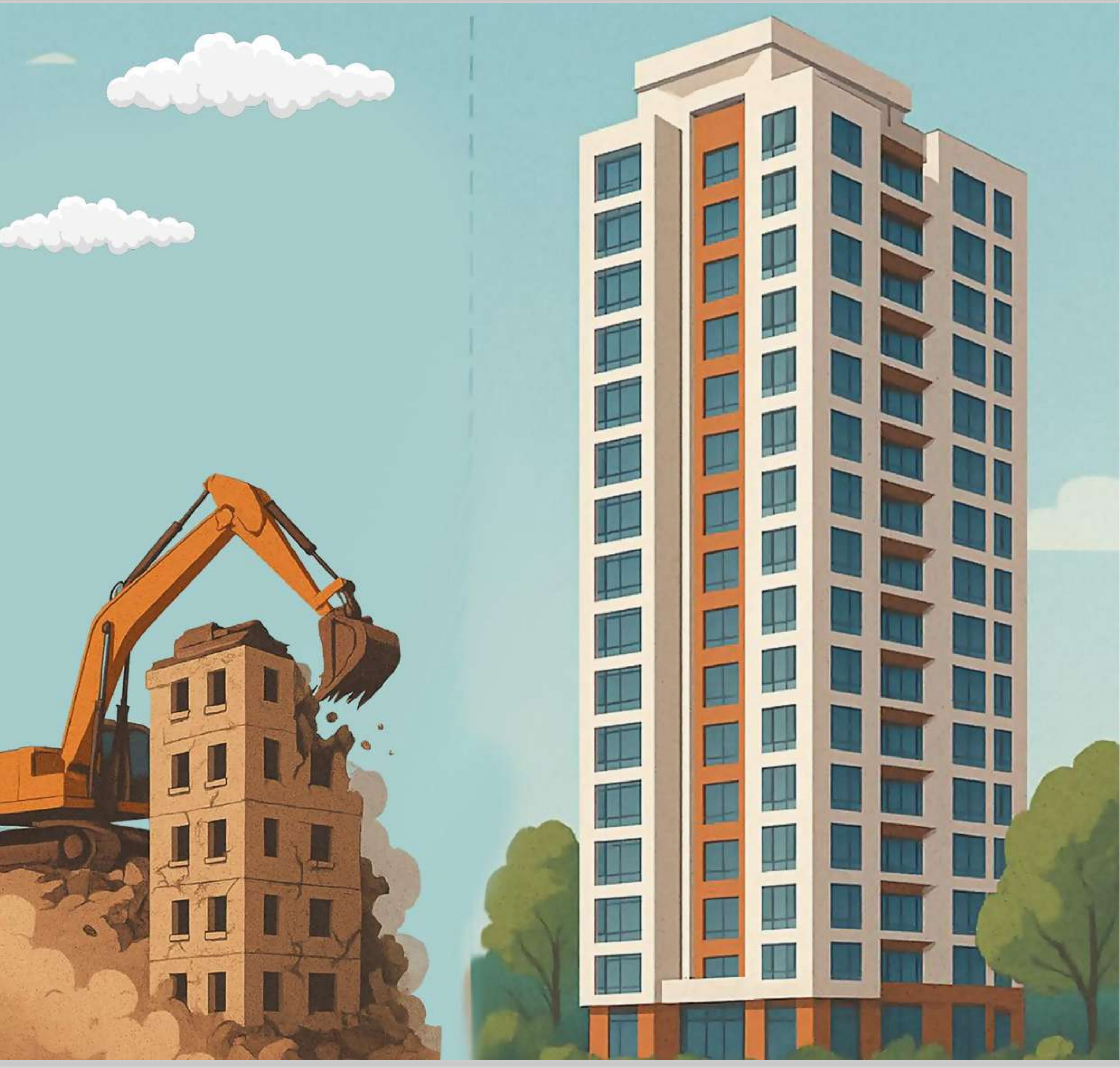
September 2025

Initiating Coverage | Sector: Real Estate

Sri Lotus Developers and Realty



Proxy to Mumbai's redevelopment story

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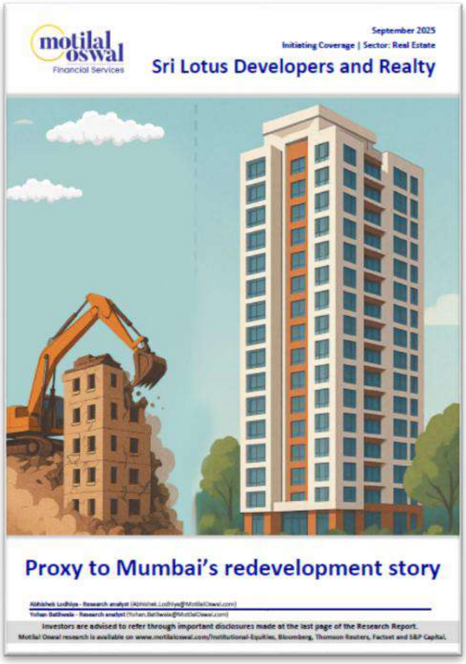


Sri Lotus Developers and Realty

Proxy to Mumbai's redevelopment story

Expects to clock a presales CAGR of 129% over FY25-28; initiate with a BUY rating

Sri Lotus Developers and Realty (LOTUS), a public limited company incorporated in February 2015 under the name AKP Holdings Private Limited, has established itself as a key player in the society redevelopment space. The company's pre-sales have clocked a CAGR of 39% over FY22-25 and are likely to achieve a 129% CAGR over FY25-28, guided by its strong project pipeline. Currently, the company is executing 2.6msf of projects, nearly 89% of which are under the redevelopment model. LOTUS's collections are expected to clock a 129% CAGR and reach INR40.2b by FY28E. LOTUS is expected to generate cumulative operating cash flows of INR69b by FY32, with operating margins exceeding 40%. The company's zero debt and litigation-free status have become key differentiators, enhancing project acquisition alongside top-notch execution.

We initiate coverage on LOTUSDEV with a BUY rating and a DCF-based TP of INR250, implying 35% upside potential.

Sri Lotus Developers and Realty

BSE Sensex	S&P CNX
82,102	25,170

Stock Info

Bloomberg	LOTUSDEV
Equity Shares (m)	489
M.Cap.(INRb)/(USDb)	90.6 / 1
52-Week Range (INR)	219 / 174
1, 6, 12 Rel. Per (%)	-5/-/-
12M Avg Val (INR M)	1814
Free float (%)	18.1

Financial Snapshot (INR b)

Y/E march	FY26E	FY27E	FY28E
Sales	10.9	15.7	21.6
EBITDA	3.9	7.5	10.2
EBITDA Margin (%)	36.4	47.9	47.0
Adj PAT	3.0	5.9	7.7
EPS (Rs)	6.1	12.0	15.8
EPS Growth (%)	30.5	97.7	31.6
BV/Share (Rs)	40.2	52.2	68.0
Ratios			
Net D:E	-0.7	-0.5	-0.6
RoE (%)	20.5	26.0	26.3
RoCE (%)	20.1	25.6	26.7
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	30.5	15.4	11.7
P/BV (x)	4.6	3.5	2.7
EV/EBITDA (x)	21.5	11.2	8.1
Div. Yield (%)	0.0	0.0	0.0
EV/Sales (x)	7.8	5.4	3.8

Shareholding pattern (%)

As On	Aug-25
Promoter	81.9
DII	3.1
FII	2.0
Others	13.0

FII Includes depository receipts

CMP: INR185 TP: INR250 (+35%) BUY

Proxy to Mumbai’s redevelopment story

Expects to clock a presales CAGR of 129% over FY25-28; initiate with a BUY rating

Sri Lotus Developers and Realty (LOTUS), a public limited company incorporated in February 2015 under the name AKP Holdings Private Limited, has established itself as a key player in the society redevelopment space. The company's pre-sales have clocked a CAGR of 39% over FY22-25. Currently, LOTUS has four completed and five ongoing residential projects with a combined potential value of INR19-20b, alongside eight upcoming residential projects with a GDV of INR70-75b. Additionally, it is developing three commercial assets with an estimated sales potential of 0.2msf, translating to a value of INR30-35b. Looking ahead, we estimate LOTUS’s presales to post a notable 129% CAGR over FY25-28, guided by its strong project pipeline.

Niche play in the luxury redevelopment space with a proven track record

Mumbai is home to numerous reputable and well-established real estate developers, both listed and unlisted, with proven track records of delivering projects across various price ranges. However, the future of Mumbai's real estate market appears to be focused on redevelopment. It is estimated that nearly 30,000 buildings will undergo redevelopment over the next 3-5 years. A key challenge to this growth model is the limited number of developers with the necessary experience to execute these complex projects. LOTUS has emerged as a key player in society redevelopment, having successfully executed eight projects with a total developable area of 1.35msf. The company has distinguished itself by focusing exclusively on premium micro-markets, specializing in luxury residential properties across Mumbai's most exclusive neighborhoods. LOTUS’s portfolio includes projects in prestigious and high-profile locations such as Juhu, Andheri, Bandra, Prabhadevi, Worli, Ghatkopar, Versova, and Nepean Sea Road. These areas are considered home to the city's elite, reflecting the company's focus on luxury and exclusivity.

Perfect blend: Strong testimony, product- and customer-oriented approach, and in-house end-to-end execution

LOTUS has an impeccable track record of successfully executing society redevelopment projects in Mumbai's premium markets, a feat made particularly notable by the high expectations of homeowners in these exclusive areas. Homeowners from completed LOTUS projects have provided strong testimonials, clearly demonstrating the company's ability to not only meet but exceed client expectations. The company is product-focused rather than project-focused, placing strong emphasis on the finer details of the finished product, including quality, amenities, design, and architecture. Its customer-oriented approach, which treats existing and new homeowners equally, has helped generate strong referrals from both customers and new societies seeking redevelopment. As the company plans to expand, it is on track to uphold its strong track record by executing 2.6msf across current and future projects.

LOTUS prefers to manage the entire project lifecycle, including design and construction, allowing tighter control over execution pace and costs. The company has consistently delivered projects well ahead of schedule—even during the COVID-19 pandemic. Its four most recent projects were all delivered at least 18 months before their due dates.

Mumbai, a land-starved city, experiences new property supply primarily generated through joint developments, joint ventures, and land rezoning, such as converting former mills into residential areas or redevelopment projects

Asset-light model enables rapid scaling

Mumbai, a land-starved city, experiences new property supply primarily generated through joint developments, joint ventures, and land rezoning, such as converting former mills into residential areas or redevelopment projects. Although society redevelopment is a complicated model, it offers significant opportunities to developers, as the base FSI is now 2x, with additional FSI available through Transferable Development Rights (TDR) and fungible FSI, further increasing development potential. Leveraging its deep understanding of the MMR market, LOTUS plans to grow using an asset-light model through JD/JV or society redevelopment. This approach allows rapid scaling with minimal capital deployment against outright land purchases. Currently, the company is executing 2.6msf of projects, nearly 89% of which are under the redevelopment model.

Robust collections and a healthy margin to generate a strong surplus

The company is focused on execution, with at least five ongoing projects with a total GDV of INR15-16b scheduled for completion by FY28. Moreover, eight new projects are planned for launch by the end of FY27, which will move into the execution phase. As a result, LOTUS's collections are expected to clock a 129% CAGR and reach INR40.2b by FY28E. Cumulatively, LOTUS is projected to collect INR149b from projects under execution by FY30, guided by timely execution. The company's healthy margins are a result of its selling strategy—pricing at ~20% premium to the nearest competitor, in-house end-to-end execution, and a lean sales team. Driven by strong margins, LOTUS is expected to generate cumulative operating cash flows of INR69b by FY32, with operating margins exceeding 40%.

The company aims to achieve a PAT of INR7.7b by FY28, reflecting a 50% CAGR over FY25-28 and best-in-class margins of 36%. With strong profitability and a net cash position, the company's ROE and ROCE are expected to remain above 26% by FY28

Zero debt and strong financials

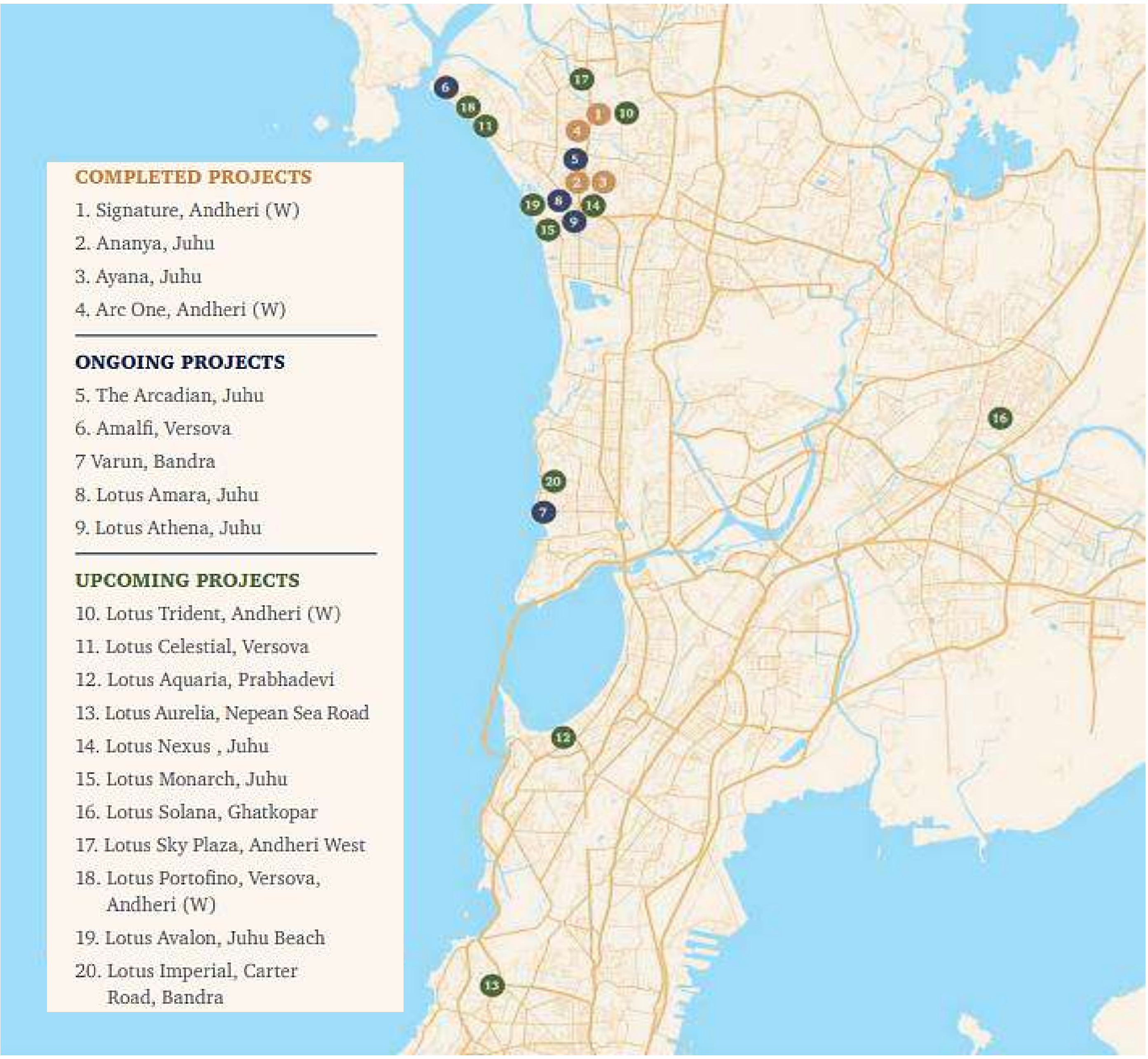
LOTUS's management firmly believes that a debt-free developer leads to a stress-free customer. Upholding this philosophy, the company consistently aims to remain net debt-free. Its zero debt and litigation-free status have become key differentiators, enhancing project acquisition alongside top-notch execution. LOTUS posted a 75% CAGR in revenue over FY22-25 is expected to post a 58% CAGR in revenue over FY25-28, reaching INR21.6b by FY28, guided by strong collections resulting from impressive execution. Its EBITDA is expected to grow at a 52% CAGR and reach INR10.2b by FY28 with a 47% margin. The company is expected to achieve a PAT of INR7.7b by FY28, reflecting a 50% CAGR over FY25-28 and best-in-class margins of 36%. With strong profitability and a net cash position, the company's ROE and ROCE are expected to remain above 26% by FY28.

We value the ongoing and upcoming projects based on a DCF approach, applying a WACC of 13% and terminal growth of 2%, to arrive at an NAV of INR121b or INR250/sh. Accordingly, we initiate coverage on the stock with a **BUY** rating

Valuation and view: Expansion to drive valuation

- LOTUS posted a 39% CAGR in pre-sales over the past three years, which is expected to accelerate to 129% over FY25-28, guided by its robust project pipeline and strong response to launches. Collections are also expected to clock 129% CAGR and reach INR40.2b by FY28.
- Additionally, backed by best-in-class execution capabilities, the company is expected to achieve operating margins above 40% and net profit margins exceeding 35%.
- With RoE/RoCE above 26% and a net cash status, LOTUS stands out as the best proxy for MMR's redevelopment growth story.
- We value the ongoing and upcoming projects based on a DCF approach, applying a WACC of 13% and terminal growth of 2%, to arrive at an NAV of INR121b or INR250/sh. Accordingly, we initiate coverage on the stock with a **BUY** rating.

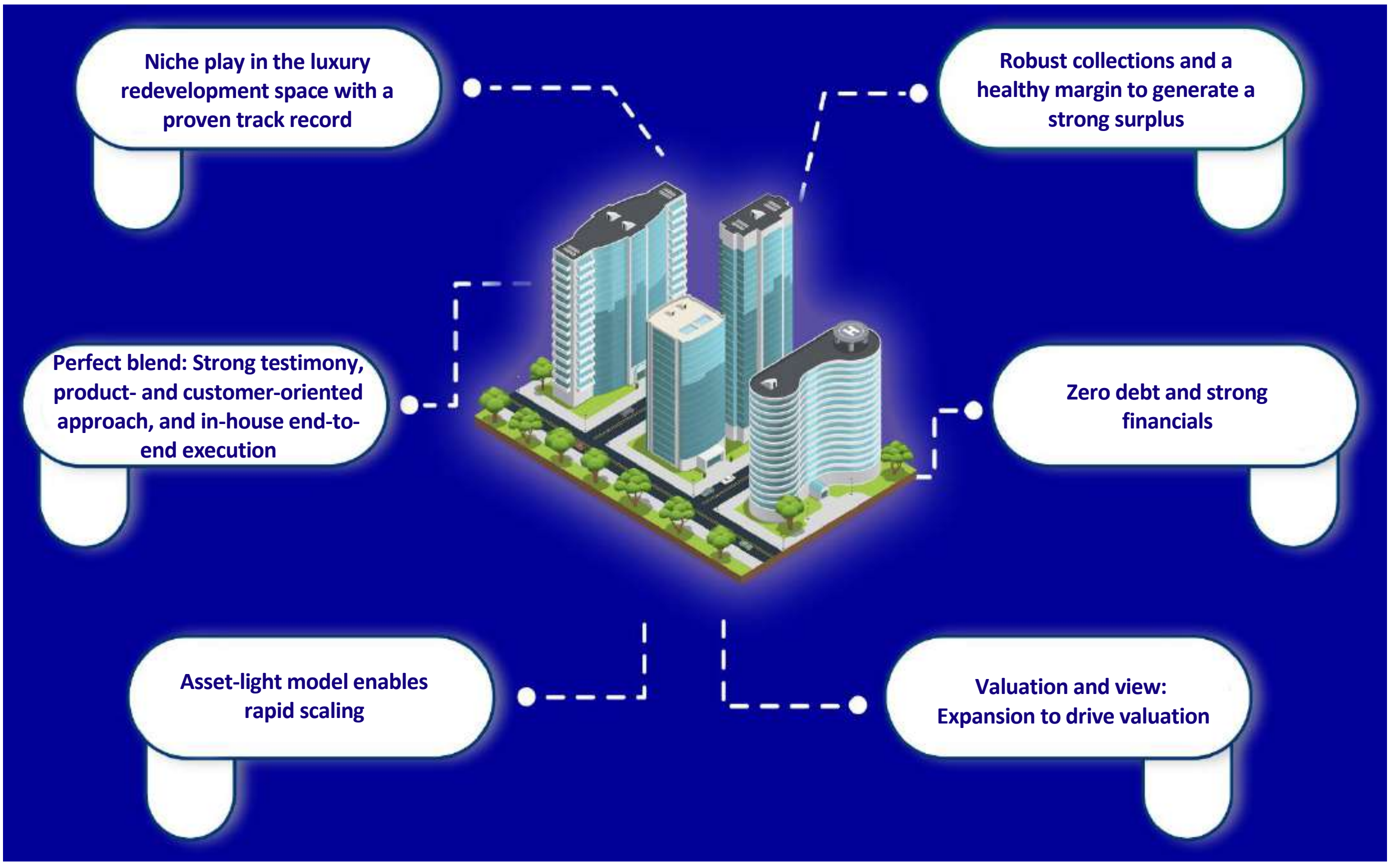
Exhibit 1: Presence in Mumbai's skyline



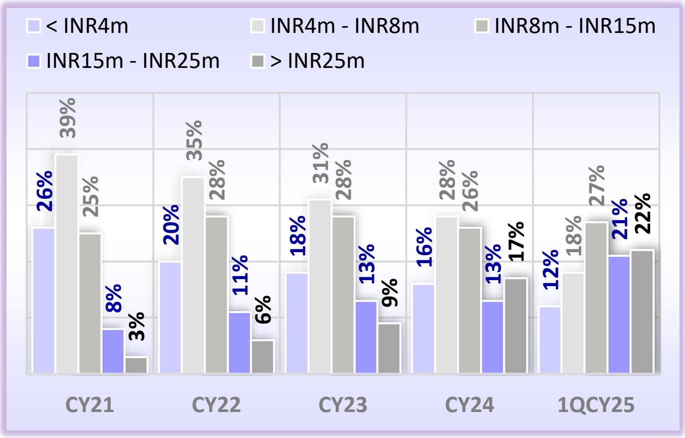
Source: Company, MOFSL

STORY IN CHARTS

INVESTMENT ARGUMENT



Luxury segment (> INR25m) in India grew from 3% in CY21 to 22% in 1QCY25



Source: Companies, MOFSL

Projects completed at least 18 months ahead of the RERA deadline

Project Name	Date of OC	RERA Completion Date	Completed Before Time (months)
Signature	Jun 12, 2023	Jun 30, 2025	24
Arc One	Mar 29, 2025	Dec 31, 2026	21
Ayana	Apr 18, 2024	Dec 31, 2025	19
Ananya	Dec 15, 2023	Jun 30, 2025	18

Source: Companies, MOFSL

Mumbai's density the highest, even among overseas peers

City	Population (M)	Land Area (sq km)	Density (per sq km)
Mumbai (MCGM)	13.4	437.7	~30,600
Bengaluru	~14	741	~18,900
Gurugram (City)	2.5	232	~10,800
Global examples			
Tokyo (23 wards)	9.7	627.6	~15,500
Hong Kong	7.5	1106	~7,100 (avg)
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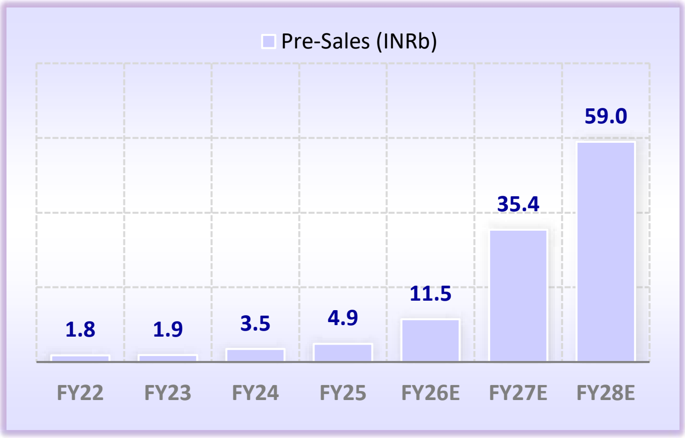
Source: Companies, MOFSL

Potential buildings undergoing redevelopment in MMR in the coming years

Region / Ward	No. of Buildings	Share of Total (%)
Island City (total)	44830	28%
Western Suburbs (total)	73820	46%
Eastern Suburbs (total)	41184	26%
Total	159834	100%

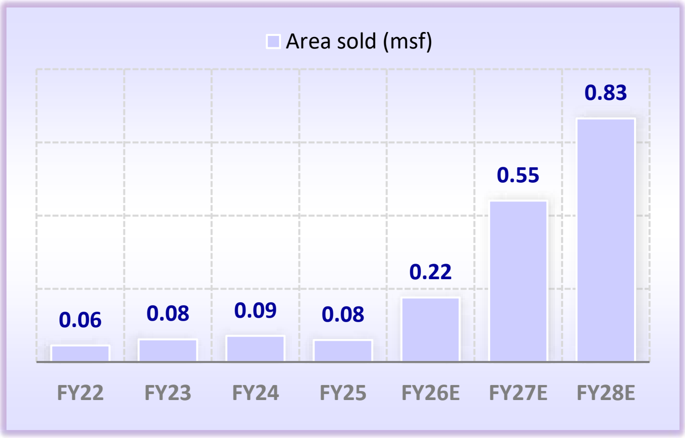
Source: Companies, MOFSL

Pre-sales to post 129% CAGR from FY25-28



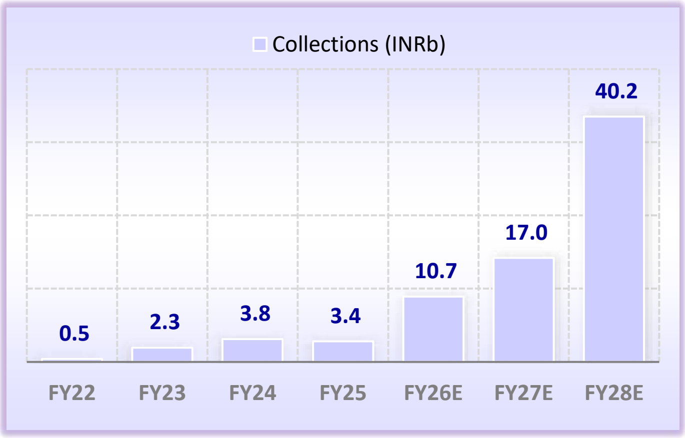
Source: Company, MOFSL

Area sold to increase at similar growth levels



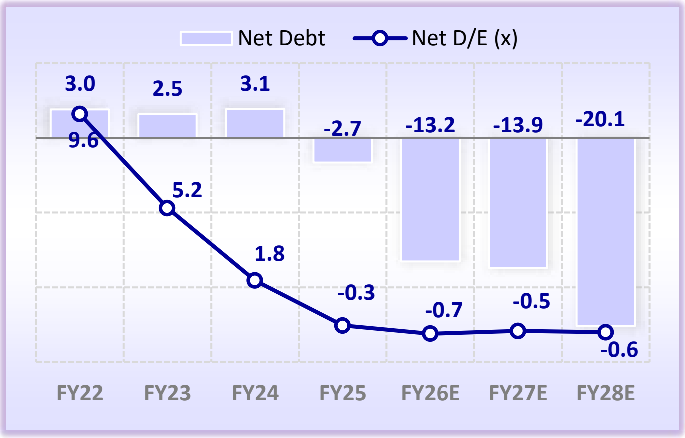
Source: Company, MOFSL

Collections to show similar growth levels as pre-sales, maintaining FY25 efficiency levels at 68% in FY28



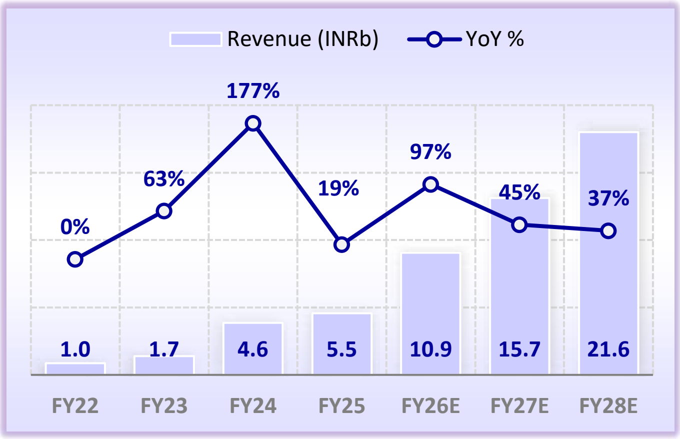
Source: Company, MOFSL

LOTUS's to remain net cash company FY25 onwards



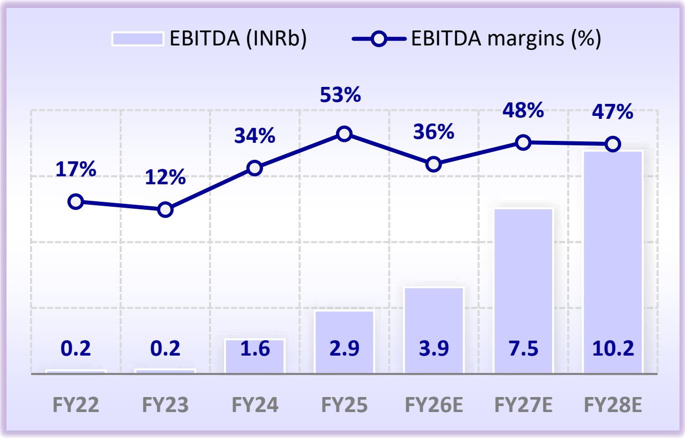
Source: Company, MOFSL

Revenue to witness ~4x growth from FY25 levels…



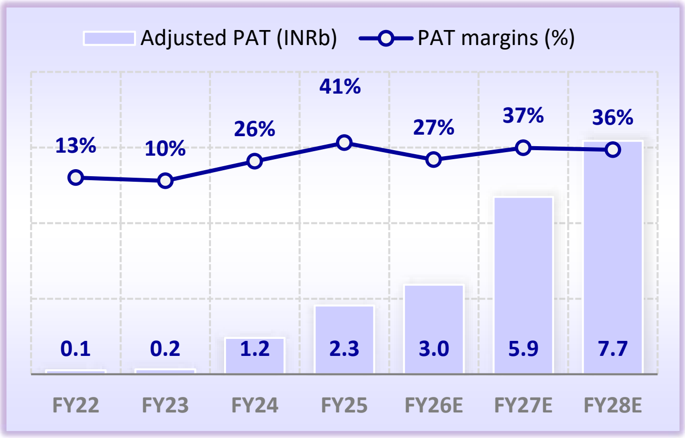
Source: Company, MOFSL

…while EBITDA margins to subside due to product mix



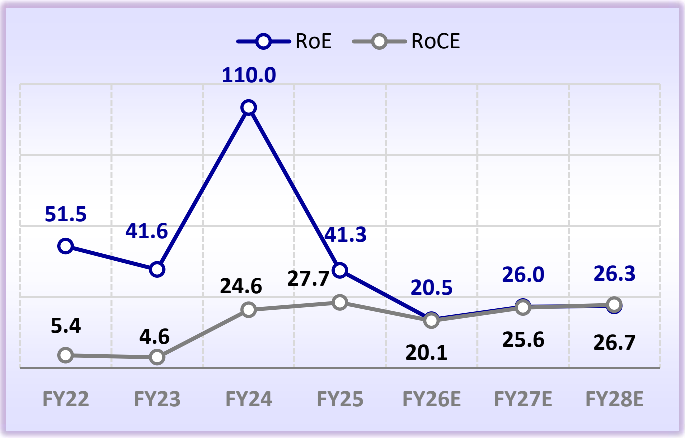
Source: Company, MOFSL

PAT margins to stand at ~36%



Source: Company, MOFSL

ROE and ROCE to overlap as LOTUS is now net cash



Source: Company, MOFSL

Niche play in luxury redevelopment of Mumbai’s skyline

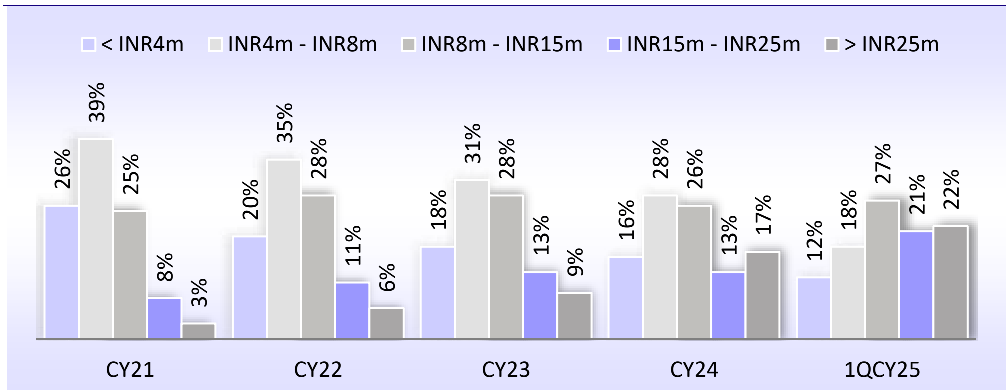
Only developer with a visible track record in the redevelopment space

- **Mumbai is home to numerous reputable and well-established real estate developers, including industry giants like Lodha Developers, Oberoi Realty, and Godrej Properties. Other prominent names, such as Runwal, K. Raheja Realty, Dosti Realty, Sunteck Realty, and Keystone Realtors, are also actively involved in the market. These developers are from both listed and unlisted spaces and have successfully delivered projects across various price ranges.**
- **However, the future of Mumbai's real estate market appears to be focused on redevelopment. It is estimated that nearly 30,000 buildings will undergo redevelopment over the next 3-5 years. A key challenge for this growth model is the limited number of developers with the necessary experience to execute these complex projects.**
- **LOTUS has emerged as a key player in the society redevelopment space. The company has a proven track record, having successfully executed eight projects with a total developable area of 1.35msf.**
- **While many developers in MMR are involved in society redevelopment across various price points, LOTUS has distinguished itself by focusing exclusively on premium micro-markets. The company specializes in developing luxury residential properties in Mumbai's most exclusive neighborhoods.**
- **LOTUS has projects in some of Mumbai's most prestigious and high-profile locations, including Juhu, Andheri, Bandra, Prabhadevi, Worli, Ghatkopar, Versova, and Nepean Sea Road. These areas are considered home to the city's elite, reflecting the company's focus on luxury and exclusivity.**

Contribution of the luxury segment continuously increasing

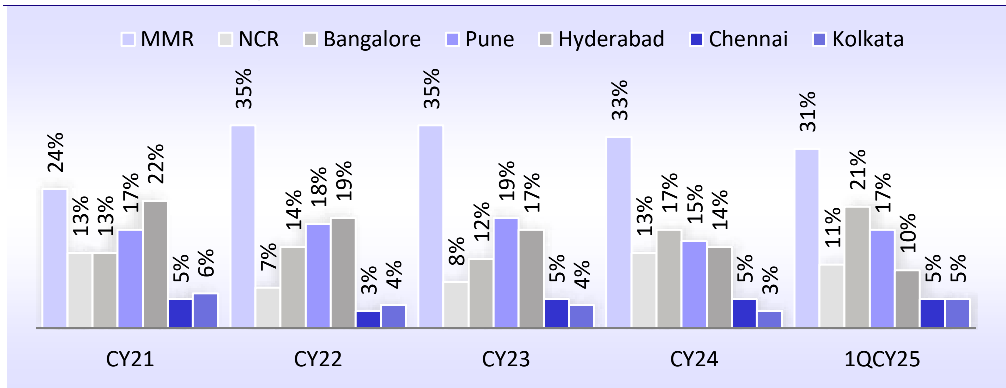
- After the pandemic, the real estate market experienced a major shift, with premium and luxury housing now accounting for a larger share of sales. Historically, this segment has consistently represented only 6-8% of total new launches and sales.
- The pandemic disrupted the market, driving demand for larger homes due to remote work and increased desire for personal space.
- Since CY20, demand for apartments of ticket size over INR15m has risen significantly, with their contribution growing from 11% to 43% in the top seven cities covered by Anarock in just four years.
- In these top seven cities, MMR accounts for over 30% of both launches and absorption in the premium/luxury housing market.
- LOTUS predominantly caters to the premium residential segment and is well-positioned to benefit from the strong demand for larger/higher-ticket apartments.

Exhibit 2: Luxury segment (> INR25m) in India grew from 3% in CY21 to 22% in 1QCY25



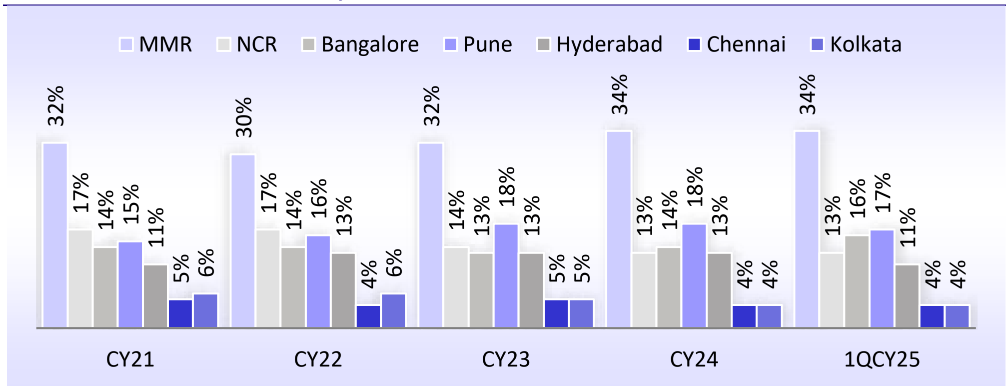
Source: Company, MOFSL

Exhibit 3: MMR leading in launches…



Source: Company, MOFSL

Exhibit 4: …as well as in absorption



Source: Company, MOFSL

Strong testimony from completed projects drives new wins

- Society redevelopment is a challenging business model, as existing homeowners are often wary of new developers due to past negative experiences. As a result, they meticulously scrutinize every detail of a project, from on-time delivery and architectural design to smooth execution, promised amenities, and overall fulfillment of commitments.
- A primary cause of conflict in these redevelopment projects is the strained relationship between homeowners and developers. This tension often arises from each party trying to gain an advantage in negotiations, particularly over increased living space and additional amenities. As a result, projects are often

delayed, and in some cases, disputes escalate into legal battles or even lead to the developer losing the project.

- LOTUS has an impeccable track record of successfully executing society redevelopment projects in Mumbai's premium markets, a feat made particularly notable by the high expectations of homeowners in these exclusive areas.
- Homeowners from completed LOTUS projects have provided strong testimonials, clearly demonstrating the company's ability to not only meet but exceed client expectations.
- In a bid for a project in Prabhadevi, LOTUS competed against top developers. Instead of relying on a typical presentation, the company took a different approach. It invited existing society members to visit completed projects to experience the quality firsthand. Additionally, LOTUS provided contact details of past clients, encouraging the society to conduct discreet due diligence. This unique strategy played a key role in helping LOTUS secure the project.

Exhibit 5: LOTUS's proven track record with 12 completed projects

Project Name	Segment	Location	Total Developable Area (sqft)
The Park	Residential	Oshiwara	0.68
The Atlantis	Residential	Andheri West	0.23
Sorrento	Residential	Andheri West	0.17
Aurus	Residential	Juhu	0.12
Araya	Residential	Juhu	0.04
Lotus Tower	Residential	Juhu	0.04
Anaya	Residential	Juhu	0.04
Amaya	Residential	Juhu	0.03
Lotus Corporate Park	Commercial	Jogeshwari East	1.28
Grandeur	Commercial	Andheri West	0.27
Lotus Midtown	Commercial	Kalina, Santacruz	0.21
Lotus Business Park	Commercial	Andheri West	0.21
Total			**3.32**

Source: Company, MOFSL

Smaller projects, product- and customer-oriented approach, and in-house end-to-end execution: perfect blend for on-time delivery with desired quality

- LOTUS is currently executing 20 projects, including 15 residential and 5 commercial projects.
- For larger redevelopment projects, the risk of roadblocks is higher compared to smaller ones, as managing the expectations of a larger group is more complex.
- LOTUS's current portfolio includes completed projects, with its largest residential project featuring a carpet area of 0.25 msf, enabling timely project completion.
- When projects have a larger apartment configuration, the company only needs to sell a maximum of 100-150 units per project, which is manageable despite higher ticket prices. Limited supply of residential projects in its operating areas has also benefited the company.
- The company is product-focused rather than project-focused, emphasizing the finer details of the finished product, including quality, amenities, design, and architecture.
- The company's customer-oriented approach, which treats existing and new homeowners equally, has helped generate strong referrals from both customers and new societies seeking redevelopment.
- LOTUS prefers to manage the entire project lifecycle, including design and construction. This allows tighter control over execution pace and costs.

- The company has an impeccable delivery track record, completing projects well ahead of schedule even during the COVID-19 pandemic. Its four most recently completed projects were all delivered at least 18 months before their due dates.
- As the company plans to expand, it is on track to maintain its track record by executing 2.6 msf across its current and future projects.

Exhibit 6: Projects completed at least 18 months ahead of the RERA deadline

Project Name	Date of OC	RERA Completion Date	Completed Before Time (months)
Signature	Jun 12, 2023	Jun 30, 2025	24
Arc One	Mar 29, 2025	Dec 31, 2026	21
Ayana	Apr 18, 2024	Dec 31, 2025	19
Ananya	Dec 15, 2023	Jun 30, 2025	18

Source: Company, MOFSL

Asset-light model enables rapid scaling

- Mumbai, a land-starved city, experiences new property supply primarily generated through joint developments, joint ventures, and land rezoning, such as converting former mills into residential areas or redevelopment projects.
- Mumbai's real estate market presents significant opportunities in society redevelopment, with many buildings aged 20-30 years qualifying. It is estimated that close to 30,000 buildings will undergo redevelopment over the next 3-5 years.
- Society redevelopment, though a complicated model, offers significant opportunities for developers since many older buildings utilize a Floor Space Index (FSI) below 1-1.3x. With the change in Development Control Promotion Regulations 2034 (DCPR-2034), the base FSI is now 2x, with additional FSI available through Transferable Development Rights (TDR) and fungible FSI, allowing for greater development potential.
- Leveraging its deep understanding of the MMR market, LOTUS plans to grow using an asset-light model through JD/JV or society redevelopment. This approach allows rapid scaling with minimal capital deployment against outright land purchases.
- LOTUS capitalized on this opportunity at an early stage and executed nearly eight projects in the residential space through its different subsidiaries under the society redevelopment and JD models.
- The company is currently executing 2.6msf of projects, nearly 89% of which are under the redevelopment model.

Exhibit 7: LOTUS's portfolio skewed toward an asset-light model

Business Model	Completed Projects		Ongoing Projects		Upcoming Projects	
	Carpet Area (msf)	% of Total	Carpet Area (msf)	% of Total	Carpet Area (msf)	% of Total
Redevelopment	0.26	59%	0.31	80%	2.00	91%
Joint Development	0		0.08	20%	0.06	3%
Greenfield	0.18	41%			0.14	6%
Total	**0.44**	**100%**	**0.39**	**100%**	**2.20**	**100%**

Source: Company, MOFSL

Redevelopment: A planning necessity and opportunity for developers

- **According to Knight Frank India, Mumbai, India's financial capital, spans 603.4 sq km. However, only 437.7 sq km, comprising the Island City and the Suburban District, fall under the development purview of the Municipal Corporation of Greater Mumbai (MCGM).**
- **The remainder is occupied by defense zones, the Mumbai Port Trust, and the ecologically protected Sanjay Gandhi National Park, areas beyond the city's planning and construction framework.**
- **Over 70% of MCGM-administered land is already built up, with the remainder fragmented across informal settlements, industrial belts, roads, and reserved plots.**
- **The city is now functionally landlocked, with outward expansion no longer a viable solution. At the same time, Mumbai continues to face extreme demographic pressure.**
- **As of 2024, the city's population stands at 13.4m, pushing its population density to ~30,600 persons per sq km. This translates to just 32.7 sq m of land per resident within the MCGM limits.**
- **Despite these numbers, high density is not necessarily unsustainable. The challenge lies in whether urban infrastructure and planning can keep pace with the rising population. A comparative view underscores this gap.**
- **While some dense districts in Tokyo or Hong Kong surpass Mumbai's averages, they remain far more livable due to coordinated land recycling, high-spec vertical development, and infrastructure investments.**
- **The mismatch between Mumbai's population and usable land is not just a real estate concern; it is a constraint on economic productivity, infrastructure viability, and urban resilience.**
- **In this context, redevelopment emerges as a structural necessity, not just a market trend. It is the only lever through which Mumbai can recalibrate density, renew its aging-built stock, and transition from horizontal congestion to vertical efficiency.**
- **Compounding Mumbai's land scarcity is the mounting risk posed by its aging buildings. According to a 2017 BMC audit, 0.16 million buildings across the city were over 30 years old and required structural assessment. These include tenanted cessed buildings in the Island City, older cooperative societies in the suburbs, and pre-FSI layouts.**

Exhibit 8: Mumbai's density the highest, even among overseas peers

City	Population (M)	Land Area (sq km)	Density (per sq km)
Mumbai (MCGM)	13.4	437.7	~30,600
Bengaluru	~14	741	~18,900
Gurugram (City)	2.5	232	~10,800
Global examples			
Tokyo (23 wards)	9.7	627.6	~15,500
Hong Kong	7.5	1106	~7,100 (avg)
Singapore	6	728.6	~8,100

Source: Company, MOFSL

Exhibit 9: Potential buildings undergoing redevelopment in MMR in the coming years

Region / Ward	No. of Buildings	Share of Total (%)
Island City (total)	44830	28%
Western Suburbs (total)	73820	46%
Eastern Suburbs (total)	41184	26%
Total	**159834**	**100%**

Source: Company, MOFSL

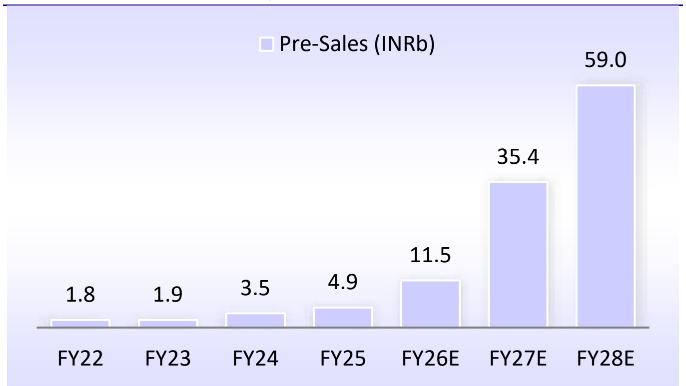
- In this context, redevelopment is not simply a market response; it is a public safety and planning imperative. It offers a multi-fold solution that will:
  - Rehouse existing tenants in safer, larger, and better-equipped units
  - Unlock underutilized land in high-value zones
  - Recalibrate population density in alignment with infrastructure upgrades
  - Attract institutional capital to urban renewal.

The shift is now backed by regulation. DCPR 2034, MHADA's cessed building framework, and incentive levers like additional FSI and TDR are designed to balance project viability with tenant protection. In a nutshell, redevelopment is no longer optional; it is foundational to Mumbai's next urban chapter.

Presales to post a strong CAGR of 129% over FY25-28

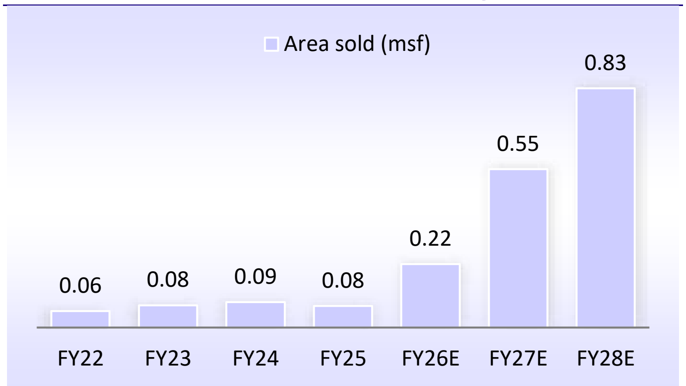
- **Fueled by the rising trend of redevelopment that began in FY17, LOTUS has experienced significant growth. The company's pre-sales have posted a 39% CAGR over FY22-25.**
- **Currently, LOTUS has four completed projects with a combined pending potential of INR4b, expected to be sold in FY26.**
- **LOTUS is executing five residential projects with a total potential gross development value of INR15-16b, expected to be completed by FY27. Management has guided pre-sales of INR11-13b for FY26, which we believe is achievable.**
- **The company plans to launch eight additional residential projects with a GDV of INR70-75b over the next 12-15 months across Mumbai's premium skyline.**
- **LOTUS is also developing three commercial assets on a build-to-sell model and not build-to-lease, which is expected to add to total sales. These commercial assets have an estimated sales potential of 0.2msf, which translates into INR30-35b in value.**
- **As part of its business development strategy, the company is continuously bidding for redevelopment projects and expects to win another 2-3msf within 12-15 months, which will further boost pre-sales.**
- **We estimate LOTUS's pre-sales to post a CAGR of 129% over FY25-28, guided by its strong project pipeline.**

Exhibit 10: Pre-sales to post 129% CAGR from FY25-28



Source: Company, MOFSL

Exhibit 11: Area sold to increase at similar growth levels



Source: Company, MOFSL

Exhibit 12: Ongoing residential projects

Project Name	Location	Estimated carpet Area (msf)	Estimated Saleable RERA Carpet Area (msf)	% stake in the project	Expected Completion
Lotus Amara	Juhu	0.05	0.05	20%	FY27
Lotus Athena	Juhu	0.03	0.02	9.3%	FY27
The Arcadian	Juhu	0.18	0.14	100%	FY27
Amalfi	Versova	0.07	0.05	100%	FY27
Varun	Bandra West	0.06	0.03	100%	FY27
Total		**0.38**	**0.30**		

Source: Company, MOFSL

Exhibit 13: Upcoming residential projects

Project Name	Location	Estimated Carpet Area (msf)	Estimated Saleable RERA Carpet Area (msf)	% Stake in the project	Expected Commencement	Expected Completion
Lotus Aquaria	Prabhadevi	0.14	0.09	100%	Q2 FY26	FY 29
Lotus Celestial	Versova	0.27	0.18	100%	Q3 FY26	FY 29
Lotus Monarch	Juhu	0.24	0.19	100%	Q2 FY27	FY 30
Lotus Portofino	Versova	0.11	0.07	100%	Q2 FY27	FY 30
Lotus Avalon	Juhu	0.05	0.03	100%	Q2 FY27	FY 29
Lotus Aurelia	Neapen Sea Road	0.06	0.06	70%	Q3 FY27	FY 30
Lotus Solana	Ghatkopar	0.18	0.13	100%	Q3 FY27	FY 30
Lotus Imperial	Bandra	0.25	0.13	100%	Q4 FY27	FY 30
Total		**1.30**	**0.88**			

Source: Company, MOFSL

Exhibit 14: Upcoming commercial projects

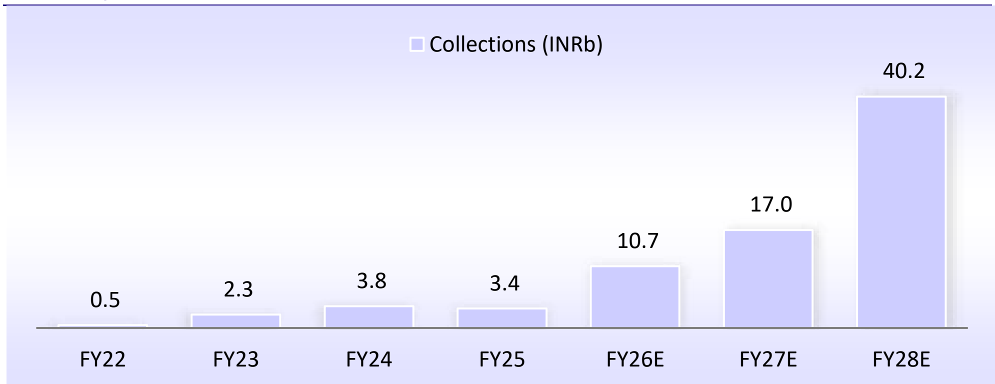
Project Name	Location	Estimated Carpet Area (msf)	Estimated Saleable RERA Carpet Area (msf)	% stake in the project	Expected Commencement	Expected Completion
Lotus Trident	Andheri West	0.14	0.14	100%	Q4 FY26	FY28
Lotus Sky Plaza	Oshiwara	0.52	0.41	100%	Q2 FY27	FY30
Lotus Nexus1	Juhu	0.24	0.22	100%	Q3 FY27	FY30
Total		**0.89**	**0.77**			

Source: Company, MOFSL

Healthy collections guided by top-notch execution

- From the very start of its real estate journey, LOTUS has maintained a strong focus on execution, demonstrated by completing all its projects at least 18-24 months ahead of deadlines.
- With a strong execution track record, the company has consistently maintained healthy collections. It has cumulatively sold INR12b from its projects and collected INR10b by FY25, reflecting an 83% collection efficiency.
- The company is focused on execution, with at least five ongoing projects totaling a GDV of INR15-16b scheduled for completion by FY28. Additionally, eight new projects are planned for launch by the end of FY27, entering the execution phase and driving collections to post a 129% CAGR, reaching INR40.2b by FY28E.
- LOTUS is expected to cumulatively collect INR149b from projects under execution by FY30, guided by timely execution.

Exhibit 15: Collections to show similar growth levels as pre-sales, maintaining FY25 efficiency levels at 129% in FY28

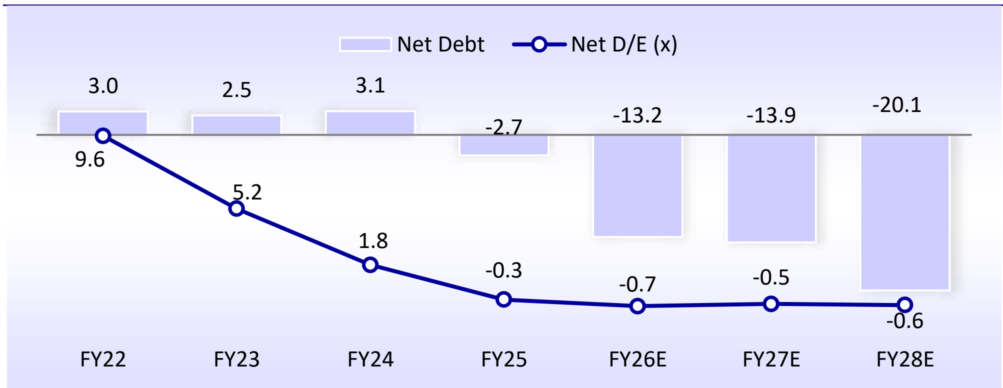


Source: Company, MOFSL

Healthy margin profile leads to a robust surplus

- Redevelopment is often considered a thin-margin business; however, LOTUS has successfully disproved this myth through its strategic exposure to MMR micro-markets and strong execution capabilities.
- LOTUS's healthy margins are a result of its selling strategy—positioning its product as the best in the micro-market and pricing it ~20% premium to the nearest competitor.
- Additionally, by executing projects end-to-end, right from approvals and designing to on-ground execution, the company saves nearly 8-10% that would otherwise be paid to contractors. The company only outsources labor contracts.
- Through in-house execution, LOTUS not only generates best-in-class margins but also maintains control over the pace of project execution, resulting in deliveries well ahead of deadlines.
- Moreover, LOTUS does not generate sales through channel partners, and its own sales team is exceptionally lean. This leads to a 4-8% cost saving, which directly flows to operating margins.
- However, as the company scales, it is expected to increasingly adopt sales channels, which may lead to some contraction in margins. However, this will have minimal impact on margins.
- Guided by strong margins, LOTUS is expected to cumulatively generate INR69b of cumulative operating cash flows by FY32, with operating margin exceeding 40%.

Exhibit 16: Net cash FY25 onwards



Source: Company, MOFSL

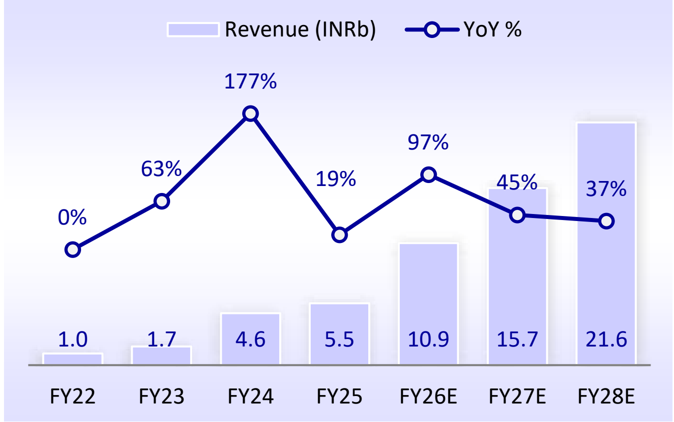
Zero in DNA – Be it debt or litigation

- LOTUS's management firmly believes that a debt-free developer ensures a stress-free customer. Upholding this philosophy, the company consistently aims to remain net debt-free. While currently net cash positive, LOTUS may consider a short-term loan to fulfill its working capital requirements during its planned expansion; however, management remains fundamentally debt-averse.
- The company's zero debt status not only enhances its financial attractiveness but also ensures that any funds raised are channeled towards growth initiatives.
- The second 'zero' refers to litigation — LOTUS stands out as one of the few developers with practically no litigation, whether from customers or partners.
- Together, zero debt and litigation serve as strong differentiators, giving LOTUS a competitive edge in project acquisitions, along with its top-notch execution.

Strong financials backed by impressive execution

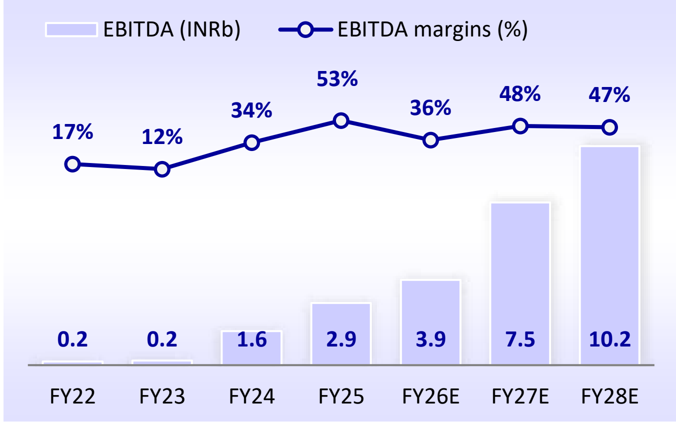
- LOTUS follows the percentage of completion method for revenue recognition, which aligns revenue recognition closely with collection, albeit with a slight lag.
- LOTUS's revenue posted a 75% CAGR over FY22-25. It is expected to stand at 58% over FY25-28, reaching INR21.6b by FY28, guided by strong collections supported by robust execution.
- EBITDA is expected to post a strong 52% CAGR over the same period, reaching INR10.2b by FY28, with an estimated margin of 47%.
- LOTUS is expected to achieve a PAT of INR7.7b by FY28, posting a 50% CAGR over FY25-28, with best-in-class margins of 36%. Management has guided for PAT growth of 30-35% YoY for FY26.
- With the strong profitability visibility and net cash position, the company's ROE/ROCE is expected to remain above 26% for FY28.

Exhibit 17: Revenue to witness ~4x growth from FY25 levels…



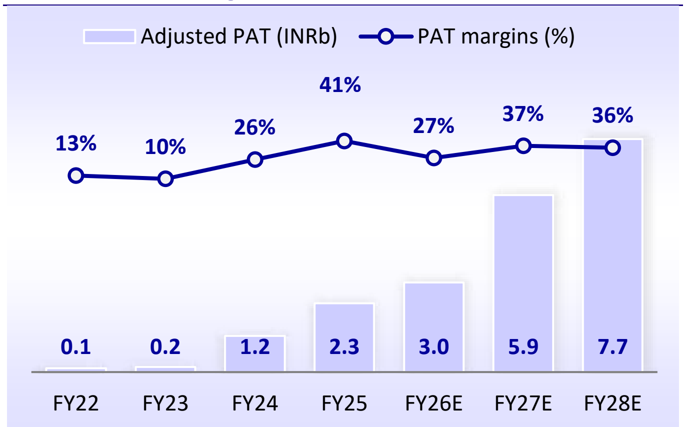
Source: Company, MOFSL

Exhibit 18: …while EBITDA margins to subside due to product mix



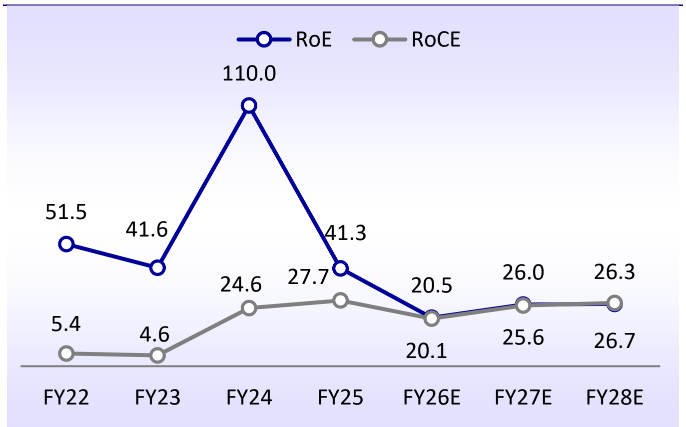
Source: Company, MOFSL

Exhibit 19: PAT margins to stand at ~36%



Source: Company, MOFSL

Exhibit 20: ROE and ROCE to overlap as LOTUS is now net cash



Source: Company, MOFSL

Fundraising and its deployment

- LOTUS raised INR7.92b from its initial public offering, which will be channeled toward growth initiatives.
- The company aims to deploy these funds in its subsidiaries to partially fund the development and construction of ongoing projects like Amalfi, The Arcadian, and Varun, amounting to INR5.5b over the next 12-15 months.
- The remaining funds will be allocated toward general corporate requirements, primarily including working capital needs and capex for upcoming projects.
- As of 22nd Aug'25, the company has already deployed INR887m in these projects to accelerate execution.

Exhibit 21: Fund deployment details

Project (INR b)	Total deployment	Estimated Deployment		Deployed till 22-Aug-25 (INR b)
		FY26	FY27	
Project Amalfi	1.4	1.07	0.33	0.01
Project Arcadian	2.47	2.74		0.86
Project Varun	1.36	1.06	0.30	0.01
Total	**5.5**	**4.87**	**0.63**	**0.88**

Source: Company, MOFSL

Initiate coverage with a BUY rating and TP of INR250

Expansion to drive valuations

The above approach cumulatively values LOTUS at a gross asset value of INR108b, and adding INR13b cash for FY26E, we arrive at a net asset value of INR121b, or INR250 per share, indicating a 35% upside potential. Accordingly, we initiate coverage on the stock with a BUY rating.

- LOTUS posted a 39% CAGR in pre-sales over the past three years, which is expected to accelerate to 129% over FY25-28, guided by its robust project pipeline and strong response to launches. Collections are also expected to clock 129% CAGR and reach INR40.2b by FY28.
- Additionally, backed by best-in-class execution capabilities, the company is expected to achieve operating margins above 40% and net profit margins exceeding 35%.
- With RoE/RoCE above 26% and a net cash status, LOTUS stands out as the best proxy for MMR's redevelopment growth story.
- We value the ongoing and upcoming projects based on a DCF approach, by applying a WACC of 13%, arrive at present value cashflow of INR69b and applied 2% terminal growth resulting in addition of INR39b which is 57% premium to cashflow.
- The above approach cumulatively values LOTUS at a gross asset value of INR108b, and adding INR13b cash for FY26E, we arrive at a net asset value of INR121b, or INR250 per share, indicating a 35% upside potential. Accordingly, we initiate coverage on the stock with a **BUY** rating.

Exhibit 22: Valued at 13% WACC and 2% terminal growth to arrive at NAV of INR121b

NAV Summary		INR b	Per Share	% of NAV
Current Portfolio	Ongoing and potential upcoming projects	69	141	56%
Terminal Value	2% terminal growth and WACC 13%	39	81	32%
Gross Asset value		**108**	**221**	**89%**
Net debt/Cash (-)	FY26E	-13	-27	-11%
Net Asset value		**121**	**250**	**100%**
CMP			185	
No. of share			489	
Upside Potential			**35%**	

Source: Company, MOFSL

Exhibit 23: Cashflow details on yearly basis

Particulars (INR b)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Collections	10.7	17.0	40.2	78.5	87.3	73.6	42.4
Cost to be incurred	**9.7**	**22.5**	**34.4**	**50.0**	**38.7**	**17.7**	**6.9**
OCF	1.0	-5.5	5.8	28.5	48.7	55.9	35.5
NOPLAT	**0.8**	**-4.1**	**4.3**	**21.3**	**36.4**	**41.8**	**26.6**
PV of CF	0.7	-3.4	3.2	13.9	21.0	21.4	12.0
Cumulative CF							**68.8**
Terminal Value @ 2%							39.5
GNAV							**108.3**
Net Debt/ Cash (-)							-13.2
NAV							**121.5**

Source: Company, MOFSL

Key risks

- LOTUS operates largely in MMR, making its performance highly sensitive to demand trends, regulatory developments, and pricing dynamics in this micro-market. A downturn in MMR real estate could significantly impact sales and profitability.
- A large share of the company's portfolio is redevelopment and JDA projects, which, while asset-light, come with execution challenges such as tenant negotiations, legal clearances, and dependency on landowners—any delays could materially impact timelines and cash flows.
- The business model is concentrated in the luxury and ultra-luxury segments, making it cyclical and sensitive to broader economic conditions, interest rate movements, and liquidity availability. A demand slowdown could impair absorption and pricing.
- High dependence on timely regulatory approvals, construction permissions, and infrastructure clearances creates risks of project delays and cost escalations.
- Escalation in input costs (cement, steel, labor) and potential supply chain disruptions can adversely affect construction timelines and margins.
- With the IPO recently completed, heightened scrutiny from public market sinvestors and analysts may pressure management to consistently deliver strong quarterly results, creating risks of over-commitment or aggressive expansion.
- Competition from established listed peers with stronger balance sheets could intensify pricing pressures in the luxury housing segment.

ESG initiatives

Environment

- LOTUS integrates sustainable design and eco-friendly construction materials across its luxury and redevelopment projects, helping developers reduce their environmental footprint.
- The company incorporates energy-efficient technologies, including solar power solutions and LED-based lighting systems, to minimize energy consumption and encourage the use of renewable energy.
- As part of its sustainability efforts, the company ensures responsible disposal of construction and e-waste through certified recyclers, while gradually embedding circular economy practices to lower dependence on virgin raw materials.

Social

- The company benchmarks its Safety, Health, and Environment (SHE) standards against industry best practices, with project-level safety committees ensuring high standards of site safety, equipment checks, and use of non-flammable substitutes.
- It follows a structured risk management framework to identify workplace hazards across project sites and offices, with regular monitoring to ensure corrective measures are implemented.
- The company emphasizes social responsibility by offering housing solutions across income groups through its redevelopment model, contributing to urban renewal and addressing housing shortages in metro cities.

Governance

- LOTUS upholds strong corporate governance practices, focusing on transparency, accountability, and regulatory compliance, supported by periodic audits and reviews.
- The company maintains active stakeholder engagement with shareholders, employees, customers, and communities, ensuring their interests are factored into key business decisions.
- Through its governance framework, the company identifies material issues impacting long-term growth, with board-level oversight and continuous review of stakeholder engagement mechanisms to align with evolving expectations.

Bull and Bear cases

Bull case

- ☑ We expect a bookings CAGR of 144% (vs. 129% in the base case) over FY25-28E assuming acceleration in bookings for upcoming projects.
- ☑ Collections during same period would grow at 143% CAGR resulting in cumulative OCF of INR1.6b (vs. INR1.3b in the base case).
- ☑ We arrive at a TP of INR282 which indicates an upside of 52%

Bear case

- ☑ Increased competition within company's targeted micro-market can lead to lower than anticipate offtake of launch inventory and hence we expect a booking CAGR of 113% (vs. 129% in the base case)
- ☑ Collections during same period would grow at 112% CAGR resulting in cumulative OCF of INR1b (vs. INR1.3b in the base case).
- ☑ We also assume increased cost impacting company's margins
- ☑ We arrive at a TP of INR182 which indicates an downside of 2%.

Scenario analysis – Bull case

(INR b)	FY25	FY26E	FY27E	FY28E
Sales value (INR b)	4.9	13.8	42.5	70.7
Growth (%)	40%	182%	209%	66%
Collections (INR b)	3.4	12.9	20.4	48.2
OCF (INR b)	1.1	1.2	-6.6	6.9
GAV (INR b)				124
Net debt (INR b)				-13
NAV (INR b)				138
Target Price (INR)				282
Upside/ (downside) (%)				52%

Source: Company, MOFSL

Scenario analysis – Bear case

(INR b)	FY25	FY26E	FY27E	FY28E
Sales value (INR b)	4.9	9.2	26.6	47.2
Growth (%)	40%	88%	190%	77%
Collections (INR b)	3.4	8.6	12.8	32
OCF (INR b)	1.1	0.7	-3.8	4.0
GAV (INR b)				76
Net debt (INR b)				-13
NAV (INR b)				89
Target Price (INR)				182
Upside/ (downside) (%)				-2%

Source: Company, MOFSL

SWOT analysis

- Positioning in MMR with focus on luxury and ultra-luxury projects
- Asset-light strategy via redevelopment and JDAs enables scalability
- Strong execution track record and local market knowledge in redevelopment
- Ability to sale its product at 20% premium to the competition in each micro-markets of MMR

- High dependence on MMR exposes business to regional market risks
- Reliance on complex redevelopment projects with higher execution challenges
- Smaller scale vs. larger peers restricts national reach
- Business model is concentrated in the luxury and ultra-luxury segments, making it cyclical

- Robust luxury housing demand in Mumbai driven by rising incomes and limited premium supply
- Redevelopment pipeline unlocks prime land parcels with strong absorption potential
- Scope to expand beyond MMR into NCR, Bengaluru, and Pune to diversify presence

- Regulatory delays and legal disputes in redevelopment may impact timelines and cash flows
- Rising input costs and supply chain issues could pressure margins
- Competition from larger national developers may constrain market share

Management team

Anand Kamalnayan Pandit
Chairman & Managing Director

With over 24 years of leadership in real estate, Mr. Pandit is the company's founding promoter and has held his current role since 11th December, 2024. He brings a strong blend of strategic oversight and institutional governance—having served as a director on major banks and holding an Executive Real Estate Management Program credential from Harvard Business School.

Roopa Anand Pandit
Non-independent Director

A promoter director associated with the company since its incorporation, Ms. Pandit holds both a bachelor's and master's in arts. She brings over nine years of real estate experience, supporting the company's strategic direction.

Ashka Anand Pandit
Whole-time Director

Educated with a BBA from NMIMS and an MSc in Economics & International Financial Economics from the University of Warwick, Ms. Pandit has been with the company since 2015. She provides hands-on leadership in corporate strategy and operations.

Sanjay Kumar Jain
Chief Executive Officer

A Chartered Accountant with over 28 years of experience in finance and business management, Mr. Jain took charge as CEO in 2024. He is responsible for steering overall strategy, financial discipline, and execution across the company's residential and redevelopment portfolio.

Rakesh Gupta
Chief Financial Officer

Mr. Gupta, a Chartered Accountant with 17 years of experience, has held leadership positions at Nazara Technologies and Laqshya Media. Named among India's 'Top 10 Finance Heads – 2024', he leads financial strategy, capital allocation, and investor relations.

Paarth Chheda
President – Business Development

Mr. Chheda holds a Bachelor's degree in Architecture from the Illinois Institute of Technology and is an associate member of the Indian Institute of Architects. With over nine years of experience in the real estate sector, he joined LOTUS through the merger with Veer Savarkar Projects Private Limited in April 2020. He leads business development efforts, driving project sourcing, strategic partnerships, and client engagement.

Financials and valuations

Consolidated - Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**1,026**	**1,669**	**4,616**	**5,497**	**10,853**	**15,749**	**21,597**
Change (%)	NA	62.7	176.6	19.1	97.4	45.1	37.1
Construction Cost	735	1,255	2,621	1,986	6,222	7,379	10,271
Employees Cost	9	10	7	126	73	75	86
Other Expenses	112	198	402	496	608	749	1,084
Total Expenditure	**856**	**1,463**	**3,030**	**2,607**	**6,903**	**8,202**	**11,441**
% of Sales	83.5	87.7	65.7	47.4	63.6	52.1	53.0
EBITDA	**170**	**206**	**1,585**	**2,890**	**3,950**	**7,546**	**10,156**
Margin (%)	16.5	12.3	34.3	52.6	36.4	47.9	47.0
Depreciation	4	9	12	15	13	4	3
EBIT	**166**	**197**	**1,573**	**2,874**	**3,937**	**7,542**	**10,153**
Int. and Finance Charges	1	6	2	2	0	0	0
Other Income	6	31	46	196	243	484	607
PBT bef. EO Exp.	**171**	**221**	**1,618**	**3,068**	**4,180**	**8,026**	**10,760**
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	**171**	**221**	**1,618**	**3,068**	**4,180**	**8,026**	**10,760**
Total Tax	45	58	420	789	1,052	2,020	2,703
Tax Rate (%)	26.6	26.2	25.9	25.7	25.2	25.2	25.1
Minority Interest	-4	-4	0	5	161	142	339
Reported PAT	**129**	**166**	**1,198**	**2,274**	**2,967**	**5,864**	**7,718**
Adjusted PAT	**129**	**166**	**1,198**	**2,274**	**2,967**	**5,864**	**7,718**
Change (%)	3,292.2	28.7	620.0	89.8	30.5	97.7	31.6
Margin (%)	12.6	10.0	26.0	41.4	27.3	37.2	35.7

Consolidated - Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	200	200	200	436	489	489	489
Total Reserves	117	284	1,495	8,888	19,154	25,018	32,736
Net Worth	**317**	**484**	**1,696**	**9,324**	**19,642**	**25,507**	**33,225**
Minority Interest	-4	-7	9	14	175	317	656
Total Loans	3,361	3,289	4,286	1,147	1,064	795	795
Deferred Tax Liabilities	-31	-69	-28	-6	-4	-4	-4
Capital Employed	**3,644**	**3,696**	**5,963**	**10,480**	**20,877**	**26,615**	**34,673**
Gross Block	22	46	43	74	74	74	74
Less: Accum. Deprn.	4	12	25	40	53	58	61
Net Fixed Assets	**18**	**34**	**18**	**34**	**21**	**16**	**13**
Investment Property	**11**	**11**	**0**	**0**	**0**	**0**	**0**
Goodwill on Consolidation	1	2	27	18	18	18	18
Capital WIP	0	0	0	0	0	0	0
Total Investments	**47**	**48**	**180**	**326**	**7,833**	**8,329**	**11,929**
Curr. Assets, Loans&Adv.	**4,138**	**4,699**	**7,120**	**11,728**	**15,151**	**20,584**	**24,200**
Inventory	2,251	2,307	4,793	5,256	6,923	10,647	10,144
Account Receivables	100	104	426	2,048	495	978	1,260
Cash and Bank Balance	270	723	1,023	3,482	6,454	6,367	9,005
Loans and Advances	1,516	1,565	878	943	1,278	2,593	3,791
Curr. Liability & Prov.	**571**	**1,097**	**1,381**	**1,626**	**2,145**	**2,332**	**1,488**
Account Payables	42	78	145	118	206	254	461
Other Current Liabilities	526	1,014	1,228	1,497	1,928	2,074	1,023
Provisions	3	5	8	11	11	4	4
Net Current Assets	**3,567**	**3,603**	**5,739**	**10,102**	**13,005**	**18,252**	**22,712**
Appl. of Funds	**3,644**	**3,697**	**5,963**	**10,480**	**20,877**	**26,615**	**34,673**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**0.3**	**0.3**	**2.5**	**4.7**	**6.1**	**12.0**	**15.8**
Cash EPS	0.3	0.4	2.5	4.7	6.1	12.0	15.8
BV/Share	0.6	1.0	3.5	19.1	40.2	52.2	68.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	699.3	543.3	75.5	39.8	30.5	15.4	11.7
Cash P/E	679.6	515.2	74.7	39.5	30.3	15.4	11.7
P/BV	285.4	187.0	53.3	9.7	4.6	3.5	2.7
EV/Sales	91.2	55.7	20.3	16.0	7.8	5.4	3.8
EV/EBITDA	550.9	452.3	59.1	30.5	21.5	11.2	8.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-2.3	1.4	1.3	0.2	6.2	0.4	11.5
Return Ratios (%)							
RoE	51.5	41.6	110.0	41.3	20.5	26.0	26.3
RoCE	5.4	4.6	24.6	27.7	20.1	25.6	26.7
RoIC	5.6	4.6	30.3	37.3	44.4	61.0	59.3
Working Capital Ratios							
Fixed Asset Turnover (x)	47.1	36.2	107.9	74.1	146.3	212.4	291.2
Asset Turnover (x)	0.3	0.5	0.8	0.5	0.5	0.6	0.6
Inventory (Days)	801	505	379	349	233	247	171
Debtor (Days)	36	23	34	136	17	23	21
Creditor (Days)	15	17	11	8	7	6	8
Leverage Ratio (x)							
Current Ratio	7.3	4.3	5.2	7.2	7.1	8.8	16.3
Interest Cover Ratio	122.0	30.7	1,004.6	1,474.0	NA	NA	NA
Net Debt/Equity	9.8	5.3	1.9	-0.3	-0.3	-0.2	-0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	171	221	1,618	3,068	4,180	8,026	10,760
Depreciation	4	9	12	15	13	4	3
Interest & Finance Charges	1	6	5	2	0	0	0
Direct Taxes Paid	-57	-99	-361	-741	-1,051	-2,020	-2,703
(Inc)/Dec in WC	-1,228	599	-766	-2,091	112	-5,332	-1,822
CF from Operations	**-1,109**	**736**	**508**	**254**	**3,253**	**678**	**6,239**
Others	-4	-25	-46	-154	-243	-484	-607
CF from Operating incl EO	**-1,113**	**711**	**461**	**100**	**3,010**	**194**	**5,631**
(Inc)/Dec in FA	0	-7	174	-12	0	0	0
Free Cash Flow	**-1,113**	**704**	**635**	**88**	**3,010**	**194**	**5,631**
(Pur)/Sale of Investments	-2	-38	-222	-234	-7,550	-498	-3,600
Others	364	-103	325	184	243	484	607
CF from Investments	**362**	**-148**	**277**	**-62**	**-7,306**	**-13**	**-2,993**
Issue of Shares	0	0	0	5,364	7,351	0	0
Inc/(Dec) in Debt	887	-81	-406	-2,867	-83	-269	0
Interest Paid	-15	-30	-33	-71	0	0	0
Dividend Paid	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
CF from Fin. Activity	**872**	**-110**	**-439**	**2,425**	**7,268**	**-269**	**0**
Inc/Dec of Cash	**121**	**453**	**299**	**2,464**	**2,972**	**-88**	**2,639**
Opening Balance	149	270	723	1,022	3,486	6,458	6,370
Closing Balance	**270**	**723**	**1,022**	**3,486**	**6,458**	**6,370**	**9,009**

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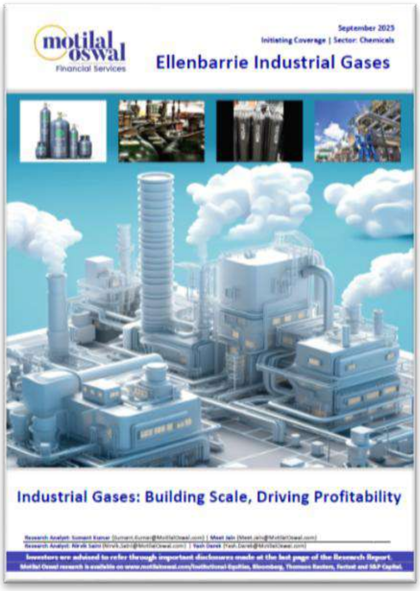

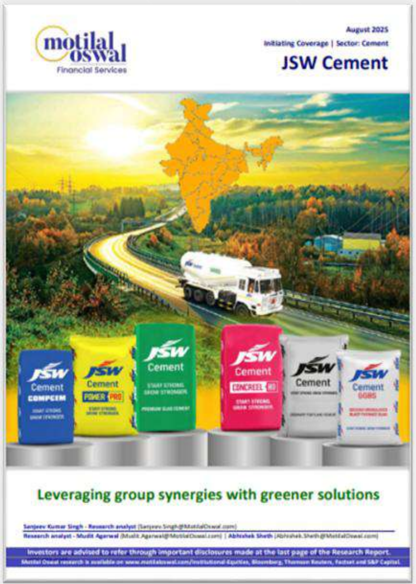

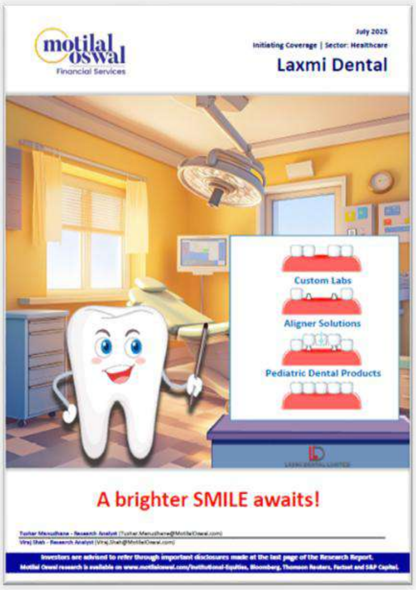

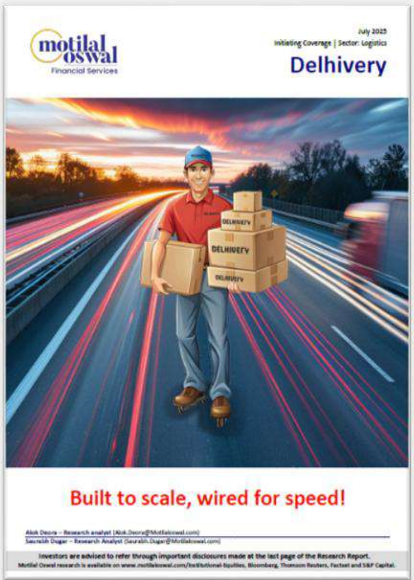

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BUY	>=15%
SELL	< - 10%
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