

Macrotech Developers Ltd (MDL), incorporated as Lodha Developers Pvt Ltd on September 25, 1995, is one of the largest real estate developers in India by residential sales value for FY14-20. Its core business is residential real estate development with a focus on affordable and mid-income housing. Currently, it has residential projects in the MMR and Pune. In 2019, the company had forayed into the development of logistics and industrial parks and entered into a joint venture with ESR Mumbai 3 Pte Ltd. MDL also develops commercial real estate, including as part of mixed-use developments in and around its core residential projects.

## Residential real estate developer with leadership position in attractive MMR region

The Mumbai Metropolitan Region (MMR) is considered the most attractive real estate market in the Top Seven Indian Markets, having the largest share of supply and absorption, and highest average base selling price. In this region, MDL has developed a strong brand and has existing land reserves, industry knowledge and regulatory environment know-how. This, in turn, has aided the company to attain a leadership position in South Central Mumbai, Thane and the Extended Eastern Suburbs micro-markets of the MMR, with the largest share of supply (by units), absorption (by value) and completion (by area) of residential developments.

## Well-established brand with ability to sell at premium pricing

MDL focuses on branded realty and has created strong brands such as 'CASA by Lodha', 'Crown-Lodha Quality Homes', and 'Lodha' for affordable and mid-income housing projects, the 'Lodha' and 'Lodha Luxury' brands for premium and luxury housing projects and the 'iThink', 'Lodha Excelus' and 'Lodha Supremus' brands for office spaces. The strength of MDL's brand and its association is primarily driven by its track record of delivering quality products, with modern amenities and innovative design elements. It leverages its brand presence, customer confidence, track record of successfully delivering projects and superior construction quality to increase sales volumes and also command premium pricing for its products.

## Diversified portfolio across price points, MMR micro markets

MDL has a diversified portfolio of residential developments, spread across price points and micro-markets in the MMR, catering to a wide spectrum of economic and demographic segments, from luxury residences in South Mumbai to large, integrated townships in the extended suburbs offering affordable homes. As of December 31, 2020, 35% of its unsold inventory of residential developments was priced under ₹ 1 crore, 21% was priced between ₹ 1 and ₹ 3 crore, 7% between ₹ 3 and ₹ 5 crore, 22% between ₹ 5 and ₹ 8 crore while 15% was priced above ₹ 8 crore. For 9MFY21, 39% of its residential sales value was obtained through the sale of residential developments that were priced under ₹ 1 crore, 23% between ₹ 1 and ₹ 3 crore, 14% between ₹ 3 and ₹ 5 crore, 11% between ₹ 5 and ₹ 8 crore and 13% priced above ₹ 8 crore.

## Key risks and concerns

- Substantial amount of debt
- Reported a restated loss in 9MFY21; may incur losses in future
- Spread of Covid-19 may affect MDL's operations in near future

## Priced at 3.2x 9MFY21 P/B (fully diluted) on upper band

At ₹ 486, the stock is priced at 9MFY21 P/B on a fully diluted basis.

**LODHA**

MACROTECH DEVELOPERS LIMITED

### Particulars

#### Issue Details

Issue Opens	7th April 2021
Issue Closes	9th April 2021
Issue Size	upto ₹ 2,500 Crore
Issue Type	Fresh Issue
Price Band	₹ 483 - 486
Market lot	30
Face Value	₹ 10

### Shareholding Pattern (%)

	Pre-Issue	Post-Issue
Promoter Group	100.0%	88.5%
Public	0.0%	11.5%

### Objects of issue

Object of the Issue	₹ crore
Reduction of the outstanding borrowings	1,500.0
Acquisition of land or land development rights	375.0
General corporate purposes	remaining

### Research Analyst

Bhupendra Tiwary, CFA  
bhupendra.tiwary@icicisecurities.com

Lokesh Kashikar  
lokesh.kashikar@icicisecurities.com

## Company background

Macrotech Developers (MDL), incorporated as Lodha Developers Pvt Ltd on September 25, 1995, is one of the largest real estate developers in India by residential sales value for FY14-20 (Source: Anarock Report). Its core business is residential real estate development with a focus on affordable and mid-income housing. In 2019, the company forayed into the development of logistics and industrial parks and entered into a joint venture with ESR Mumbai 3 Pte. Ltd, a subsidiary of ESR Cayman Ltd, an Asia Pacific focused logistics real estate platform. The company also develops commercial real estate, including as part of mixed-use developments in and around its core residential projects.

MDL's large ongoing portfolio of affordable and mid-income housing projects include Palava (Navi Mumbai, Dombivali Region), Upper Thane (Thane outskirts), Amara (Thane), Lodha Sterling (Thane), Lodha Luxuria (Thane), Crown Thane (Thane), Bel Air (Jogeshwari), Lodha Belmondo (Pune), Lodha Splendor (Thane) and Casa Maxima (Mira Road). Its affordable and mid-income housing developments accounted for sales of ₹ 1,817.2 crore and ₹ 3,055.3 crore during 9MFY21 and FY20, and constituted 57.78% and 57.77% of total residential sales, respectively. Its premium and luxury housing projects include Lodha Park (Worli), Lodha World Towers (Lower Parel), Lodha Venezia (Parel) and New Cuffe Parade (Wadala). In addition, the company has a few projects under the "Lodha Luxury" brand, which comprise small-scale, high-value developments such as Lodha Altamount (Altamount Road), Lodha Seamount (Walkeshwar) and Lodha Maison (Worli).

As part of its logistics and industrial park portfolio, the company plans to develop a logistics and industrial park in over 800 acres of land near Palava, strategically located near the Jawaharlal Nehru Port, the proposed international airport in Navi Mumbai and the industrial hub of Taloja. Out of this area, ~290 acres is under development as of December 31, 2020, including an 89-acre logistics and industrial park that is being developed in partnership with ESR. Product offerings under this category include built to suit structures, standard structures and land parcels for logistics and industrial clients. In commercial portfolio, its office space projects comprise corporate offices, IT campuses and boutique office spaces, which are concentrated in suburban locations. Retail projects focus on high street retail with shopping and entertainment options for the local community.

As of December 31, 2020, the company has 91 completed projects comprising 77.22 million square feet (mn sq ft) of developable area, of which 59.13 mn sq ft is in the affordable and mid-income housing, 12.15 mn sq ft is in premium and luxury housing, 5.21 mn sq ft is in office space and 0.74 mn sq ft is in retail space. MDL also has 36 ongoing projects comprising 28.78 mn sq ft of developable area, of which 23.57 mn sq ft is in affordable and mid-income housing, 2.80 mn sq ft is in premium and luxury housing, 2.38 mn sq ft is in office space and 0.04 mn sq ft is in retail space and 18 planned projects comprising 45.08 mn sq ft of developable area, of which 35.48 mn sq ft is in affordable and mid-income housing, 2 mn sq ft is in premium and luxury housing, 7.13 mn sq ft is in office space and 0.43 mn sq ft is in retail space, as of December 31, 2020. In the company's logistics and industrial park portfolio, they have an ongoing and planned development of ~290 and 540 acres, as of December 31, 2020, respectively.

## Business Description

MDL's businesses can be classified into:

- a) **Residential portfolio**, consisting of
  - Affordable and mid-income housing projects, and
  - Premium and luxury housing projects
- b) **Logistics and industrial park portfolio**,
- c) **Commercial portfolio**, consisting of:
  - Office projects and
  - Retail projects

**Exhibit 1: Ongoing and planned residential projects**

Projects	Date of land acquisition	Commencement of sale of units	Commencement of handover of units	Time between acquisition and commencement of handover of units
Lodha Belissimo	August-05	March-06	November-11	6.3 years
Lodha Park	November-12	February-13	September-19	6.8 years
Lodha Altamount	December-12	October-15	January-17	4.1 years
Lodha Amara (Phase I)	December-14	July-15	January-18	3.1 years
Lodha Bel Air	December-17	February-18	December 2021*	4.0 years*

Source: ICICI Direct Research, RHP

**Exhibit 2: Ongoing and planned commercial projects**

Particulars	Office		Retail		Total	
	Number of Projects	Leasable Area (mn sq ft)	Number of Projects	Leasable Area (mn sq ft)	Number of Projects	Leasable Area (mn sq ft)
Commercial Projects						
Ongoing Projects	6.0	2.4	7.0	0.0	13.0	2.4
Planned Projects	3.0	7.1	5.0	0.4	8.0	7.6
Total for Commercial Projects	9.0	9.5	12.0	0.5	21.0	10.0

Source: ICICI Direct Research, RHP

**Exhibit 3: Ongoing projects in MMR Region\***



Source: RHP, ICICI Direct Research; \* as of December 31, 2020

## Residential Portfolio

MDL's primary focus has been on the residential portfolio in the belief that there are significant growth opportunities in this portfolio. As of December 31, 2020, the residential portfolio constituted 91.62% of developable area of ongoing projects.

Exhibit 4: Overview of completed and fully sold out residential projects\*

Project Name	Category	Location	Brand	Total Developable area (mn sq ft)	Year of completion	Cumulative Sales during FY20, FY19 and FY18 (₹ in crore)
Dombivali – Others	Affordable and mid-income	Dombivali	Lodha	6.9	2,003	Fully sold out before April 1, 2017
Palava*	Affordable and mid-income	Navi Mumbai- Dombivali	Casa by Lodha, Lodha	8.8	2,014	1,637
Aurum Grande	Affordable and mid-income	Mumbai - Eastern Suburbs	Lodha	0.5	2,016	Fully sold out before April 1, 2017
Lodha Paradise	Affordable and mid-income	Thane	Lodha	1.5	2,005	Fully sold out before April 1, 2017
Majiwada Projects*	Affordable and mid-income	Thane	Lodha	1.4	2,014	2,207
Casa Royale	Affordable and mid-income	Thane	Lodha	0.4	2,016	549
Casa Univis	Affordable and mid-income	Thane	Lodha	1.6	2,016	Fully sold out before April 1, 2017
Lodha Aqua	Affordable and mid-income	Mumbai - Western Suburbs	Lodha	0.8	2,014	25
Lodha Fiorenza	Affordable and mid-income	Mumbai - Western Suburbs	Lodha	0.9	2,016	1,896
Lodha Bellissimo	Premium and luxury	Mumbai Central	Lodha	0.5	2,011	Fully sold out before April 1, 2017
Others	Various	Various	Casa by Lodha, Lodha	5.1	Various	773

Source: ICICI Direct Research, RHP \* as of December 31, 2020

Exhibit 5: Overview of completed and partially sold out residential projects\*

Project / Cluster Name	Category	Location	Brand	Year of Completion	Total units	Total Saleable Area (mn sq ft)	Total units sold	Total Saleable Area sold (mn sq ft)	Total value of the Saleable Area sold as of December 31, 2020 (₹ in crore)	Cumulative Sales during FY20, FY19 and FY18 (₹ in crore)	Total Collections as of December 31, 2020 (₹ in crore)
Palava*	Affordable and mid-income	Navi Mumbai-Dombivali	Casa by Lodha	2,019	24,177	20.8	21,564	18.6	9,325	1,864	9,196
Lodha Altamount#	Premium and luxury	Mumbai – South	Lodha Luxury	2,017	38	0.1	36	0.1	1,474	724	1,456
Lodha Park*	Premium and luxury	Mumbai – Central	Lodha	2,019	1,890	3.5	1,681	3.1	9,251	2,005	8,940
World Towers	Premium and luxury	Mumbai – Central	Lodha	2,020	875	3.2	616	2.2	6,436	1,487	5,846
Lodha Venezia*	Premium and luxury	Mumbai – Central	Lodha	2,017	216	0.3	215	0.3	668	47	667
New Cuffe Parade*	Premium and luxury	Mumbai – Central	Lodha	2017-2019	2,016	3.5	1,691	2.8	4,997	1,486	4,712
Lodha Seamount#	Premium and luxury	Mumbai – South	Lodha Luxury	2,020	36	0.1	25	0.0	344	249	239
Lodha Eternis*	Affordable and mid-income	Mumbai – Western Suburbs	Lodha	2,018	176	0.3	175	0.3	382	110	382
Lodha Belmondo*	Affordable and mid-income	Pune	Lodha	2017-2019	2,767	4.1	2,477	3.8	2,223	594	2,074
Clariant Plot A and C*	Affordable and mid-income	Thane	Casa by Lodha,	2018-2019	4,910.0	4.6	4,483	4.2	41,075	17,226	39,152
Majiwada Projects*	Affordable and mid-income	Thane	Lodha	2,017	204	0.3	199	0.2	2,485	546	2,484
Lodha Splendora*	Affordable and mid-income	Thane	Lodha	2016-2019	1,713	2.1	1,486	1.8	13,953	2,485	13,193

Source: ICICI Direct Research, RHP \* as of December 31, 2020

**Exhibit 6: Overview of completed and partially sold out residential projects\***

Project / Cluster Name	Category	Location	Brand	Year of Completion	Total units	Total Saleable Area (mn sq ft)	Total units sold	Total Saleable Area sold (mn sq ft)	Total value of the Saleable Area sold as of December 31, 2020 (₹ in crore)	Cumulative Sales during FY20, FY19 and FY18 (₹ in crore)	Total Collections as of December 31, 2020 (₹ in crore)
Palava*	Affordable and mid-income	Navi Mumbai-Dombivali	Casa by Lodha	2,019	24,177	20.8	21,564	18.6	9,325	1,864	9,196
Lodha Altamount#	Premium and luxury	Mumbai – South	Lodha Luxury	2,017	38	0.1	36	0.1	1,474	724	1,456
Lodha Park*	Premium and luxury	Mumbai – Central	Lodha	2,019	1,890	3.5	1,681	3.1	9,251	2,005	8,940
World Towers	Premium and luxury	Mumbai – Central	Lodha	2,020	875	3.2	616	2.2	6,436	1,487	5,846
Lodha Venezia*	Premium and luxury	Mumbai – Central	Lodha	2,017	216	0.3	215	0.3	668	47	667
New Cuffe Parade*	Premium and luxury	Mumbai – Central	Lodha	2017-2019	2,016	3.5	1,691	2.8	4,997	1,486	4,712
Lodha Seamount#	Premium and luxury	Mumbai – South	Lodha Luxury	2,020	36	0.1	25	0.0	344	249	239
Lodha Eternis*	Affordable and mid-income	Mumbai – Western Suburbs	Lodha	2,018	176	0.3	175	0.3	382	110	382
Lodha Belmondo*	Affordable and mid-income	Pune	Lodha	2017-2019	2,767	4.1	2,477	3.8	2,223	594	2,074
Clariant Plot A and C*	Affordable and mid-income	Thane	Casa by Lodha,	2018-2019	4,910.0	4.6	4,483	4.2	41,075	17,226	39,152
Majiwada Projects*	Affordable and mid-income	Thane	Lodha	2,017	204	0.3	199	0.2	2,485	546	2,484
Lodha Splendora*	Affordable and mid-income	Thane	Lodha	2016-2019	1,713	2.1	1,486	1.8	13,953	2,485	13,193

Source: ICICI Direct Research, RHP \* as of December 31, 2020

Exhibit 7: Overview of completed and partially sold out residential projects\*

Project / Cluster Name	Category	Location	Total units	Total Saleable Area (mn sq ft)	Total units sold	Total Saleable Area sold (mn sq ft)	Total value of the Saleable Area sold as of December 31, 2020 (₹ in crore)	Cumulative Sales during FY20, FY19 and FY18 (₹ in crore)	Total Collections as of December 31, 2020 (₹ in crore)	Estimated date of completion
New Cuffe Parade	Premium and luxury	Mumbai – Central	347.0	0.5	165.0	0.2	440.7	301.5	297.3	September, 2022
Lodha Venezia	Premium and luxury	Mumbai – Central	219.0	0.4	202.0	0.4	704.3	400.0	559.2	December, 2021
Majiwada Projects	Affordable and mid-income	Thane	851, 2177	0.6, 1.2	652, 1439	0.5, 0.8	459.7, 757.5	437, 479.6	382.5, 241.3	May 2022 - March 2024
Lodha Eternis	Affordable and mid-income	Mumbai – Western	169.0	0.2	43.0	0.1	85.6	70.4	68.3	June, 2023
Lodha Splendor	Affordable and mid-income	Thane	261.0	0.3	89.0	0.1	79.4	78.6	58.6	March, 2024
Lodha Belmondo	Affordable and mid-income	Pune	523.0	0.9	28.0	0.1	36.3	43.7	14.6	December, 2021 - August 2026
Casa Maxima	Affordable and mid-income	Mumbai – Western	665.0	0.6	663.0	0.5	414.2	414.5	343.9	May, 2022
Palava	Affordable and mid-income	Navi Mumbai-Dombivali	7934, 1144, 333	6.7, 0.8, 0.6	2845, 295, 302	2.4, 0.2, 0.5	1406.6, 107.8, 314.6	1313.3, 71.3, 260.4	1034.5, 34.3, 285.9	July, 2022- November 2025
Lodha Vista	Premium and luxury	Mumbai – Central	123.0	0.1	42.0	0.1	115.9	13.1	24.2	June, 2024
Lodha Park	Premium and luxury	Mumbai – Central	679, 12	1.5, 0.1	200, 2	0.4, 0.01	1337.2, 48	727.4, 0	1222.9, 5.5	June, 2021- January 2024
Clariant Plot A and C	Affordable and mid-income	Thane	3709, 342	3.5, 0.6	1267, 37	1.2, 0.07	1113.1, 172.2	852.2, 172.2	613.9, 1	June, 2022 to March 2025
Lodha Upper, Thane	Affordable and mid-income	Thane	6,344.0	5.6	3,073.0	2.8	327.1	1,679.4	1,516.5	September 2023
Lodha Global Park	Affordable and mid-income	Dombivali	82.0	0.1	27.0	0.0	5.5	10.5	2.4	June, 2022
Lodha Panacea	Affordable and mid-income	Dombivali	616.0	0.6	400.0	0.3	21.6	112.4	60.2	June, 2023
Lodha Primo	Premium and luxury	Mumbai – Central	129.0	0.2	99.0	0.1	3.0	278.3	243.9	April, 2023
Lodha Villa Royale	Affordable and mid-income	Thane	99.0	0.3	26.0	0.1	7.3	-	4.6	December, 2025
Lodha Bel Air	Affordable and mid-income	Mumbai – Western	836.0	1.0	497.0	0.6	33.9	744.3	550.6	April, 2023

Source: ICICI Direct Research, RHP \* as of December 31, 2020

Exhibit 8: Planned residential projects\*

Project Name	Category	Location	Total Saleable Area (mn sq ft)
Palava Phase II Balance	Affordable and mid-income	Navi Mumbai- Dombivali	20.9
Upper Thane Balance	Affordable and mid-income	Thane	9.4
Clariant Plot A & C	Affordable and mid-income	Thane	2.9
Lodha Villa Royale	Affordable and mid-income	Thane	1.5
Majiwada Projects	Affordable and mid-income	Thane	0.4
Mira Road Plot 2	Affordable and mid-income	Mumbai- Western Suburbs	0.2
Lodha Belmondo Balance	Affordable and mid-income	Pune	0.3
New Cuffe Parade - Tower I	Premium and luxury	Mumbai- Central	1.1
Tardeo	Premium and luxury	Mumbai – South	0.3
Prabhadevi	Premium and luxury	Mumbai – Central	0.4
Malabar Hill- Sea face*	Premium and luxury	Mumbai – South	0.2
Mirador- Napean Sea Road *	Premium and luxury	Mumbai – South	0.0

Source: RHP, ICICI Direct Research; \* as of December 31, 2020

## Logistics and industrial park

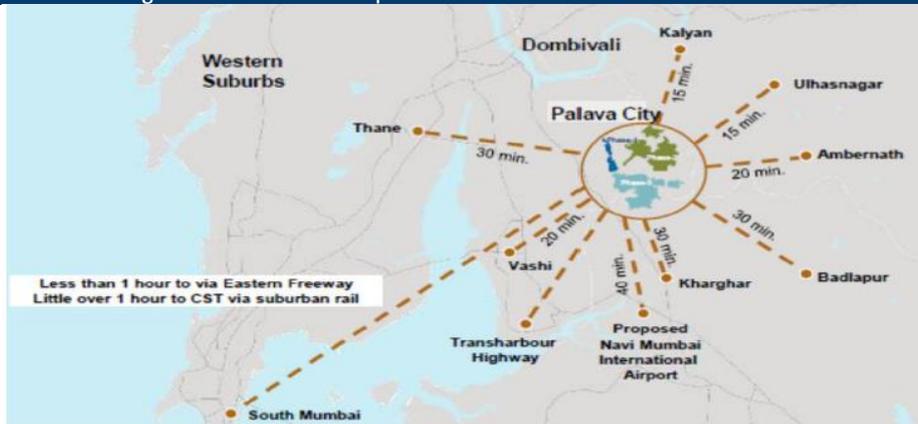
MDL plans to develop a logistics and industrial park in over 800 acres near Palava. Out of this area, ~290 acres is under development as of December 31, 2020 as an ongoing project, including an 89-acre logistics and industrial park that is being developed in partnership with ESR while ~540 acres is categorised as a planned project. The product offerings include built to suit structures, standard structures and land for logistics and industrial clients for manufacturing, warehousing and data centre space.

The park has several strategic advantages:

- The park is strategically located near Mumbai city, Jawaharlal Nehru Port, the proposed international airport in Navi Mumbai and the industrial hub of Talaja
- The park is being developed in Palava, which will have an advantage of having a clean land title. Also, it offers an ecosystem of a fully integrated and planned city, with options for housing, offices, education, healthcare and retail, among others

As of December 31, 2020, MDL entered into agreements for sub-lease with entities like Kattera, a US based construction materials company and Swegon Blue Box Pvt Ltd, a Swedish cooling systems manufacturer engaged in managing indoor environment quality. Additionally, the company has entered into a non-binding term sheet with a subsidiary of an affiliate of Morgan Stanley Real Estate Investing, for the entity to infuse up to 75% of capital via optionally convertible debentures to be issued by Subsidiary, Palava Induslogic 2 Pvt Ltd, in connection with developing an industrial park on ~130 acres of land at Palava. The termsheet is subject to the said land being transferred by the company to Induslogic at a consideration value of ₹ 334.6 crore (including stamp duty). On March 23, 2021, the company entered into an agreement to sell 30.7 acres of land at Palava Industrial and Logistics Park 1, Usatane, District Thane for a total consideration of ₹ 106.2 crore, to Bati Mumbai Pvt Ltd for developing warehouses and/or industrial buildings.

Exhibit 9: Logistics and industrial park location\*



Source: RHP, ICICI Direct Research

## Commercial Portfolio

MDL currently undertakes office and retail developments under the commercial portfolio and has completed commercial projects with a leasable area of 5.95 mn sq ft, as of December 31, 2020.

**Exhibit 10: Overview of completed (fully sold) office projects**

Project Name	Location	Leasable Area (mn sq ft)	Year of completion
iThink-Simtools	Thane	1.0	2,012
New Cuffe Parade, CT 1	Mumbai - Central	0.8	2,019
Lodha Supremus 2	Thane	0.6	2,014
iThink-Kanjurmarg	Mumbai- Eastern Suburbs	0.6	2,008
Lodha Excelus	Mumbai Central	0.5	2,010
Lodha Supremus (Powai)	Mumbai- Eastern Suburbs	0.2	2,015
Lodha Supremus – Kanjurmarg	Mumbai- Eastern Suburbs	0.2	2,014
Lodha Supremus (Srinivas)	Mumbai - Central	0.2	2,014
Lodha Supremus - Thane	Thane	0.2	2,016
Lodha Supremus (Geeta Cinema)	Mumbai Central	0.1	2,012

Source: RHP, ICICI Direct Research; \* as of December 31, 2020

**Exhibit 11: Overview of completed (partially sold and/or leased), ongoing, planned office projects, under 'iThink', 'Lodha Excelus' brands**

Project Name	Location	Brand	Status	Leasing/sales status	Total Leasable Area	Estimated date of completion
Palava Phase I - iThink A Campus	Navi Mumbai- Dombivali	iThink	Completed	93% leased	0.2	Completed
Palava Phase I - iThink B Campus	Navi Mumbai- Dombivali	iThink	Completed	Leasing not started	0.1	Completed
Palava Phase II - iThink 1 Campus	Navi Mumbai- Dombivali	iThink	Ongoing	Leasing not started	0.4	August, 2021
Palava Phase II - iThink Campus	Navi Mumbai- Dombivali	iThink	Planned	Leasing not started	6.6	The project is in planning stage
Clariant (Plot B) - iThink Block A	Thane	iThink	Completed	56% leased	0.4	Completed
Clariant (Plot B) -iThink Block C	Thane	iThink	Ongoing	Leasing not started	0.5	March, 2022
New Cuffe Parade CT3/CT4	Mumbai - Central	Excelus	Planned	Leasing not started	0.4	The project is in planning stage
One Lodha Place: Exelus	Mumbai - Central	Excelus	Ongoing	Leasing not started	0.8	September, 2022

Source: ICICI Direct Research, RHP \* as of December 31, 2020

**Exhibit 12: Completed (partially sold), ongoing, planned office projects, under 'Lodha Supremus' brand, as of December 31, 2020**

Project Name	Location	Status	Total Leasable Area (mn sq ft)	Total Leasable Area sold	Value of the Leasable Area sold as of December 31, 2020 (₹ in crore)	Total Collections as of December 31, 2020 (₹ in crore)	Estimated date of completion
Lodha Supremus- Clariant	Thane	Completed	0.3	0.2	154.8	97.8	Completed
Palava iThink B (Supremus portion)	Navi Mumbai- Dombivali	Completed	0.0	0.0	26.5	5.4	Completed
Lodha Supremus- Andheri	Mumbai- Western Suburbs	Ongoing	0.2	0.1	73.8	48.4	February, 2022
Lodha Supremus- New Cuffe Parade	Mumbai - Central	Ongoing	0.3	0.0	65.9	21.8	September, 2023
One Lodha Place - Supremus	Mumbai - Central	Ongoing	0.3	0.2	430.4	323.1	September, 2022
Clariant Plot C Supremus	Thane	Planned	0.1	-	-	-	The project is in planning stage

Source: ICICI Direct Research, RHP \* as of December 31, 2020

## Retail projects

MDL's retail projects focus on high street retail with shopping and entertainment options for the local community.

### Exhibit 13: Overview of the company's completed, ongoing, planned retail projects

Project name	Location	Status	Total Leasable Area (mn sq ft)	Estimated date of completion (for ongoing projects)
Xperia Mall	Navi Mumbai - Dombivali	Completed	0.4	Completed in 2016
Xperia Mall extension	Navi Mumbai - Dombivali	Planned	0.1	The project is in planning stage
High Street Retail	Navi Mumbai - Dombivali	Completed	0.1	Completed in 2020
High Street Retail	Navi Mumbai - Dombivali	Planned	0.1	The project is in planning stage
Retail (Amara)	Thane	Ongoing	0.0	2022
Park F&B Retail	Mumbai –Central	Completed	0.1	Completed in 2020
Park Mall	Mumbai –Central	Planned	0.3	The project is in planning stage
World Towers Retail*	Mumbai –Central	Completed	0.0	Completed in 2020
New Cuffe Parade Retail*	Mumbai – Central	Completed	0.0	Completed in 2020
Lodha Boulevard (Thane)	Thane	Completed	0.1	Completed in 2012

Source: ICICI Direct Research, RHP \* as of December 31, 2020

## Investments in United Kingdom

MDL has investments in Central London, United Kingdom, through Lodha Developers UK Ltd and its subsidiaries in two projects viz. Lincoln Square and Grosvenor Square aggregating to £208 million (net of provisions) including interest accrued over the period and excluding funds raised through issuance of bond. Both projects have repaid their respective construction finance loans and have currently availed of inventory finance.

### Exhibit 14: Operational, financial performance of projects in UK

Cumulative Performance	Lincoln Square	Grosvenor Square	Total
Units sold (in numbers)	188	12	200
Area sold (in sq ft)	1,61,276	48,282	2,09,558
Sales (£ in crore) (a)	38.1	30.4	68.5
Amount collected (£ in crore) (b)	34.8	28.8	63.6
Pending collections (£ in crore) (c) = (a) - (b)	3.3	1.6	4.9
Average price realised since inception (£ per sq ft)	2,333	6,289	N.A.
Area unsold (in sq ft)	44,636	1,13,460	1,58,096
Net debt outstanding including accrued and unpaid interest (£ in crore)	7.9	32.3	40.2

Source: RHP, ICICI Direct Research

## Key Business Processes

MDL has established a systematic process for land identification, feasibility and acquisition, designing and planning, project execution and customer marketing.

### Land identification, feasibility, acquisition

MDL has developed specific procedures to identify land that is suitable for its needs and performs ongoing market research to determine the demand for residential properties. The land acquisition process is overseen by its business development team along with inputs from senior management. The process of land acquisition begins with the identification of appropriate locations focused on locations and based on the assessment report prepared and market data. Other determining factors include a site's accessibility from nearby roads and major thoroughfares and the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems. The company also considers the feasibility of obtaining required governmental licenses, permits and authorisations and adding necessary improvements and infrastructure, including sewage works, roads and electricity against a purchase price that will maximise margins. Land can be acquired through auctions in the market by bidding in the auction or directly through negotiations with the seller. It can also be acquired through acquisition, joint ventures or joint development right arrangements with companies that hold the land parcels.

### Design and planning

MDL coordinates with international and national design firms and architects for projects. The planning team is responsible for budgeting, planning, contracting and tracking the execution of projects. In addition, the company also engages other external consultants for planning the projects. The work performed by these third parties must comply with specifications. The company emphasises the use of advanced technologies such as computer aided design software to ensure optimisation of costs and space.

### Customer marketing and sales

MDL begins its project development process by conceptualising the type and scale of property development to be undertaken. Its first step is to assess the nature of the project contemplated and the price at which the proposed property is likely to sell, given target customer groups for a project of that particular type and location. The marketing team is divided into four major cells, namely brand management, customer and market insights, digital marketing and media management. The company carried out several digital media led branding campaigns on account of the disruption caused by the Covid-19 pandemic. In terms of advertising, MDL advertise across all wide-reaching mediums, such as print, television, radio, magazines, digital, content, out-of-home hoardings, and ambient (non-traditional), along with specific media for focused advertising such as mall activations, in-cinema, retail branding and mailers. The company sells apartments using direct sales teams and through channel partners. MDL also has teams, which are focused on outstation markets and NRI clients. The sales team is divided into various verticals, viz. pre-sales (in-house tele-callers), easy lease (potential buyers residing at developments on rent), corporate sales, loyalty sales and outstation and NRI sales. The company also have an extensive distribution network of 1,745 channel partners, as of December 31, 2020.

### Competition

The real estate development industry in India, while fragmented, is highly competitive. The competitors include real estate developers such as Godrej Properties, Oberoi Realty, Piramal Realty Pvt Ltd, DLF, Prestige Estates Projects, Wadhwa Group Holdings Pvt Ltd, Dosti Realty, Hiranandani Developers Pvt Ltd, L&T Realty, Rustomjee Builders Pvt Ltd and Tata Housing Development Company Ltd.

## Competitive Strength

### One of India's largest residential real estate developers with leadership position in attractive MMR market

The MMR is considered the most attractive real estate market in the Top Seven Indian Markets, having the largest share of supply and absorption, as well as the highest average base selling price, of residential units from 2016 to 2020. The MMR region has significant depth of demand for real estate developments across price points. Also, the MMR real estate market has high barriers to entry due to limited land availability, high prices of land and knowledge of the regulatory and approval processes required for developing a project.

As a result of MDL's strong brand, existing land reserves, industry knowledge and regulatory environment know-how in the MMR, the company has attained a leadership position in South Central Mumbai, Thane and the Extended Eastern Suburbs micro-markets of the MMR, with the largest share of supply (by units), absorption (by value) and completion (by area) of residential developments, among the five largest developers in the respective micro-market, from 2015 to 2020. In addition, MDL has a strong presence in the Extended Western Suburb micro-market of MMR, with the second largest share of absorption (by value) and the fifth largest share of supply (of units) of residential developments, among the five largest developers in the respective micro-market, from 2015-20.

### Well-established brand with ability to sell at premium pricing, throughout construction phase

The strong and recognisable brand is a key attribute in the real estate industry, since it increases customer confidence, influences buying decision and helps target premium pricing for products. Likewise, MDL focuses on branded realty having brands such as "CASA by Lodha", "Crown-Lodha Quality Homes", and "Lodha" for affordable and mid-income housing projects, the "Lodha" and "Lodha Luxury" brands for premium and luxury housing projects and the "iThink", "Lodha Excelus" and "Lodha Supremus" brands for office spaces. The company believes the strength of MDL's brand and its association with trust, quality and reliability is primarily driven by its track record of delivering quality products, with modern amenities and innovative design elements and landscapes. Additionally, MDL has increased its brand recall through celebrity endorsements and by collaborating with luxury designers. As a result, its brand reputation enables it to sell throughout the construction phase of the projects. The company typically aims to sell over 80% of the saleable area of a project during the construction phase. The company leverages its brand presence, customer confidence, track record of successfully delivering projects and superior construction quality to increase sales volumes and also command premium pricing for its products vis-à-vis other projects in the respective micro-markets.

**Exhibit 15: Affordable, mid income housing projects**

<b>Project Name</b>	<b>Total saleable area (mn sq ft)</b>	<b>Saleable Area sold, as of December 31, 2020</b>	<b>% of Saleable Area sold, as of December 31, 2020</b>	<b>Saleable Area sold prior to the receipt of the OC (mn sq ft)</b>	<b>% of Saleable Area sold prior to the receipt of the OC</b>
<b>Affordable and mid-income housing projects</b>					
Palava	20.8	18.6	0.9	15.0	0.7
Clariant Plot A and C	4.6	4.3	0.9	3.3	0.7
Lodha Splendor	2.1	1.8	0.8	1.2	0.6
Lodha Belmondo	4.1	3.8	0.9	2.4	0.6
Majiwada Projects	0.3	0.2	1.0	0.2	0.6
Lodha Eternis	0.3	0.3	1.0	0.3	1.0
<b>Luxury and premium housing</b>					
New Cuffe Parade	3.5	2.8	0.8	2.8	0.8
Lodha Venezia	0.3	0.3	1.0	0.3	1.0
Lodha Park	3.5	3.1	0.9	2.8	0.8
World Towers	3.2	2.2	0.7	1.7	0.5
Lodha Seamont	0.1	0.0	0.7	0.0	0.6
Lodha Altamount	0.1	0.1	1.0	0.1	0.4
<b>Total</b>	<b>42.9</b>	<b>37.4</b>	<b>0.9</b>	<b>30.0</b>	<b>0.7</b>

Source: ICICI Direct Research, RHP \* as of December 31, 2020

**Proven end-to-end execution capabilities with continuous innovation, ability to deliver projects at competitive cost**

MDL has adopted an integrated real estate development model, with capabilities and in-house resources to carry out a project from its initiation to completion. Its business development team scouts for land in strategic locations with good development prospects and clean titles and focuses on acquiring them at competitive prices. The design team innovates and designs products with focus on integrated developments across several price points. They also work closely with external consultants to drive improvements in the products design. The liaison team works in close coordination with civic authorities and has the requisite knowledge of the process and requirements for obtaining the necessary regulatory approvals in a timely manner. The construction management team ensures efficient, rapid construction and completion of its projects. The quality assurance team ensures the quality construction. The procurement team works with Indian and overseas vendors to procure construction materials and equipment. As a result, the company has been able to develop its projects at a competitive cost as well as create value for future projects through efficient supply chain, which enables it to benefit from economies of scale. The table below shows select examples that demonstrate MDL’s execution strength and its ability to quickly monetise land parcels:

**Exhibit 16: Key Milestone**

<b>Projects</b>	<b>Date of land acquisition</b>	<b>Commencement of sale of units</b>	<b>Commencement of handover of units</b>	<b>Time between acquisition and commencement of handover of units</b>
Lodha Bellissimo	August-05	March-06	November-11	6.3 years
Lodha Park	November-12	February-13	September-19	6.8 years
Lodha Altamount	December-12	October-15	January-17	4.1 years
Lodha Amara (Phase I)	December-14	July-15	January-18	3.1 years
Lodha Bel Air	December-17	February-18	December 2021*	4.0 years*

Source: ICICI Direct Research, Company

MDL's average completed developable area has increased from 5.6 mn sq ft (of which 5.2 mn sq ft is attributed to affordable and mid-income housing) over FY14-16 to 10.9 mn sq ft (of which 7.7 mn sq ft is attributed to affordable and mid-income housing) over FY17-20:

#### Exhibit 17: Completed developable area

Period	Completed Developable Area (mn sq ft)
Up to Financial Year 2013	16.8
Financial Year 2014	4.3
Financial Year 2015	5.9
Financial Year 2016	6.8
Financial Year 2017	7.8
Financial Year 2018	13.8
Financial Year 2019	6.4
Financial Year 2020	15.7
April 1, 2020 to December 31, 2020	0.06*
<b>Total</b>	<b>77.2</b>

Source: RHP, ICICI Direct Research

### Highly diversified portfolio across price points, micro-markets in MMR with focus on affordable, mid-income housing

MDL has a diversified portfolio of residential developments, spread across price points and micro-markets in MMR, catering to a wide spectrum of economic and demographic segments, from luxury residences in South Mumbai to large, integrated townships in the extended suburbs offering affordable homes. In affordable and mid-income housing, the company has introduced one or more high-quality amenities, such as a large swimming pool, a private movie theatre, a cricket ground, a football stadium and an indoor swimming pool, and has developed projects such as Amara (Thane), Lodha Sterling (Thane), Lodha Luxuria (Thane), Crown Thane (Thane), Bel Air (Jogeshwari), Lodha Belmondo (Pune), Lodha Splendor (Thane) and Casa Maxima (Mira Road). It is developing large townships in Palava (Navi Mumbai, Dombivali Region) and Upper Thane (Thane outskirts). As of December 31, 2020, 35% of its unsold inventory of residential developments was priced under ₹ 1 crore, 21% was priced between ₹ 1 and ₹ 3 crore, 7% between ₹ 3 and ₹ 5 crore, 22% between ₹ 5 and ₹ 8 crore while 15% was priced above ₹ 8 crore. For 9MFY21, 39% of its residential sales value was obtained through sale of residential developments that were priced under ₹ 1 crore, 23% priced between ₹ 1 and ₹ 3 crore, 14% between ₹ 3 and ₹ 5 crore, 11% between ₹ 5 and ₹ 8 crore and 13% priced above ₹ 8 crore.

### Significant inventory of completed, ready-to-move units

Residential customers in India have started to prefer ready-to-move homes while the Covid-19 pandemic has further accentuated this trend. As of December 31, 2020, MDL had ~5.5 mn sq ft of ready-to-move inventory of residential projects in India, which accounted for 29.6% of total unsold residential inventory, by area. The company believes that such inventory status positions them as one of the few real estate developers in India with a diverse portfolio of ready-to-move homes, enabling them to cater to the requirements of residential customers preferring such homes. As of December 31, 2020, 18% of its ready-to-move inventory of residential developments were priced under ₹ 1 crore, 11% priced between ₹ 1 and ₹ 3 crore, 11% between ₹ 3 and ₹ 5 crore, 25% between ₹ 5 and ₹ 8 crore and 35% priced over ₹ 8 crore. During 9MFY21 and FY20, the company sold 1.6 mn sq ft, 2.6 mn sq ft of ready-to-move inventory, which represented 58% and 51% of residential sales from India operations, respectively.

## Unique ability to develop townships, generate recurring operating cash flows from them

MDL has the ability to identify land, acquire it at competitive cost, aggregate it from several landowners and design a master plan to develop township projects. Upon development of the townships, government agencies develop the surrounding infrastructure such as enhancing road and railway connectivity to improve the standard of living for the residents of the townships. Currently, the company is developing large townships in Palava (Navi Mumbai, Dombivali Region) and Upper Thane (Thane outskirts) under affordable and mid-income housing projects. MDL believes that its ability to develop such townships, coupled with the strength of brand and innovative sales and marketing strategies will help them drive sales volumes and generate recurring operating cash flows.

## High quality management team

MDL is organised as a matrix organisation, with its businesses organised by business units headed by CEOs and functions serving the regions in their respective areas of expertise. Its Board of Directors comprises eminent individuals with significant experience across various industries and functions. MD and CEO, Abhishek M Lodha, has in-depth industry knowledge and extensive managerial experience in the real estate development business. Its leadership team comprises experienced professionals, having relevant functional expertise across different industries and who are instrumental in implementing business strategies.

The leadership team is assisted by a strong senior-level management team of ~85 executives, as of December 31, 2020, heading various functions and units of business, such as business development and liaison, planning, procurement, construction management, marketing, sales, strategy, human resources, accounts, finance and legal. Additionally, several members of the leadership team have spent significant time with the company, highlighting its ability to retain high quality talent. The company also have a retention strategy for its key employees, including short-term and long-term incentives and housing benefit plans. The strength of the management team and its understanding of the real estate market in India is expected to enable them to continue to take advantage of current and future market opportunities.

## Strategies

### Focus on enhancing leadership position in residential developments by growing in MMR, gradually diversifying in select tier-1 Indian cities

MDL believes Mumbai's position as the commercial and financial capital of India, along with the depth of real estate developments across asset classes and categories, provides it with a significant opportunity to market its projects. Additionally, its market leadership, industry knowledge and know-how of the regulatory environment in MMR would enable it to benefit from the expected increase in real estate demand. The company also expects to benefit from the expected consolidation in the real estate industry as small developers and landowners seek to collaborate with branded developers. Further, the company intends to use its primary expertise to expand into and identify additional residential development opportunities, with focus on affordable and mid-income housing, in select micro-markets in the MMR such as the Western Suburbs (Bandra to Virar), Eastern Suburbs (Ghatkopar to Mulund) and Navi Mumbai, and to build a strong presence. This is likely to increase its market share in the MMR. In addition to its focus on the MMR market, the company intends to evaluate and pursue growth opportunities in residential developments in select tier-1 Indian cities such as Pune, Hyderabad, Bengaluru and the NCR with a vision to replicate its success in the MMR, using a business approach that is light on capital investments.

### Leverage leadership position to act as partner of choice for landowners, grow using joint development/joint venture approach

MDL intends to leverage its brand and leadership position to grow business by entering into joint development agreements or joint ventures with landowners and other smaller developers. The company believes that on account of the limited availability of financing to small developers and landowners, coupled with an increasing shift in consumer preferences towards branded developments, small developers and landowners are seeking to collaborate with branded developers. Such an approach is likely to make the company more capital efficient and reduce upfront land acquisition costs. MDL intends to follow this strategy in the MMR, especially in micro-markets where it has a limited presence. Also, the company intends to use this model to grow in other tier-1 India cities such as Pune, Hyderabad, Bengaluru and the NCR.

### Pursue value-accretive land acquisition strategy

MDL intends to continue to evaluate and acquire strategically located parcels of land at competitive prices while ensuring a disciplined capital structure with the goal of maximising returns and developing a robust pipeline of projects in the MMR as well as select tier-1 Indian cities. Generally, the company focuses on acquiring land parcels of select size, which can be completed in one or two phases and have a typical completion timeline of four years (single phase) to seven years (two phases). Further, its focus on land parcels is higher where the lead-time between acquisition of land parcels and the launch of the project is short. MDL has identified key locations where it intends to grow in such markets through land acquisitions as well as joint development or joint venture approach. For example, the company had acquired a land parcel in Jogeshwari, Mumbai because it had identified the western suburbs as a key location. MDL completed the acquisition of this land parcel in December 2017 and launched sales in February 2018. The company will continue to look for strategic lands to acquire and select an optimal, capital-efficient and value-accretive land acquisition strategy.

## Develop large-scale industrial parks

MDL plans to develop a logistics and industrial park of over 800 acres near Palava, which is strategically located near Jawaharlal Nehru Port, the proposed international airport in Navi Mumbai and the industrial hub of Talaja. Out of this area, ~290 acres is under-construction, as of December 31, 2020. In this location, its product offerings include built to suit structures, standard structures and land for logistics and industrial clients for manufacturing, warehousing and data centre space. To successfully execute this strategy, the company has organised the development of this project as a separate business unit with a dedicated team and set up a business facilitation office to obtain statutory approvals and permits in a quick and efficient manner. As of December 31, 2020, the company has entered into agreements for sub-lease with entities such as Kattera, a US based construction materials company and Swegon Blue Box Pvt Ltd, a Swedish cooling systems manufacturer engaged in managing indoor environment quality. With several government and private initiatives, MDL intends to capitalise on the growing demand for warehousing and logistics as well as industrial developments as a result of the growth of the e-commerce sector in India and expand into other locations in India.

## Focus on development of commercial projects as part of mixed-use developments

MDL intends to continue to focus on the development of commercial spaces as part of large mixed-use developments to create value through complimentary asset classes. The company believes infrastructure constraints and a growing trend towards a 'walk-to-work' culture, which has accentuated during the Covid-19 pandemic, would drive demand for integrated mixed-use developments and increase the sales volumes of residential developments. MDL develops commercial projects across various formats, focusing on the target clientele for each location. For example, the company has developed city-centric front office spaces under "Lodha Excelus" brand, campus style back offices focused on the IT and ITeS sector under "iThink" brand and boutique offices for SMEs under "Lodha Supremus" brand. MDL has also focused on developing high street retail projects such as "Xperia" and creating food-and-entertainment-led destinations. It is developing Palava into a vibrant ecosystem by delivering affordable commercial areas with high quality infrastructure. As of December 31, 2020, the company has ~9.51 mn sq ft of ongoing and planned office space projects (of which ~7.83 mn is in suburban locations and ~1.68 mn is in city-centric locations) while 0.46 mn sq ft of ongoing and planned retail projects are across several micro-markets of the MMR. Upon completion of such projects, MDL intends to monetise these assets while retaining significant minority stake as well as management and maintenance of these assets.

## Key risks and concerns

### Substantial amount of debt

As of December 31, 2020, MDL had ₹ 18662.2 crore of aggregate outstanding borrowings on a consolidated basis, of which ₹ 18497.6 crore was secured indebtedness and ₹ 164.6 crore was unsecured indebtedness. The indebtedness could have important consequences including a) its ability to satisfy obligations financing agreements may be limited, b) substantial portion of cash flow from operations used to pay interest on indebtedness, c) ability to obtain additional financing for working capital, capital expenditure or general corporate purposes may be impaired and d) indebtedness could place the company at a competitive disadvantage compared to its competitors that may have proportionately less debt.

### Reports restated loss in 9MFY21; may incur losses in future

MDL has a restated loss of ₹ 264.3 crore for 9MFY21. The company may incur losses in future, which may adversely affect the market price of equity shares, restrict ability to pay dividends and impair its ability to raise capital and expand businesses.

### Unable to successfully identify, acquire suitable land or development rights

MDL's ability to identify suitable parcels of land for development is a vital element of growing business and involves certain risks, including identifying land with clean titles and at locations that are preferred by target customers. Failure to acquire such parcels of land may cause a delay or force it to abandon or modify development of land, which may result in a failure to realise profit on initial investment and can also affect assessment of the developable area of land reserves. Also, any decision based on inaccurate, incomplete or outdated information may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect business and growth prospects.

### Spread of Covid-19 may affect operations in future

During H1CY20, Covid-19 spread to a majority of countries across the world, including India. The Covid-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organisations have revised GDP growth forecasts downward in response to the economic slowdown caused by the spread of Covid-19. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the Covid-19 pandemic, as well as possible future responses by the government, which makes it impossible to predict with certainty the impact that Covid-19 will have on business and operations in future. The Covid-19 pandemic has affected and may continue to affect MDL's business, results of operations and financial conditions.

## Financial Summary

Exhibit 10: Profit & loss statement		(₹ crore)			
₹ crore	FY18	FY19	FY20	9MFY21	
<b>Total Operating Income</b>	<b>13,527.2</b>	<b>11,907.0</b>	<b>12,442.6</b>	<b>2,915.0</b>	
Material Consumed	8,908.5	7,378.0	9,550.0	2,052.4	
Employee benefit expenses	493.0	389.9	390.4	201.5	
Other Expenses	836.1	972.1	581.9	97.6	
Total Operating Expenditure	10,237.5	8,739.9	10,522.3	2,351.4	
<b>EBITDA</b>	<b>3,289.7</b>	<b>3,167.0</b>	<b>1,920.3</b>	<b>563.6</b>	
<i>EBITDA Margins (%)</i>	<i>24.3</i>	<i>26.6</i>	<i>15.4</i>	<i>19.3</i>	
Depreciation	397.9	194.4	306.4	56.4	
Other Income	199.4	71.9	118.4	245.5	
Interest	381.6	555.6	731.5	811.0	
Share of Profit/ (Loss) in Joint Ventures ( Net of Tax )	-	-	(0.0)	(0.3)	
PBT	2,709.5	2,488.9	1,000.7	(58.6)	
Taxes	920.1	844.9	261.5	(257.0)	
Extraordinary Items	-	-	6	(463)	
<b>PAT before Minority Interest</b>	<b>1,789.4</b>	<b>1,644.0</b>	<b>744.8</b>	<b>(264.3)</b>	
Less: Minority Interest	4	-	-	-	
<b>PAT</b>	<b>1,785.5</b>	<b>1,644.0</b>	<b>744.8</b>	<b>(264.3)</b>	
<b>EPS (₹)</b>	<b>45.1</b>	<b>41.3</b>	<b>18.5</b>	<b>(6.8)</b>	

Source: RHP, ICICI Direct Research

Exhibit 11: Balance Sheet		(₹ crore)			
₹ crore	FY18	FY19	FY20	9MFY21	
Equity Capital	395.9	395.9	395.9	395.9	
Reserve and Surplus	1,823.2	3,445.1	4,156.4	3,891.0	
<b>Total Equity</b>	<b>2,219.0</b>	<b>3,841.0</b>	<b>4,552.3</b>	<b>4,286.9</b>	
<b>Total Debt</b>	<b>22,600.4</b>	<b>23,362.3</b>	<b>18,414.2</b>	<b>18,633.5</b>	
Other Long Term Liabilities	239.7	219.6	406.3	416.4	
Minority Interest	35.9	534.8	519.2	525.3	
Deferred Tax liability	-	0.0	0.1	0.0	
Long Term Provisions	24.8	26.2	17.7	17.5	
<b>Total Liabilities</b>	<b>25,119.9</b>	<b>27,984.0</b>	<b>23,909.7</b>	<b>23,879.6</b>	
<b>Assets</b>					
Net Block	1,285.3	1,282.7	1,185.1	1,136.4	
Net Intangibles	750.5	662.7	547.7	547.2	
CWIP	5.9	6.3	6.3	6.3	
Investment Property	199.0	193.3	288.2	281.4	
Deferred Tax Assets	1,103.3	320.6	93.6	408.4	
Non-current Investments	135.5	135.5	262.6	275.7	
Long-term loans and advances	45.5	194.5	4,256.0	3,702.1	
Other non-current assets	263.7	417.8	565.5	487.0	
Current Investments	1,248.6	1,269.4	1,290.4	1,298.4	
Inventories	39,163.5	41,512.4	29,031.4	29,200.1	
Sundry Debtors	734.0	484.3	794.3	650.2	
Cash & Bank Balances	522.4	657.5	187.0	295.3	
Loans & Advances	563.2	480.2	416.7	413.8	
Other current assets	1,790.9	2,246.5	1,768.0	1,892.5	
<b>Total Current Assets</b>	<b>42,774.0</b>	<b>45,380.9</b>	<b>32,197.3</b>	<b>32,451.9</b>	
<b>Current Liabilities</b>					
Trade Payable	1,924.6	2,057.4	2,049.7	1,902.3	
Other Current Liabilities	18,225.3	15,373.7	12,365.1	12,314.3	
Other Financial Liabilities	2,532.3	4,439.6	2,361.8	2,493.1	
Short term provision	9.2	9.2	6.3	5.4	
<b>Total Current liabilities</b>	<b>22,691.4</b>	<b>21,880.0</b>	<b>16,782.8</b>	<b>16,715.0</b>	
<b>Application of Funds</b>	<b>25,119.9</b>	<b>27,984.0</b>	<b>23,909.7</b>	<b>23,879.6</b>	

Source: RHP, ICICI Direct Research

Exhibit 12: Cash flow statement		(₹ crore)			
₹ crore	FY18	FY19	FY20	9MFY21	
Net cash generated from Operating Activities	696.0	(463.2)	3,773.2	1,436.7	
Net cash used in Investing Activities	(655.2)	(184.3)	211.7	290.4	
Net cash generated from / (used in) financing activities	23.9	735.9	(4,189.6)	(1,645.6)	
Net increase/ (decrease) in cash and cash equivalents during the Year	64.7	88.5	(204.7)	81.5	
Opening Cash And Cash Equivalents	185.8	255.2	352.5	118.5	
<b>Closing Cash &amp; Cash Equivalents</b>	<b>255.2</b>	<b>352.5</b>	<b>118.5</b>	<b>205.1</b>	

Source: RHP, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to companies that are coming out with their initial public offerings and then categorises them as Subscribe, Subscribe for the long term and Avoid.

Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com**

## ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, (MBA Finance), Lokesh Kashikar, MMS, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

## Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

ICICI Securities is one of the leading merchant bankers/underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc. as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icidirect.com](http://icidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

ICICI Securities Limited has been appointed as one of the Book Running Lead Managers to the initial public offer of Macrotech Developers Ltd. This report is prepared on the basis of publicly available information