



IPO DETAILS

#IPOlogy

ARKADE DEVELOPERS LIMITED



 **ISSUE OPEN**

16th September, 2024

 **ISSUE CLOSE**

19th September, 2024

Min. Lot Size

110 shares

Issue Price Band

₹121 - ₹128

Issue Size

Fresh Issue:
3.2 Cr Eq shares
(₹410.00 Cr)

OFS:
NIL Eq shares
(₹NIL)

Face Value

₹10

Industry

Construction - Residential &
Commercial Complexes

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



Rationale

Considering the FY24 EPS of Rs 6.61 on a post-issue basis, company is going to list at a P/E of ~19x with a market cap of Rs 2,376.14 Cr, whereas its peers, namely Keystone Realtors Limited, Godrej Properties Limited, Macrotech Developers Limited, and Suraj Estate Developers Limited, are trading at P/E ratios of ~99x, ~88x, ~62x, and ~42x, respectively.

We assign "Subscribe" rating to this IPO as the company is a leading player and an established developer in, MMR, Maharashtra Also, it is available at reasonable valuation as compared to its peers.

Objectives of the issue

Funding a part of the costs to be incurred in the development of Ongoing Projects (viz. Arkade Nest, Prachi CHSL and C-Unit) (Funding Development Expenses)

Funding acquisition of yet-to-be identified land for real estate projects

General corporate purposes

Company Overview

Arcade Developers Ltd is a real estate development Company concentrating on the development of premium aspirational lifestyle residential premises in Mumbai, Maharashtra.

The company's business can broadly be classified into two categories: (i) development / construction of residential premises on land acquired by Company (New Projects) and (ii) redevelopment of existing premises (Redevelopment Projects).

In FY 24, Redevelopment projects contributed 33.15% and new projects contributed 66.85% to the Revenue.

The company has successfully completed redevelopment of 10 projects in the western suburbs of Mumbai and 1 project in south-central Mumbai (through a partnership firm in which we hold the majority stake) with a combined constructed area of 1 million square feet

As of June 30, 2024, company's upcoming Projects comprise 6 projects in MMR, Maharashtra i.e., 1 New Project, viz., Arkade Rare located in Bhandup and 5 Redevelopment Projects.



Arkade: 2 Decades, 28 Projects, 4.5M Sqm Built

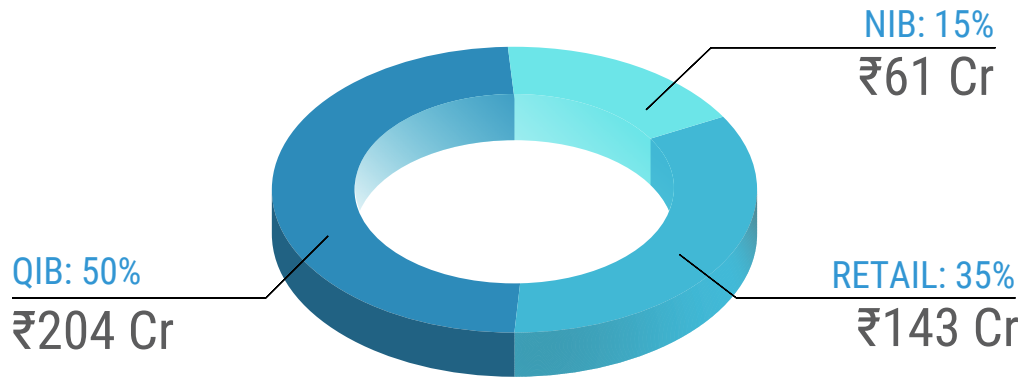
In last 2 decades the company has completed 28 projects including 11 projects on a standalone basis including 2 projects executed through partnership firms in which the Company held a majority stake, 8 projects executed by the promoter through his proprietorship, M/s Arkade Creations, and 9 projects through joint development agreements with other third parties with a total built-up area of more than 4.5 million square meters awarded to more than 4,000 customers.



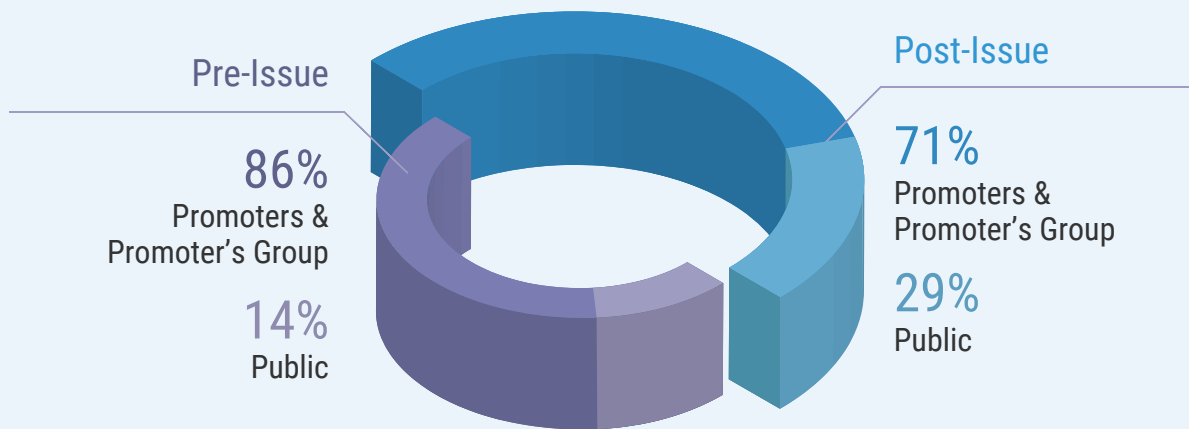
ARKADE DEVELOPERS LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹ Cr.)



188 Cr

Authorised Equity Share Capital



154 Cr

Paid-Up Capital (Pre-Offer)



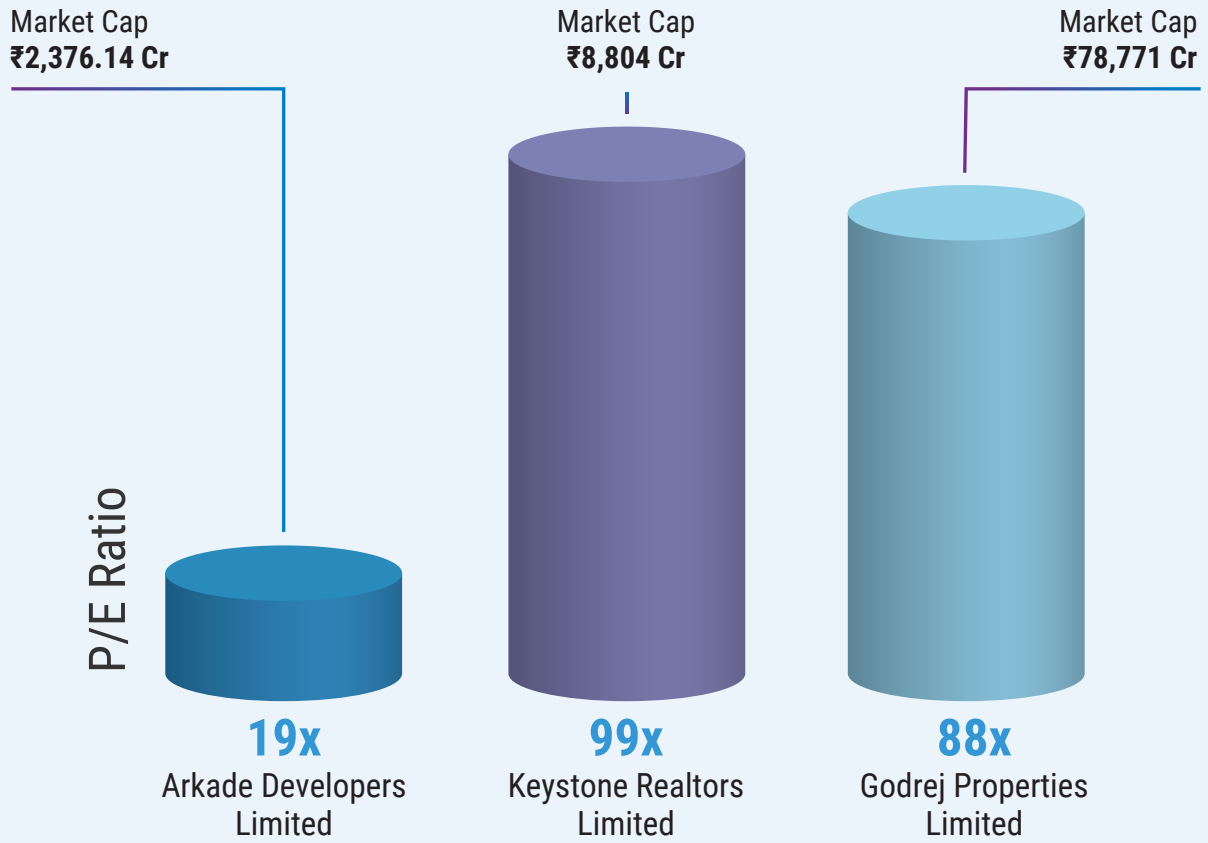
186 Cr

Paid-Up Capital (Post-Offer)



ARKADE DEVELOPERS LIMITED

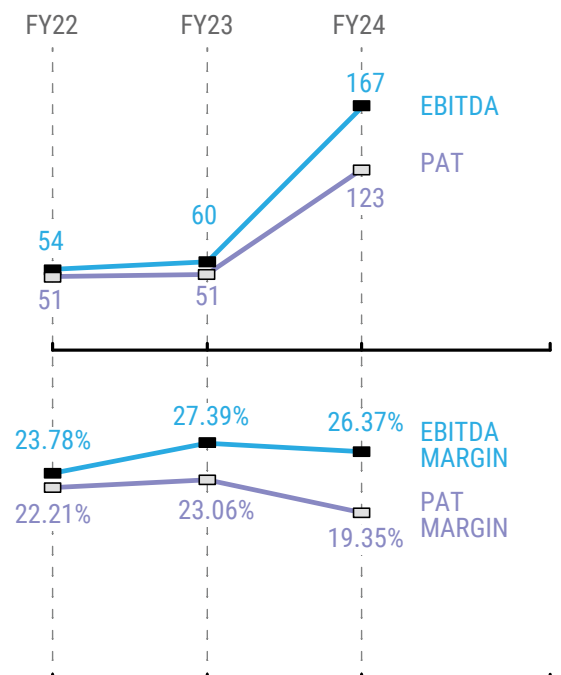
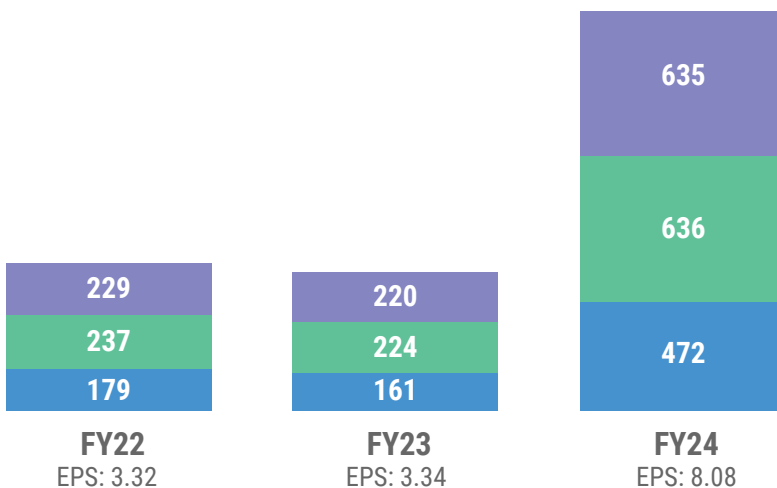
Valuations and Peer Comparison



Market Cap data of listed securities as on September 11, 2024

Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





ARKADE DEVELOPERS LIMITED

Business Insights



Competitive Strengths

- Strategic location of projects in micro-markets of MMR, Maharashtra
- Company is a leading player and amongst top 10 developers in terms of supply in select micro-markets of, and an established developer in, MMR, Maharashtra
- Experienced Promoter and strong and technically proficient management team
- Strong in-house resources
- Timely completion of projects



Business Strategy

- Continue to expand in the eastern region of MMR, Maharashtra
- Moving up the value chain to premium / luxury residential premises
- Continue to focus on blended business model



Risks

- Company may not be able to successfully identify redevelopment projects or identify and acquire suitable land for proposed new projects which may have an adverse impact on business and the growth of Company.
- Inability to complete projects by their expected completion dates or at all could have an adverse effect on business, results of operations and financial conditions.

Promoters and Management Details

Amit Mangilal Jain - Managing Director and Chairman

Arpit Vikram Jain - Whole Time Director

Ketu Amit Jain - Non-Executive Non-Independent Director

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