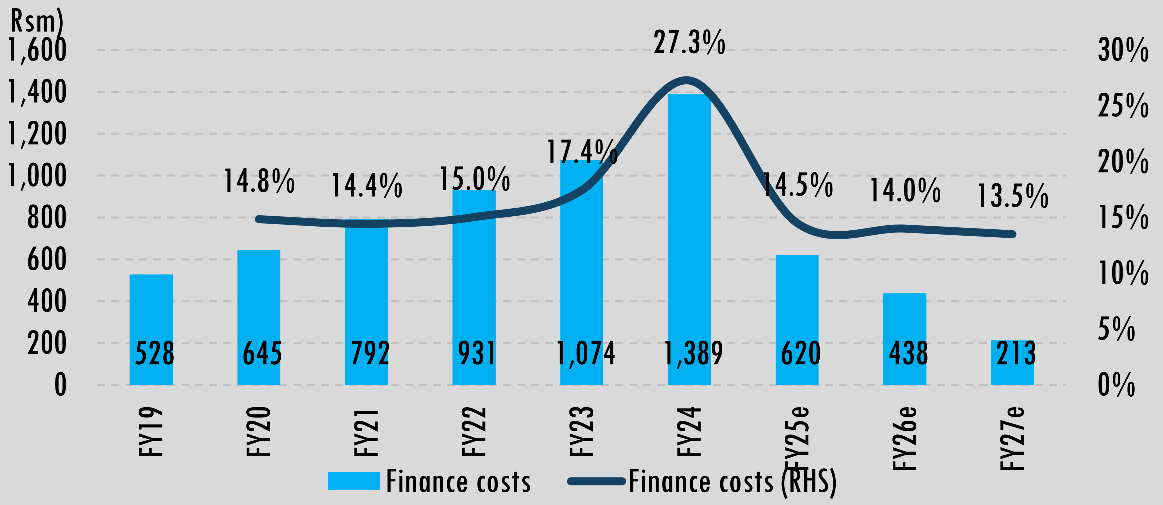
Net debt to improve significantly with positive cash-flows and equity raising



With margins improving, returns expected to move in tandem



Interest costs expected to fall as high-cost finance has been repaid



Improving returns with better realizations and delevering

- Debt rose from Rs3.7bn in FY19 to Rs6bn in FY23 due to relentless BD expansion and land acquisition. This can be reflected in the pipeline of 19 forthcoming projects and seven land parcels. Moreover, land acquisition debt was taken from a leading AIF, which had premium component payment at redemption apart from regular coupon payments

- With fund inflow from IPO, the company immediately paid high-cost debt of Rs2.9bn. Recently, it paid India Housing Finance debt of Rs500m, which had inherent premium payments. With this payment, all premium loaded debts have been cleared with interest cost expected to fall to ~13-14%

Source: Company, Anand Rathi Research

Q3 FY2025 – Concall highlights

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Financial highlights

Particulars	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Sales area (sq ft)	19,397	35,537	22,713	27,431	22,201	16,656
Sales value (Rs m)	852	1,425	1,219	1,400	1,070	1,070
Average realisation (Rs/sq ft)	43,935	40,102	53,651	51,116	48,366	64,241
Collections (Rs m)	673	685	1,108	720	1,270	840
Revenue (Rs m)	1,035	1,060	1,004	1,337	1,091	1,698
EBITDA (Rs m)	631	696	535	633	634	458
EBITDA margins (%)	61	66	53	47	58	27
Interest costs (Rs m)	169	166	194	301	318	200
PAT (Rs m)	16	16	19	23	29	12
Gross debt (Rs m)	5,544	3,410	4,260	4,210	4,290	4,368
Net debt (Rs m)	5,450	2,190	3,153	3,520	3,810	3,610
Luxury (%)			56	57	30	43
VL (%)			25	41	36	57
VL/L (%)			17	2	33	0
C (%)			2	0	0	0

Source: Bloomberg, Anand Rathi Research

Discussion points

- With expected launch delays this financial year, management revised guidelines for pre-sales bookings from Rs85bn earlier to Rs50bn-55bn
- Launch of Suraj-Vibe postponed to Q1 FY26 by acquiring adjacent land. The revised plan with a larger floor plate will yield GDV of Rs12bn (earlier Rs4.8bn). Plans to launch two residential projects of Rs4bn by Q1 FY26
- Q3 FY25 realization was Rs64,241/sq.ft. (>33% than in Q2 FY25 because of more sales of luxury units at Palette and Ocean Star 1
- Management expects margins to normalize in FY25 (35% to 45%) as value-luxury units constitute the major share of revenue recognition.
- The company received ~Rs2.9bn on preferential allotment of equity shares and warrants. This will be used for land acquisition, working capital and general corporate purposes.

Valuation summary

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Valuation arrived using NAV-based method

With strong positions in SCM market with expertise in redevelopment of tenanted properties, the company is well-positioned to benefit due to paucity of vacant land parcels in SCM. Further, right product positioning coupled with strong pipeline and leading EBITDA margins, the company is expected to sustain premium valuations due to its growth potential and strong management. We initiate coverage on the stock with a Buy rating and a **TP of Rs442**, based on NAV method (discounted cash flow).

Valuation (Amounts in Rs m)	NAV
Ongoing projects	3,042
Upcoming projects	14,498
Gross Asset Value	17,540
Add : Land value	1,807
Less : Net debt (net of cash and commercial office value)	-3,182
Net Asset Value	16,165
Premium at 35% of NAV	5,045
Total Value	21,210
Add : Pending warrant money	499
Target price	**21,709**
Number of shares (mn)*	49
Target price per share (Rs/share)	**442**
CMP (Rs) (Rs/share)	314
Upside (%)	~41%

** Assuming warrants are converted in the ratio of 1:1*

Suraj Estate deserves a 35% premium to the NAV based on

- Ability to create and enjoy niche and brand in SCM market, considered as top preferred developer
- Expertise in redevelopment model esp 33(7). Inherent free FSI of 3x vs 1.33x in other models
- Identify right locations with blue theme and at right price
- Better deal negotiation leading to higher free sale FSI
- Upcoming pipeline of marquee projects like Suraj Vibe and Bandra luxury projects
- Asset light approach with history of above average margins and return on capital
- Balance sheet revamp with less debt
- Strong expected cash flow from upcoming projects help to recycle capital.

In case the marquee projects like Suraj Vibe, Bandra and Girgaonkarwadi are delayed by 12 months due to approval, regulatory or other reasons, the valuation shall fall to Rs 372/share

Source: Anand Rathi Research

NAV calculation

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Cash-flow calculation

Particulars (Rs m)	FY26	FY27	FY28	FY29	FY30
Bookings (sq.ft.)	1,19,186	1,38,635	2,07,259	2,20,282	1,75,585
Bookings	6,442	7,790	12,245	13,426	11,219
Collections	7,436	7,680	10,479	15,055	13,923
Net inflows	3,113	3,094	4,481	4,058	3,233
Taxes	530	721	1,004	1,705	1,792
Net cash-flow	2,583	2,374	3,478	2,353	1,441

Cost of capital calculation

Particulars	%	Comments
Risk-free rate	6.82%	10 year India govt treasury bond rate
ERP	7.26%	Equity risk premium (Damodaran)
Beta	1.236	Beta for Suraj (Bloomberg)
Debt	13%	Expected debt costs
Debt	40%	Targeted D/E ratio
Equity	60%	Targeted D/E ratio
WACC (Rounded off)	**13.0%**	

Other important assumptions

- Assumed annual sales and cost escalation at 5% p.a.
- Launch timelines, selling prices and construction costs are based on our assessment and discussion with management
- Selling and administrative expenses assumed at 5% of sales
- Taxation considered at 25.2%.

Source: Bloomberg, Anand Rathi Research

Peer comparison

ANANDRATHI

Value booking (Rs m)

Company	FY21	FY22	FY23	FY24	FY25e	FY26e
Suraj Estate	3,744	3,610	6,345	4,830	7,935	9,344
Mahindra Lifespaces	6,950	10,270	18,130	23,290	33,250	41,767
Oberoi Realty	32,792	38,888	51,672	39,925	66,887	70,994
Macrotech Developers	59,680	90,240	1,20,600	145,200	175,144	196,055

Volumes booked (m sq.ft.)

Company	FY21	FY22	FY23	FY24	FY25e	FY26e
Suraj Estate	0.1	0.1	0.1	0.1	0.2	0.2
Mahindra Lifespaces	1.1	1.3	2.2	2.5	3.9	3.6
Oberoi Realty	1.7	2.1	1.8	1.7	3.0	3.2
Macrotech Developers	5.1	7.9	9.3	11.1	12.5	9.2

EV/EBITDA

Company	FY21	FY22	FY23	FY24	FY25e	FY26e
Suraj Estate	288.8	68.8	54.9	25.3	13.7	12.2
Mahindra Lifespaces	-	-	-	-	72.2	98.7
Oberoi Realty	22.2	30.3	16.0	22.8	16.4	14.9
Macrotech Developers	27.0	29.4	25.2	49.1	51.1	33.0

Source: Company, Anand Rathi Research

Peer comparison

ANANDRATHI

RoCE (%)

Company	FY21	FY22	FY23	FY24	FY25e	FY26e
Suraj Estate	15.4	19.8	22.5	29.2	20.0	16.7
Mahindra Lifespaces	-4.0	-4.1	-3.4	-5.1	3.4	3.2
Oberoi Realty	10.8	10.5	16.7	19.9	23.2	21.5
Macrotech Developers	6.9	9.0	9.4	10.8	10.7	16.7

RoE (%)

Company	FY21	FY22	FY23	FY24	FY25e	FY26e
Suraj Estate	23.6	77.2	58.2	23.0	16.1	12.9
Mahindra Lifespaces	-4.3	3.4	1.9	5.3	9.9	7.6
Oberoi Realty	9.6	11.4	18.3	16.6	20.0	18.4
Macrotech Developers	14.8	15.1	19.3	15.0	10.7	16.2

Source: Company, Anand Rathi Research

Experienced Board of Directors

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Board of Directors	Designation	Experience	Education
Mr Rajan Thomas	Promoter, chairperson, MD	The founder of SURAJEST has more than 36 years' experience in various aspects of realty	Bachelor of Arts
Ms Sujatha R. Thomas	Non-executive director	More than three decades' experience in this business	Bachelor of Arts
Mr Rahul Rajan Jesu Thomas	Whole-time director	Son of the founder promoter; involved in the business for the last 16 years	Bachelor of Commerce; Corporate finance certification from Harvard University
Ms Elizabeth Lavanya Rajan Thomas	Non-executive director	15+ years in Agricultural Technology Deployment and Consulting	Masters of Liberal Arts in Management from Harvard University, MBA from Cardiff Business School
Mr Sunil Pant	Independent director	Over 36 years' experience in banking. Chief General Manager at SBI and consultant for the Gerson Lehrman Group in recent stints	Bachelor of Science, LLB, Master of Science (Physics), member of The Indian Institute of Bankers and The All-India Management Association
Mr Jitendra Shantilal Mehta	Independent director	30+ years' experience in consulting related to finance and legal	CA, CS, CWA and LLB
Dr Satyendra Shridhar Nayak	Independent director	Coming from a consulting background, was President, UTI. and on the Board of Bharat Wire Ropes	Master of Commerce, Doctor of Philosophy

Source: Company, Anand Rathi Research

Experienced Board of Directors – Important addition

Vinod Prabhudas Chithore
Independent Director

- Mr. Vinod Chithore, Civil Engineer has considerable experience in the construction activities and has served a director of Bombay Municipal Corporation for a period of 4 years.
- Thereafter, he has also been appointed as a Director of MAHARERA considering his very good experience in the construction activities. He was also responsible for grant of public service and building plan approvals.
- During his stint with BMC (Bombay Municipal Corporation) and MAHARERA, he had brought very important changes of introducing online approvals systems for building plan approvals.
- He was instrumental in policy reforms in BMC for infrastructure development. He has very good experience in liasoning and management of engineers, as he was managing more than 3500 engineers while serving with BMC.
- He is Bachelor of Civil Engineering from Amravati University, passed in the year 1987.
- He was inducted as independent director from January 2025.

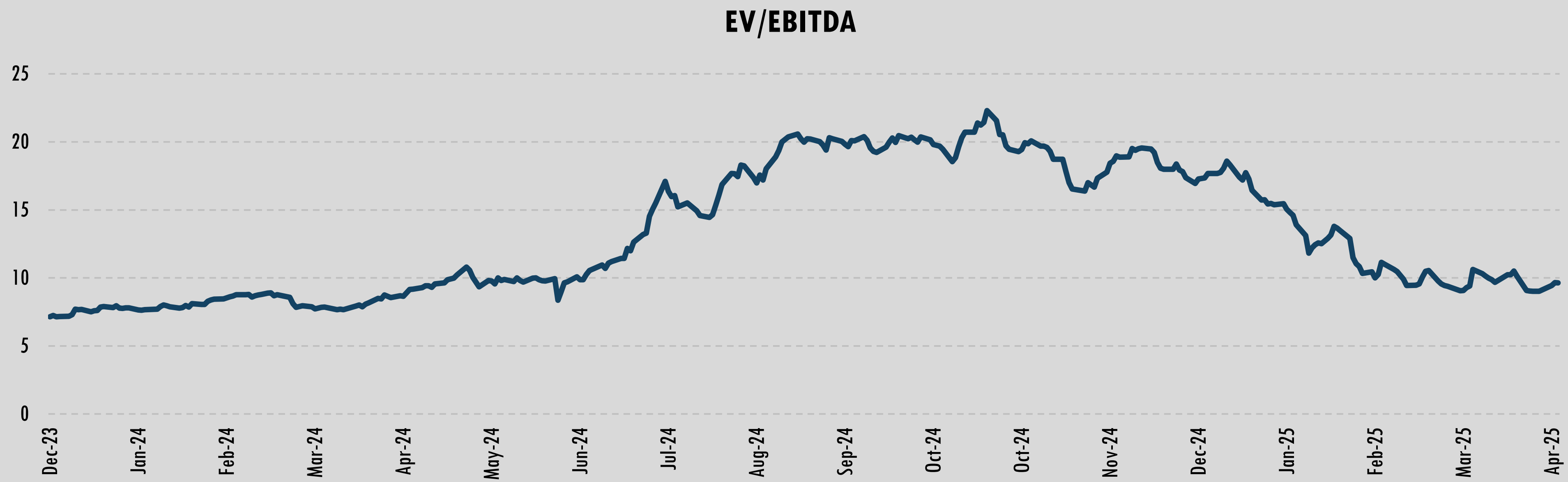
Source: Company, Anand Rathi Research

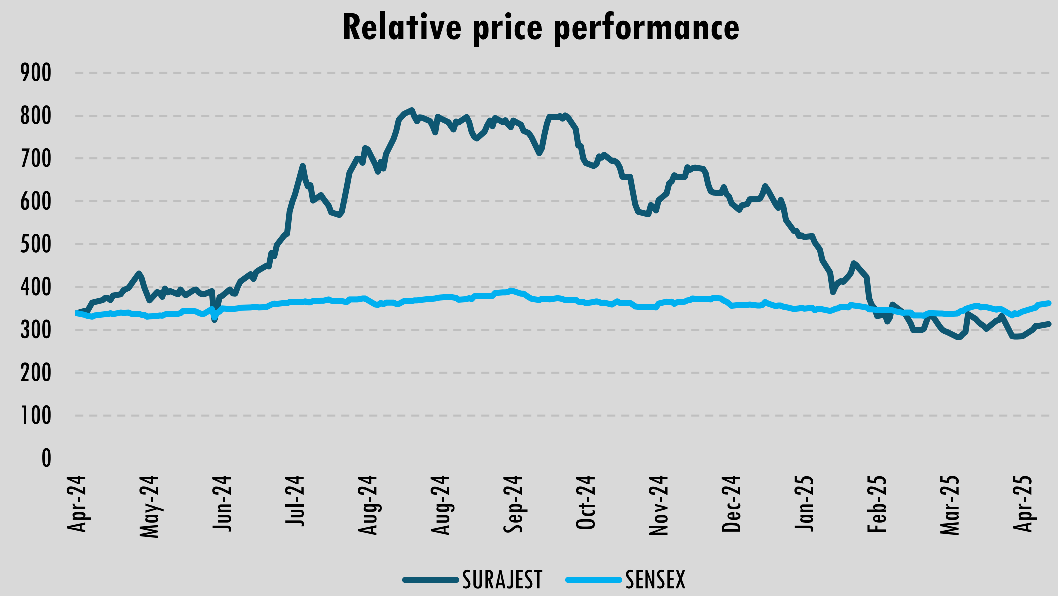
Senior management team at the helm

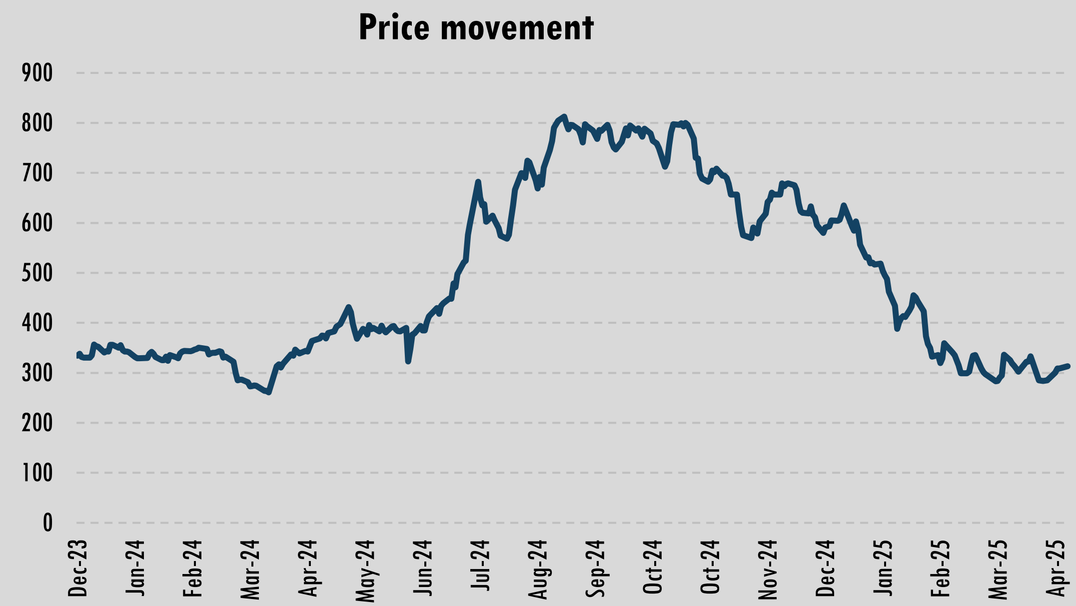
KMP	Designation	Experience	Education
Mr Rajan Thomas	Promoter, chairperson, MD	The founder of SURAJEST has been in the real estate business for the last 36 years. He spearheads strategy and vision	Bachelor of Arts
Mr Rahul Rajan Jesu Thomas	Whole-time director	The son of the founder promoter, has been involved in the business for the last 16 years. He contributes to business strategy and overseas operations	Bachelor of Commerce; Corporate finance certification from Harvard University
Mr Shreepal Shah	CFO	A seasoned professional, associated with Kotak Investment Banking in the past	Bachelor of Engineering, MBA
Mr Jitendra Gupta	Head of project management	30+ years experience in project management and operations	Bachelor of Engineering (Civil)
Ms Palak Dani Mansotra	Chief Marketing Officer	21+ years experience in Branding, Communications, Digital and Pre Sales	Executive MBA (IIM Calcutta), Digital marketing (MICA)
Mr Gopal Barve	Chief Engineer	~30 years experience in field of construction and engineering	Bachelor of Engineering (Civil)

Source: Company, Anand Rathi Research

Valuation charts



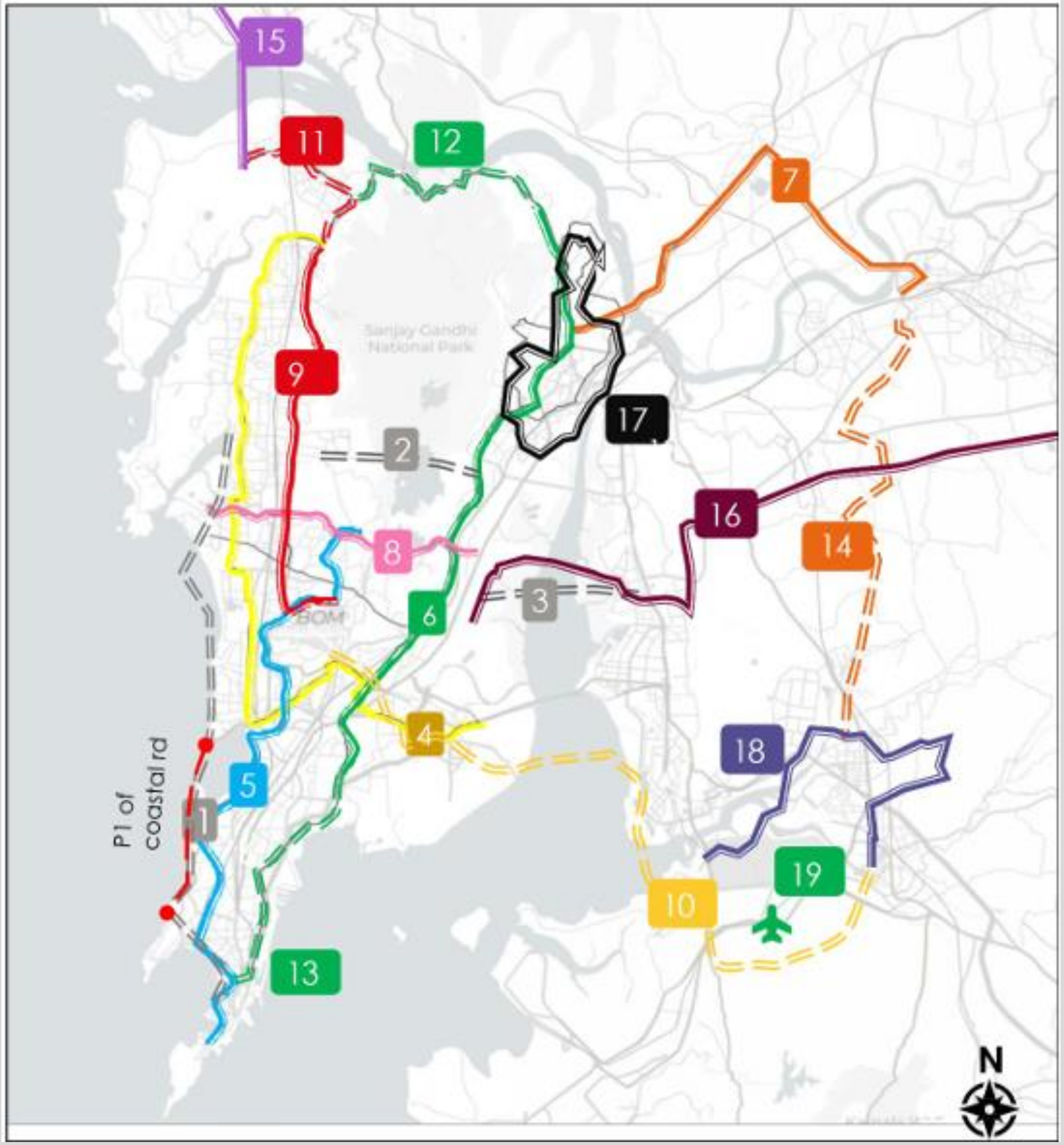




Source: Bloomberg, Anand Rathi Research

Annexure 1- Upcoming Infrastructure

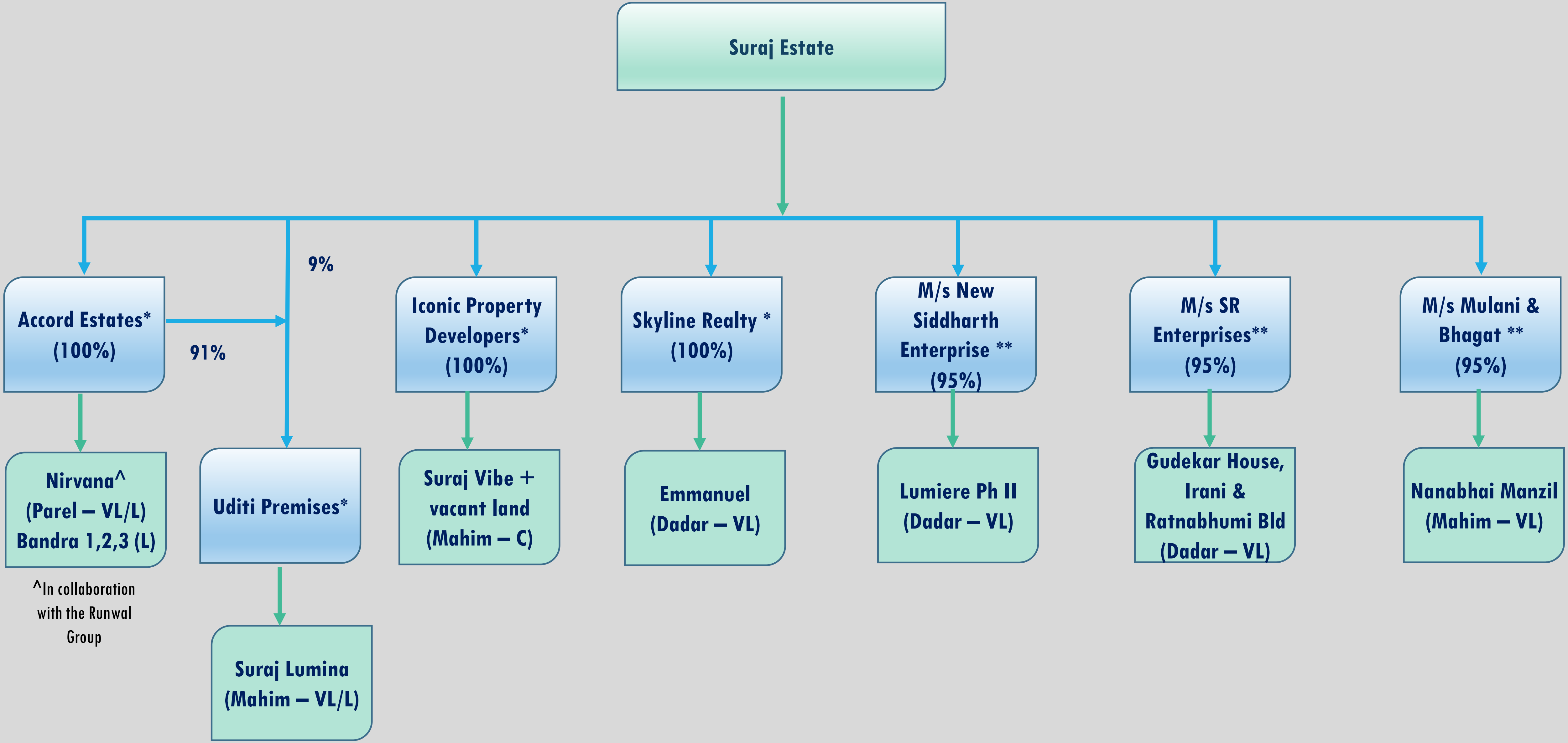
ANANDRATHI



Sr. No.	Project	Location/Corridor	Completion Year
1	Coastal Road	Kandivali – Marine Lines (Phase 1 operational highlighted in red)	Phase 1 completed 2024
2	Goregaon Mulund Link Road	Goregaon – Mulund	2025
3	Kopar Khairane-Ghansoli Bridge	Kopar Khairane – Ghansoli	2025
4	Metro Yellow line 2	Dahisar – Andheri West – Mankhurd	2026 (2A – Partially Operational)
5	Metro Aqua Line 3	Colaba – Bandra – SEEPZ	2024 (Partially Operational)
6	Metro Green Line 4	Wadala – Kasarvadavali – Gaimukh	2025
7	Metro Orange Line 5	Thane – Bhiwandi – Kalyan	2025
8	Metro Pink Line 6	Lokhandwala – Jogeshwari – Kanjurmarg	2026
9	Metro Red Line 7	Dahisar – Andheri – CSMIA T1	2024 (Partially Operational)
10	Metro Gold Line 8	CSMIA T2 – NMIA	2026
11	Metro Red Line 9	Dahisar – Mira Bhayandar	2025
12	Metro Green Line 10	Gaimukh – Shivaji Chowk (Mira Road)	2027
13	Metro Green Line 11	Wadala – CSMT	2030
14	Metro Orange Line 12	Kalyan – Dombivali – Taloja	2027
15	Metro Purple Line 13	Shivaji Chowk (Mira Road) – Virar	2025
16	Metro Magenta Line 14	Vikhroli - Badlapur	2026
17	Thane Metro	Raila Devi – New Thane (indicative)	2026
18	Navi Mumbai Metro	Belapur – NMIA (indicative)	Partially Operational
19	Navi Mumbai International Airport	Panvel, Navi Mumbai	2025

Source: Lotus DRHP, Anand Rathi Research

Annexure 2- Corporate structure



Source: Company, Anand Rathi Research VL- Value Luxury, L – Luxury, C - Commercial * Limited company, ** Partnership firm

Annexure 3- Ongoing projects

Sr. No.	Project Name	Location	Type	Product	Completion Date (As Filed with RERA)	SPV Name	Sale Carpet Area (lakhs Sq ft)	Sold Area (Lakhs Sq ft)	Sales (Rs bn)	Collections (Rs bn)
1	Louisandra	Dadar (W)	Residential	Value Luxury	Jun-24	HoldCo	0.29	0.29	0.99	0.88
2	Ave Maria	Dadar (W)	Residential	Value Luxury	Dec-24	HoldCo	0.23	0.23	0.86	0.79
3	Vitalis	Mahim (W)	Residential	Value Luxury	Dec-26	HoldCo	0.81	0.72	2.97	1.25
4	Suraj Eterna	Mahim (W)	Residential	Value Luxury	Dec-26	HoldCo	0.33	0.27	1.03	0.60
5	Palette	Dadar (W)	Residential	Luxury	Jun-24	HoldCo	1.8	1.61	7.28	5.25
6	Ocean Star-I	Dadar (W)	Residential	Luxury	Jun-26	HoldCo	0.6	0.57	2.85	1.53
7	CCIL Bhavan (Phase-II-Additional 2.5 floors)	Dadar (W)	Commercial	Commercial	Dec-24	HoldCo	0.22	0.22	0.90	0.47
8	Suraj Parkview 2	Dadar (W)	Residential	Value Luxury	Dec-26	HoldCo	0.21	0.21	0.93	0.41
9	Saraswat Bank Bhavan (Additional 2.5 Floors)	Prabhadevi	Commercial	Commercial	Not Applicable	HoldCo	0.17	0.17	1.08	0.74
10	Mestry House	Mahim (W)	Residential	Value Luxury	Not Applicable	HoldCo	0.01	0.01	0.05	0.01
11	Nirvana	Parel (East)	Residential	Value Luxury/ Luxury	Dec-24	Accord Estates	0.91	0.91	2.13	1.76
12	Emmanuel	Dadar (W)	Residential	Value Luxury	Dec-25	Skyline Realty	0.28	0.28	1.11	0.75
13	Suraj Lumina	Mahim (W)	Residential	Value Luxury/ Luxury	Dec-28	Uditi Premises	0.22	0.05	0.23	0.07
Total							**6.08**	**5.54**	**22.39**	**14.49**

Source: Company, Anand Rathi Research

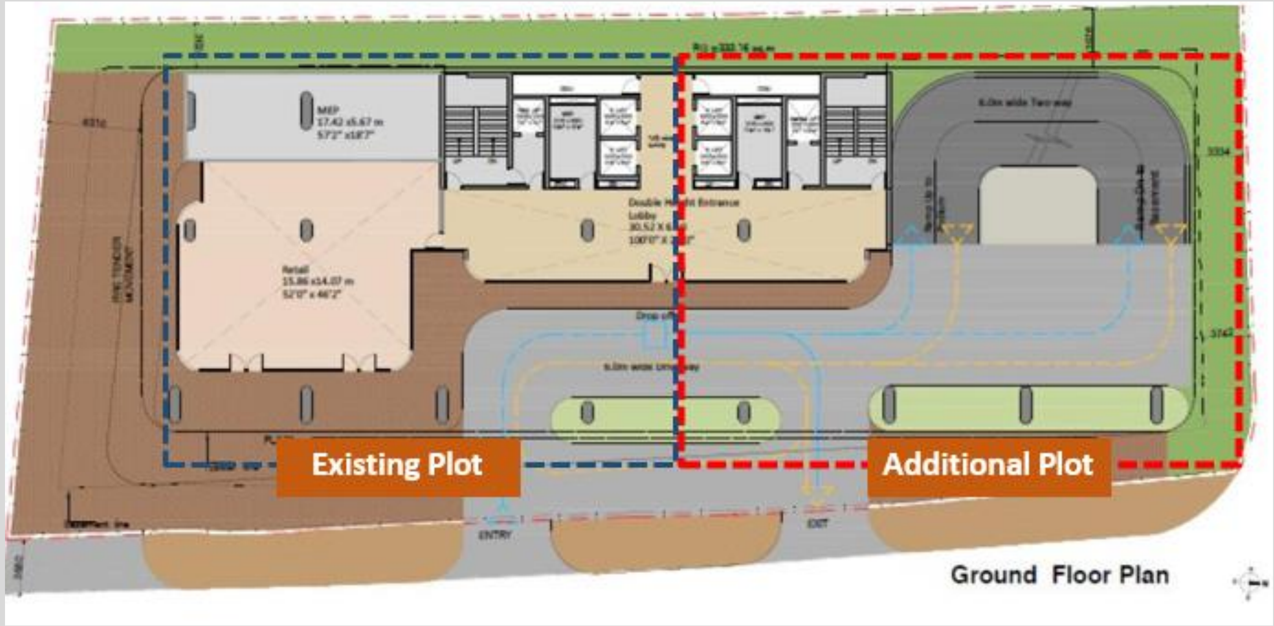
Annexure 4- Forthcoming projects

ANANDRATHI

Sr. No.	Project Name	Location	Type	Segment	SPV name	Nature	Estimated Carpet Area for sale(lakh sq.ft)
1	Kowliwadi & Kripasiddhi Building	Prabhadevi	Residential	Value Luxury	HoldCo	Redevelopment	0.24
2	Madonna Wing B	Dadar (w)	Residential	Value Luxury	HoldCo	Redevelopment	0.14
3	Gudekar House, Irani Building and Ratnabhumi Bld	Dadar (w)	Residential	Value Luxury	S R Enterprises	Redevelopment	0.33
4	Lucky Chawl	Mahim (w)	Residential	Value Luxury	HoldCo	Redevelopment	0.15
5	Ambavat Bhawan	Lower Parel (E)	Residential	Value Luxury	HoldCo	Redevelopment	0.17
6	Marinagar Phase -2	Mahim (W)	Residential	Value Luxury	HoldCo	Redevelopment	1.07
7	Marinagar Phase -3	Mahim (W)	Residential	Value Luxury	HoldCo	Redevelopment	0.64
8	Norman House	Dadar (W)	Residential	Value Luxury	HoldCo	Redevelopment	0.07
9	Nanabhai Manzil	Mahim (W)	Residential	Value Luxury	Mulani and Bhagar	Redevelopment	0.20
10	Lumiere Phase 2	Dadar (W)	Residential	Value Luxury	New Siddharth Enterprises	Redevelopment	0.20
11	Girgaonkarwadi	Mahim (W)	Residential	Value Luxury	HoldCo	Redevelopment	2.00
12	Suraj Parkview 1	Dadar (W)	Residential	Value Luxury	HoldCo	Redevelopment	0.53
13	Bandra Project 3	Bandra (W)	Residential	Luxury	HoldCo and Accord	Vacant Land	0.35
14	JRU Property	Byculla (E)	Residential	Value Luxury/ Luxury	HoldCo	Redevelopment	0.21
15	Bandra Project 1	Bandra (W)	Residential	Value Luxury / Luxury	Accord Estates	Vacant Land	0.46
16	Bandra Project 2	Bandra (W)	Residential	Luxury	Accord Estates	Redevelopment	0.89
17	Suraj Vibe No 426-B	Mahim (W)	Commercial	Commercial	Iconic Property Developers	Vacant Land	2.09
18	Shivaji Park Plot No 136	Dadar (w)	Residential	Luxury	HoldCo	Redevlopment	0.16
19	Lobo Villa & Ellis Villa	Mahim (W)	Residential	Value Luxury	HoldCo	Redevelopment	0.30
	Total						**10.2**

Source: Company, Anand Rathi Research

Annexure 5- Marquee commercial project – Suraj Vibe



Previous Plan

Saleable Carpet Area
106,000 sq. ft.

Estimated GDV
~ Rs4.8bn

New Plan

Total Saleable Carpet Area
~ 209,000 sq. ft.

Total Estimated GDV
~ Rs12bn

28

Suraj Vibe (Mahim) to be launched in H1 FY26

Launched has been delayed due to amalgamation of recently purchased adjacent plot to benefit from larger floor plates

Source: Company,

Annexure 6- Fund raising – IPO, Preferential issue

ANANDRATHI

IPO – Dec'23

Particulars	Number of shares (m)	Price per share (Rs)	Amount (Rs m)
IPO details			
Number of shares issued	11.11	360.00	4,000.00
Existing shares	33.25		
Total shares post-IPO	**44.36**		
Promoter group stake, %			
Pre-IPO	100		
Post-IPO	74.95		
Utilization of IPO proceeds			
Repayment of debts of the company, of Accord Estates, Iconic Property and of Skyline Realty			2,850.00
Land acquisition / development rights			350.00
Issue expenses			312.76
General corporate expenses			447.34
Total			**3,960.10**

Preferential issue – Oct'24

Particulars	Number of shares (m)	Price per share (Rs)	Amount (Rs m)
Equity shares	3.4	714.0	2,436.4
Warrants	1.3	750.0	997.5
Total	**4.7**		**3,433.9**
Existing shares	44.36		
Total shares, post-preferential issue	47.77		
Total shares, post-warrants conversion (1:1)	49.10		
Promoter group stake, %			
Pre-issue	74.95		
Post-issue (before warrant conversion)	69.60		
Post-issue (if warrants are converted at 1:1)	67.71		

Note: IPO proceeds used for land acquisition, issue expenses, working capital, general purposes

The company received ~ Rs2.43bn through preferential allotment of equity shares and an advance of ~ Rs0.5bn from the issue of convertible warrants in Oct'24. Balance expected within 18 months of allotment of units

Right of warrant holders to apply for one fully-paid-up equity share of Rs5 face value within 18 months of allotment of warrants

Source: Bloomberg, Anand Rathi Research

Appendix

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