



Macrotech Developers Limited IPO (Lodha Developers IPO)

Issue Date :Apr 07 – Apr 09	Sector: Real Estate
Price Range: Rs 483- Rs 486	Location: Mumbai
Market Lot: 30	Issue Size: Rs 2500 Crore
Face Value: 10	

Incorporated in 1995, Macrotech Developers [Formerly known as Lodha Developers] is the largest real estate developer in India. The company is primarily engaged in affordable residential real estate developments and in 2019, it entered into the development of logistics and industrial parks and also develop commercial real estate.

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) are some of its affordable and mid-income housing projects. Company generates maximum revenue from this segment as in the fiscal 2020, the revenue from this segment accounted for 57.77%.

Under the logistic and industrial park portfolio, it has planned to develop an industrial park of over 800 acres of land near Palava. However, the commercial real estate portfolio includes projects like corporate offices, IT campuses, and boutique office spaces. As on Dec 31 2020, the firm has successfully completed 91 projects comprising 77.22 million sq. ft. of developable area, with 59.13 million sq. ft. in the affordable housing segment.

Competitive Strengths

- Largest residential real estate developer in India.
- Strong sales distribution network across India as well as NRI markets i.e. GCC, UK, Singapore, and US.
- Brand equity and premium pricing.
- Strong project execution capabilities.
- Experienced management team.

Risks

- The company has a substantial amount of debt, which could affect its ability to obtain future financing or pursue growth strategy. As of December 2020, the company had Rs 18662.18 crore of aggregate outstanding borrowings on a consolidated basis.

- The company had unsold inventory in residential projects of approximately 14.8 million square feet and approximately 5.5 million square feet of ready-to-move unsold inventory of residential projects as of December 2020. If the company is unable to sell such inventory at acceptable prices and in a timely manner, it could adversely affect the business
- The extent to which the coronavirus disease may affect business in the future is uncertain and cannot be predicted.

Objects of the Issue:

The IPO aims to raise money for the following purposes;

- To reduce aggregate outstanding borrowings of the company on consolidated basis.
- To acquire land or land development rights.
- To meet general corporate purposes.

Our Rating: 14 (Poor)

Rating Procedure

	Criteria for giving points	Points	Out Off
Business Risk	Lesser risk higher points	2	5
Financial Risk	Lesser risk higher points	2	5
Market Risk	Lesser risk higher points	2	5
Objective of IPO	Growth & expansion gets more points	2	5
Price	Fair price will get more points	6	10
Total		14	30

A	21 & Above 21	Best to apply	D	11 to 14	Poor
B	18 to 20	Good	E	10 & Below 10	Very Poor
C	15 to 17	Average			

Note: The company is highly leveraged and issue is fully valued. So investors can Avoid the issue of Macrotech Developers Limited IPO.

You can apply either by ASBA internet banking of your bank account. or UPI IPO application through Capstocks. Contact: Anil Kumar 9847060019, email: helpdesk@capstocks.com

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