

IPO Report

Choice

“Subscribe for Long-Term” to Veegaland Homes Ltd.

Kerala's fastest-selling developer, at a discount to peers



Salient features of the IPO:

- **Veegaland Homes Ltd. (VHL)** is a **Kerala-based residential real estate developer** engaged in the planning, development and sale of multi-storied apartments across **mid-premium, premium, ultra-premium, luxe and ultra-luxury segments**, with projects across Kochi, Thiruvananthapuram, Kozhikode and Thrissur. **Part of the V-Guard Group**, the Company was incorporated in 2007 and entered real estate development in 2011 with its first project, *Green Clouds*, an ultra-luxury apartment project in Kochi. The Company follows an **end-to-end, process-driven development model** and has established a presence across multiple residential segments; as per the ICRA Report, it was ranked **Kerala’s fastest-selling real estate developer** as of December 8, 2025.
- The IPO comprises a **fresh issue of Rs. 210 Cr.** From the fresh issue net proceeds, **Rs. 119.83 Cr will be utilised towards funding a part of the expenses to be incurred in the development of ongoing projects**, while the remaining proceeds will be used for **unidentified land acquisition and general corporate purposes**.

Key competitive strengths:

- Strong track record of timely completion and sales absorption.
- Integrated land sourcing and balanced project portfolio.
- Process-driven, end-to-end development model.
- Experienced Promoters and capable management team.

Business strategy:

- Timely execution of ongoing and upcoming projects.
- Disciplined land acquisition and phased development.
- Expansion of the Luxe portfolio.
- Stronger brand presence and customer-centric sales.
- Wider digital market reach.
- Greater use of IT-driven processes across the project lifecycle.

Risk and concerns:

- Operating cash flow has been deeply negative for two consecutive years.
- Earnings are lumpy and hard to compare period to period.
- Nothing is built in-house, and inputs come from a concentrated supplier base.
- Long gestation periods, RERA constraints, and customer cancellations.
- Competition

Issue details	
Price band	Rs. 130 – 140 per share
Face value	Rs. 10
Shares for fresh issue	1.615 – 1.500cr shares
Shares for OFS	NIL
Fresh issue size	Rs. 210 cr
OFS issue size	NIL
Total issue size	1.615 – 1.500cr shares (Rs. 210 cr)
Bidding date	10 th Sept. – 15 th Sept. 2026
Implied MCAP at higher price band	Rs. 682.500cr
Implied enterprise value at higher price band	Rs. 548.232cr

Book running lead manager	Cumulative Capital Pvt. Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Sector	Real Estate
Promoters	Kochouseph Thomas Chittilappilly and K. Chittilappilly Trust

Issue Structure:		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.808 – 0.750cr shares
Non institutional portion (Big)	10%	0.162 – 0.150cr shares
Non institutional portion (Small)	5%	0.081 – 0.075cr shares
Retail portion	35%	0.565 – 0.525cr shares

Indicative IPO process time line	
Finalization of basis of allotment	16 th Sept. 2026
Unblocking of ASBA account	17 th Sept. 2026
Credit to demat accounts	17 th Sept. 2026
Commencement of trading	18 th Sept. 2026

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	92.00%	63.69%
Public	8.00%	36.31%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Max Retail application money at higher cut-off price per lot	
Number of shares per lot	107
Application money	Rs. 14,980

Valuation Overview and IPO Rating

At the upper band of **Rs. 140**, **Veegaland Homes Ltd.** is offered at **25.6x FY26 earnings, 13.7x EV/EBITDA**, a discount to the peer average of 32.4x. The business supports it: revenue has grown at a **32.1% CAGR** over FY23–26 to **Rs. 251 crore**, profit at **22.4%** to **Rs. 27 crore**, and average return on equity of **23.3%** compares with 10.4% for peers. The delivery record is strong — **all ten completed projects fully sold**, six handed over ahead of their RERA dates, the ongoing portfolio of 18.57 lakh sq. ft. already **63.6% sold**, and realisation up from Rs. 6,935 to **Rs. 8,022 per sq. ft.** as the mix moved upmarket. A confirmed **order book of Rs. 909 crore** and Q1 FY2027 pre-sales growth of **64.8%** give visibility over the next two to three years, while the balance sheet is now near-unlevered at **0.2x debt-to-equity** post-issue, with the full **Rs. 210 crore** raised as fresh capital. The main concern is cash: the company used **Rs. 74 crore** in operations in FY26 after Rs. 44 crore in FY25 despite rising profits, reflecting land bought ahead of launches, with inventory at **369 days** and a **411-day** working capital cycle, and post-issue return on equity falls to **5.6%** on the enlarged base. Concentration is also real — one state, nine of ten completed projects in Kochi, **92.5% of revenue** from premium and above. **We recommend Subscribe for the Long Term**: the pricing is reasonable, the balance sheet is clean and the order book underwrites near-term revenue, but the earnings that justify the multiple lie two to three years out, so investors should expect muted return ratios until the proceeds are deployed and cash flow turns.

Peer Comparison :-

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	6M Return (%)	12M Return (%)	FY26 Revenue (Rs. cr)	FY26 EBITDA (Rs. cr)	FY26 PAT (Rs. cr)	FY26 EBITDA margin (%)	FY26 PAT margin (%)
Veegaland Homes Ltd.	10	140	683	539	-	-	251	39	27	15.7%	10.6%
Shriram Properties Ltd.	10	76	1,294	1,759	0.7%	-9.7%	1,267	85	101	6.7%	8.0%
Keystone Realtors Ltd.	10	377	4,750	5,352	-5.2%	-39.4%	2,635	122	95	4.6%	3.6%
Sri Lotus Developers & Realty Ltd.	1	178	8,704	7,986	44.5%	0.8%	769	281	243	36.5%	31.6%
Kolte Patil Developers Ltd.	10	436	3,867	4,539	30.2%	-7.4%	735	(61)	(38)	-	-
Puravankara Ltd.	5	211	5,001	9,111	19.4%	-25.4%	3,740	691	57	18.5%	1.5%
Average										16.6%	11.2%

Company name	Total Debt	Cash	FY26 RoE (%)	FY26 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Veegaland Homes Ltd.	87	231	5.6%	11.2%	25.6	1.4	2.1	13.7	2.7	5.5	98	0.2
Shriram Properties Ltd.	616	151	5.7%	10.0%	12.8	0.9	1.4	20.7	1.0	5.9	85	0.4
Keystone Realtors Ltd.	1,484	882	6.8%	9.0%	50.0	1.7	2.0	43.9	1.8	7.5	227	0.5
Sri Lotus Developers & Realty Ltd.	131	849	24.4%	37.0%	35.8	4.6	10.4	28.4	11.3	5.0	39	0.1
Kolte Patil Developers Ltd.	1,183	511	13.1%	11.0%	31.1	3.2	6.2	(74.4)	5.3	(4.3)	136	1.0
Puravankara Ltd.	5,595	1,485	-10.6%	6.0%	-	2.8	2.4	13.2	1.3	2.4	75	-
Average			7.9%	14.6%	32.4	2.6	4.5	6.4	4.1			0.5

Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	4Y PAT growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Receivable days	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth
Veegaland Homes Ltd.	32.1%	19.6%	22.4%	16.0%	10.4%	23.3%	11.7%	35	422	12	477
Shriram Properties Ltd.	23.4%	25.5%	14.1%	6.5%	9.0%	6.0%	9.5%	34	-	301	1,460
Keystone Realtors Ltd.	56.6%	5.5%	5.9%	8.7%	7.4%	5.3%	6.5%	28	371	64	2,863
Sri Lotus Developers & Realty Ltd.	65.7%	115.7%	129.9%	35.2%	27.9%	37.6%	25.0%	87	179	8	1,911
Kolte Patil Developers Ltd.	-21.0%	-	-	4.0%	1.0%	3.5%	6.8%	17	537	80	1,207
Puravankara Ltd.	44.6%	44.3%	-5.2%	18.1%	-0.1%	-0.4%	8.5%	100	0	0	1,788
Average	33.9%	47.7%	36.2%	14.5%	9.0%	10.4%	11.3%	53	272	91	

Note: Considered Financial for the period during FY23-26 (with IPO adjustments); Source: Choice Equity Broking

Key Highlights of the Industry:

- **The Indian residential market is large, growing, and the biggest slice of real estate.** India's overall real estate market was **Rs. 39.44 trillion in FY2026** and is projected to reach **Rs. 81.76 trillion by FY2032**. Residential is the largest segment at **60.7%** of the sector, growing from Rs. 23.9 trillion in FY2026 to a forecast of Rs. 55.9 trillion by FY2032. Real estate is India's second-largest employment generator after agriculture and is expected to reach USD 1 trillion by 2030, from USD 200 billion in 2021.
- **Kerala's premium apartment market has grown from a very small base, and forecasts assume that continues.** The state's boutique-flats market grew from **Rs. 1.8 billion in FY2021 to Rs. 27.97 billion in FY2026** at a 72.5% CAGR, and is forecast to reach **Rs. 75.88 billion by FY2032** at a 17.3% forward CAGR. All three of the company's core cities show the same shape — explosive early growth off a tiny base, then a slower forecast: Kochi grew at a **80.1% CAGR** to Rs. 6.8 billion and is forecast at 15.0% thereafter; Trivandrum at **79.4%** to Rs. 8.3 billion, forecast at 22.0%; Calicut at **91.2%**, forecast at 18.5%.
- **Buyer preference is shifting toward larger, higher-priced apartments.** KRERA data shows demand for 3-BHK and 4-BHK apartments in Ernakulam rising faster than for villas or smaller units — **3-BHK registrations rose from 858 in 2023 to 960 in 2024, and 4-BHK from 285 to 314**. Post-pandemic, developers report growing demand for spacious 3-BHK and 4-BHK homes, and premium gated communities with co-working space, wellness amenities and integrated facilities are expected to outperform conventional apartment projects. This is precisely the segment Veegaland sells into.
- **Employment and infrastructure are the underlying demand drivers in Kerala.** Kerala is emerging as a base for Global Capability Centres: **Thiruvananthapuram and Kochi have each established over 20 GCCs, employing more than 15,000 and 8,000 people respectively**. Kakkanad is Kochi's most attractive micro-market on the back of Infopark, SmartCity and GCC-led office development. Kochi Metro expansion, the **Vizhinjam International Seaport** and the Outer Area Growth Corridor in Trivandrum, and Kerala's Vision 2031 roadmap are all cited as supports for long-term residential absorption.
- **The demand base is shifting from NRIs to domestic buyers — and there are visible near-term headwinds.** In Kochi, the ratio of domestic to NRI buyers in premium and mid-segment property has moved from **30:70 to 60:40**. Against that, national housing sales across the top seven cities **fell 7% quarter-on-quarter in Q1 2026 to about 101,650 units** on Middle East geopolitical tension, elevated oil prices and rising construction costs, with Gulf-based NRI investors deferring decisions. Kerala-specific data is also mixed: 3-BHK registrations in Ernakulam **declined from 156 in CY2023 to 92 in CY2025**. The industry's structural weaknesses — raw-material price volatility across multi-year build cycles, lengthy multi-agency approvals, and heavy reliance on debt — apply to every developer in the sector.
- Kochi's demand base is being extended by the 300-acre AI-enabled **Infopark Phase III** and a proposed Integrated AI Township, both expected to strengthen absorption across Kakkanad and eastern Kochi — the micro-markets where Casabella, Maybell and Amora sit.

Key Highlights of the Company:

• Business Profile

- A real estate development company engaged in the planning, development and sale of multi-storied residential apartment projects in the state of Kerala, India.
- Projects are developed across **mid-premium, premium, ultra-premium, luxe-series and ultra-luxury** residential segments and are implemented in accordance with the applicable provisions of RERA. The company operates under the brand name '**Veegaland Homes**' and has undertaken projects in Kochi, Thiruvananthapuram, Kozhikode and Thrissur.
- According to the ICRA Report, as of December 8, 2025, it is ranked as **Kerala's fastest-selling real estate developer** and is one of the recognised residential real estate developers in the state.

• Group heritage and promoter

- Forms part of the broader '**V-Guard Group**', which traces its origins to 1977, when the Promoter, Kochouseph Thomas Chittilappilly, established V-Guard Industries for the manufacture of voltage stabilisers. The group has since evolved into a diversified ecosystem spanning consumer electricals through 'V-Guard Industries Limited', entertainment through 'Wonderla Holidays Limited' and fashion and apparel through 'V-Star Creations Private Limited'.
- The group also undertakes philanthropic, healthcare and wellness activities through the 'K Chittilappilly Foundation' and 'Chittilappilly Square', operated under the 'K. Chittilappilly Trust'. As part of the group's diversification strategy, the Company was incorporated in **2007** and entered real estate development in **2011**.
- Commenced real estate activities in 2011 with the first building permit for '**Green Clouds**', a multi-storey apartment in Kochi positioned under the ultra-luxury segment. Operations then expanded within Kochi and subsequently into Thiruvananthapuram, Kozhikode and Thrissur, through residential apartment developments of varying scales and configurations.
- Led by Promoter **Kochouseph Thomas Chittilappilly**, who has over 49 years of diversified experience, including more than 16 years in real estate and amusement parks and over 43 years in electrical appliances. He founded V-Guard Industries and Wonderla Holidays, both listed. He received the 'Kerala Sree Award' from the Government of Kerala in 2022 and was included by Forbes in its 2018 list of Asia's Heroes of Philanthropy. He serves as Whole-Time Director and Vice Chairman, overseeing strategic direction and supervising senior leadership, supported by an experienced team of Key Managerial Personnel and Senior Management.

• How projects get built - an asset-light execution model

- Construction is carried out through **independent third-party civil contractors, subcontractors and vendors**. Architectural design, structural engineering, MEP (Mechanical, Electrical and Plumbing) design and related consultancy are undertaken by external consultants. The in-house team of engineers in project-monitoring roles is responsible for planning, supervision, quality control and regulatory compliance. Control over construction is maintained through documented processes, internal checks, periodic site reviews and joint inspections involving contractors and consultants.
- Contractors are identified and engaged through a **structured tendering process**: identification of work packages; shortlisting from an empanelled list or external tender invitations; evaluation of technical capacity, experience, manpower, financial stability and safety practices; submission of detailed proposals including methodology and cost breakdowns; pre-bid meetings; technical evaluation; and commercial negotiation. Final awards are based on technical suitability, execution capability and pricing, followed by a formal work order setting out scope, timelines, payment terms, safety obligations and quality requirements.
- The residential development model is **integrated and process-led**, encompassing feasibility assessment, master planning, consultant engagement, project design, procurement of regulatory approvals, technical supervision, adherence to construction specifications, staged quality verification, milestone-linked billing, customer documentation and possession handover. Post-completion, the company provides defect-liability support and coordinates with resident associations for transition of common assets.
- **Legal diligence is unusually deep for the sector**. Title is verified for a **minimum 30-year chain**, with encumbrance certificates, revenue records, possession certificates, paddy-land / wetland data bank extracts, and checks on CRZ, airport, defence, railway and heritage restrictions. This scrutiny is what allows the company to obtain project approvals from all leading banks for retail home loans to its customers, which supports sales and collections with limited credit risk.

• Portfolio scale (as on 30 June 2026)

- **Completed**: 10 residential projects aggregating **11.05 lakh square feet** of saleable area, comprising 692 units (including 43 units allocated to landowners under JDAs). **All units across these Completed Projects have been fully sold**, demonstrating complete absorption of delivered inventory and supporting the credibility of the execution track record.
- **Ongoing**: 12 projects aggregating **18,57,460 square feet** of saleable area, comprising 987 units (excluding 7 units of 14,907 square feet allocated to landowners under JDA). As of June 30, 2026, **637 units aggregating 11,72,182 square feet have been sold, representing 63.62%** of total saleable area excluding JDA. These developments are at different stages of construction, from early foundation works to advanced finishing, and constitute a significant component of near-term operational visibility.
- **Upcoming**: projects identified for launch account for an estimated saleable area of **4,62,010 square feet**, comprising approximately 212 residential units, currently at various stages of pre-construction including architectural and engineering design and statutory approvals.
- **Land reserves**: aggregating **6.51 acres** across Kochi and Kozhikode, intended to support future residential development, subject to statutory approvals, feasibility assessments and market conditions.

Key Highlights of the Company (Contd...):

- **Land sourcing: outright purchase, with JDAs now the exception**

- Development experience spans both projects on freehold land acquired through outright purchase and projects executed under an asset-light model through **joint development arrangements ('JDAs')** with landowners. As on the date of the RHP, only one project — 'Elanza', in the premium segment — is being developed under a JDA structure. Elanza has a total saleable area of 1,51,354 square feet, of which 14,907 square feet are allocated to the landowner.
- Under the JDA model the arrangement is **area-sharing, not revenue-sharing**. The completed portfolio includes three JDA projects — Petunia & Begonia, Kings Town and Zinnia — where landowners were allocated 19,380, 28,755 and 15,403 sq. ft. respectively. **There are no JDA structures in the upcoming pipeline**, so the model has shifted decisively to outright land purchase — which raises returns per project but consumes far more capital up front.

- **Product design**

- Project designs typically incorporate **biophilic and resource-efficient features**: cross-ventilated apartment layouts, orientation planning for natural daylight, landscaped podiums and terraces, on-site sewage treatment with recycled-water reuse, heat-resistant walls, solar photovoltaic systems for common areas, organic waste conversion units and groundwater recharge mechanisms. These are integrated at the planning stage and executed as part of standard project infrastructure.

- **Sales momentum and order book**

- Contracted order book as of June 30, 2026 was **Rs. 909.42 crore** (Rs. 90,942.07 lakh), representing the aggregate value of sale agreements executed in ongoing projects.
- Pre-sales in **Q1 FY2027 increased 64.8% year-on-year**.
- Average realisation improved from **Rs. 6,935 per sq. ft. in FY24 to Rs. 8,022 in FY26** (+15.7%). Sales value rose from Rs. 186.96 crore to Rs. 393.62 crore, and gross collections including GST from Rs. 125.31 crore to Rs. 291.83 crore.
- Units sold were **167 (FY24), 270 (FY25) and 261 (FY26)** — note that unit volume dipped slightly in FY26 while value rose, i.e. growth came from price and unit size, not from selling more homes.

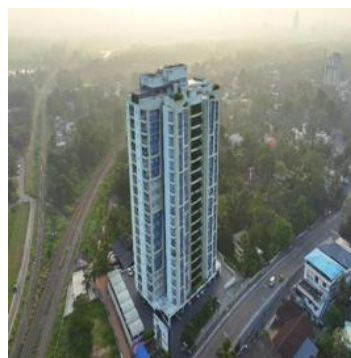
- **Completed Projects — Photographs**



Veegaland Green Clouds | Kochi | Ultra-Luxury



Veegaland Springbell | Kochi | Premium



Veegaland Kings Fort | Kochi | Premium



Veegaland Thejus | Kochi | Premium

Revenue Mix & Operational Metrics:

Operational Key Performance Indicators					
Particulars	Unit	FY23	FY24	FY25	FY26
Saleable area - Completed Projects	sq. ft.	8,34,434	9,76,840	11,05,009	11,05,009
Saleable area - Ongoing Projects	sq. ft.	5,43,729	10,41,140	10,02,610	16,96,407
Number of Completed Projects	nos.	8	9	10	10
Number of Ongoing Projects	nos.	4	7	7	11
Gross collections (incl. GST)	Rs. cr	155.39	125.31	207.54	291.83
Sales value (excl. GST) (A)	Rs. cr	109.62	186.96	338.38	393.62
Sales area (B)	sq. ft.	1,64,260	2,69,573	4,67,166	4,90,697
Sales (number of units)	nos.	111	167	270	261
Average sale price (A/B)	Rs./sq.ft.	6,673.58	6,935.42	7,243.21	8,021.63

Revenue Bifurcation - By Project Stage								
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev
Mid - Premium	19.27	17.7%	0.70	0.6%	9.11	4.7%	18.94	7.5%
Premium	93.09	85.5%	103.14	93.1%	110.44	57.4%	118.31	47.1%
Ultra - Premium	0.00	0.0%	6.93	6.3%	69.57	36.2%	89.81	35.8%
Luxe - Series	0.00	0.0%	0.00	0.0%	0.00	0.0%	23.91	9.5%
Ultra - Luxury	-3.45	-3.2%	0.00	0.0%	3.25	1.7%	0.00	0.0%
Revenue from Operations	108.91	100.0%	110.77	100.0%	192.38	100.0%	250.98	100.0%

Revenue Bifurcation - By Project Stage								
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev
Revenue from ongoing projects	36.87	33.9%	60.63	54.7%	172.56	89.7%	247.58	98.6%
Revenue from completed projects	72.04	66.1%	50.14	45.3%	19.81	10.3%	3.39	1.4%
Revenue from Operations	108.91	100.0%	110.77	100.0%	192.38	100.0%	250.98	100.0%

Revenue By Timing Of Transfer								
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev
Transferred over time (POCM)	36.87	33.9%	75.01	67.7%	172.56	89.7%	247.58	98.6%
Transferred at a point in time	72.04	66.1%	35.76	32.3%	19.81	10.3%	3.39	1.4%
Total	108.91	100.0%	110.77	100.0%	192.38	100.0%	250.98	100.0%

Contract Balances And Order Book				
Particulars	FY23	FY24	FY25	FY26
Trade receivables	6.39	10.52	27.40	45.15
Contract assets (unbilled revenue)	4.83	8.83	14.20	29.08
Contract liabilities (unearned rev.)	6.60	20.60	46.10	101.34
Revenue recognised from opening contract liability	3.06	6.60	20.55	45.41
Contracted order book (as on 30 June 2026)				909.42

Project Portfolio Summary (As On 30 June 2026)				
Category	No. of projects	Saleable area (sq. ft.)	Area sold (sq. ft.)	% sold
Completed Projects	10	11,05,009	11,05,009	100.0%
Ongoing Projects	12	18,57,460	11,87,089	63.9%
Upcoming Projects	3	4,62,010	0	0.0%
Total	25	34,24,479	22,92,098	66.9%

Segment Classification And Price Positioning				
Segment	Typical unit size	Avg. sales price (Rs./sq.ft.)	Target customer	Projects in portfolio
Mid-Premium	900 - 1,300 sq. ft.	6,300 - 7,000	First-time buyers, young professionals, rental investors	Bluebell, Green Fort
Premium	1,270 - 2,579 sq. ft.	6,400 - 8,400	Upper-middle class	Largest share of completed portfolio
Ultra-Premium	1,800+ sq. ft. (3-4 BHK)	6,500 - 8,800	High net worth individuals	Symphony, Green Heights, Queens Park
Luxe Series	High-end, privacy-focused	Not disclosed	Premium specification buyers	Flora, Lluvia Garden, Fortune (upcoming)
Ultra-Luxury	Boutique format	Not disclosed	Top-end buyers	Green Clouds

Source: Choice Equity Broking

Financial statements:

Restated Profit and Loss Statement (Rs. cr)					
	FY23	FY24	FY25	FY26	CAGR (FY23-26)
Revenue from Operations	108.9	110.8	192.4	251.0	32.1%
Operating cost (land, construction, labour & allocated expenses)	(101.8)	(86.5)	(206.9)	(249.7)	34.8%
Changes in inventories of FG & WIP	26.2	7.6	67.6	68.8	38.1%
Gross profit	33.2	31.9	53.0	70.1	28.3%
Employee benefit expenses	(4.5)	(4.5)	(5.9)	(7.7)	19.7%
Other expenses	(5.7)	(14.6)	(17.2)	(23.0)	59.1%
EBITDA	23.0	12.9	29.9	39.5	19.6%
Depreciation & amortization expenses	(0.4)	(0.4)	(0.5)	(0.7)	19.4%
EBIT	22.6	12.5	29.5	38.7	19.6%
Finance costs	(4.3)	(5.1)	(5.0)	(5.7)	9.7%
Other income	1.2	3.8	3.8	3.2	39.5%
PBT	19.5	11.2	28.3	36.2	23.0%
Tax expenses	(4.9)	(3.4)	(7.8)	(9.6)	24.8%
Reported PAT	14.5	7.9	20.4	26.6	22.4%

Restated Balance Sheet Statement (Rs. cr)					
	FY23	FY24	FY25	FY26	CAGR (FY23-26)
Equity share capital	5.0	5.0	5.0	33.8	89.0%
Other Equity	32.2	40.1	60.4	233.2	93.4%
Non-current borrowings	11.5	85.2	104.2	27.2	33.1%
Other non-current financial liabilities	9.0	7.2	4.8	1.5	-45.1%
Non-current provisions	1.9	2.5	2.8	3.3	20.0%
Other non-current liabilities	8.0	5.0	2.6	0.1	0.0%
Net deferred tax liabilities	0.5	0.3	-	0.4	-9.3%
Trade payables	3.3	5.5	6.7	7.2	29.6%
Current borrowings	110.6	35.0	72.8	58.4	-19.2%
Other current financial liabilities	2.9	5.4	5.9	9.2	47.5%
Current provisions	0.0	0.1	0.1	0.1	11.3%
Current tax liabilities (net)	-	-	7.1	0.6	-
Other current liabilities	11.0	29.7	54.2	109.0	115.0%
Total liabilities	196.0	221.0	326.7	483.8	35.1%
PP&E	1.7	1.7	2.5	22.6	136.6%
Intangible assets	-	-	-	0.0	-
Intangible assets under development	-	-	-	0.3	-
Other non current financial assets	9.8	10.5	11.2	44.6	65.5%
Deferred tax assets (net)	-	-	0.3	-	-
Other non-current assets	0.5	0.8	1.5	3.4	84.9%
Inventories	143.9	151.6	219.1	288.0	26.0%
Current Trade receivables	6.4	10.5	27.4	45.1	91.8%
Current Investments	-	-	-	-	-
Cash & cash equivalents	25.5	29.2	36.7	20.5	-7.0%
Bank balances other than cash	0.0	0.0	0.0	12.7	780.0%
Other current financial assets	4.8	8.8	14.2	31.0	85.9%
Current tax assets (net)	0.0	0.2	-	-	-100.0%
Other current assets	3.3	7.7	13.6	15.6	68.7%
Total assets	196.0	221.0	326.7	483.8	35.1%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated Consolidated Cash Flow Statement (Rs. cr)					
	FY23	FY24	FY25	FY26	CAGR (FY23-26)
Cash flow before working capital changes	24.3	18.3	32.5	43.2	21.1%
Working capital changes	21.2	(5.8)	(75.2)	(102.1)	-268.8%
Cash flow from operating activities	42.2	8.8	(44.0)	(74.3)	-220.8%
Purchase of fixed assets & CWIP	(0.3)	(0.4)	(1.4)	(21.0)	311.4%
Cash flow from investing activities	0.7	1.9	(0.2)	(19.8)	-412.0%
Cash flow from financing activities	(19.1)	(7.0)	51.7	77.9	-259.7%
Net cash flow	23.7	3.7	7.5	(16.2)	-188.0%
Opening balance of cash	1.8	25.5	29.2	36.7	171.7%
Overdraft reclassification (Ind AS 7)	(0.0)	-	-	-	
Closing balance of cash from continuing operations	25.5	29.2	36.7	20.5	-7.0%

Financial ratios					
Particulars	FY23	FY24	FY25	FY26	
Profitability ratios					
Revenue growth rate	-	1.7%	73.7%	30.5%	
Gross profit growth rate	-	-3.9%	66.0%	32.3%	
Gross profit margin	30.5%	28.8%	27.6%	27.9%	
EBITDA growth rate	-	-44.1%	132.4%	31.8%	
EBITDA margin	21.2%	11.6%	15.6%	15.7%	
EBIT growth rate	-	-44.9%	136.2%	31.5%	
EBIT margin	20.8%	11.3%	15.3%	15.4%	
Restated PAT growth rate	0.0%	-45.8%	159.6%	30.3%	
Restated PAT margin	13.3%	7.1%	10.6%	10.6%	
Cash Conversion					
Inventories days	482.3	486.8	351.7	368.7	
Trade receivables days	21.4	27.9	36.0	52.8	
Trade payables days	(11.0)	(14.6)	(11.6)	(10.1)	
Cash conversion cycle	492.7	500.1	376.0	411.4	
Turnover ratios					
Inventory turnover ratio	0.8	0.7	1.0	1.0	
Trade receivable turnover ratio	17.0	13.1	10.1	6.9	
Accounts payable turnover ratio	33.0	25.1	31.4	36.1	
Fixed asset turnover ratio	64.0	64.1	75.6	11.0	
Total asset turnover ratio	0.6	0.5	0.6	0.5	
Liquidity ratios					
Current ratio	1.4	2.7	2.1	2.2	
Quick ratio	0.3	0.7	0.6	0.7	
Total debt	134.0	132.8	187.7	96.3	
Net debt	108.5	103.6	151.0	75.7	
Debt to equity	3.6	2.9	2.9	0.4	
Net debt to EBITDA	4.7	8.0	5.0	1.9	
Cash flow ratios					
CFO to PAT	2.9	1.1	(2.2)	(2.8)	
CFO to Capex	139.6	20.4	(31.3)	(3.5)	
CFO to total debt	0.3	0.1	(0.2)	(0.8)	
CFO to current liabilities	0.3	0.1	(0.3)	(0.4)	
Return ratios					
RoIC (%)	29.2%	6.5%	12.8%	11.3%	
RoE (%)	39.0%	17.5%	31.2%	10.0%	
RoA (%)	7.4%	3.6%	6.3%	5.5%	
RoCE (%)	14.5%	8.0%	13.3%	11.2%	
Per share data					
Restated EPS (Rs.)	3.0	1.6	4.2	5.5	
BVPS (Rs.)	7.6	9.2	13.4	54.7	
Operating cash flow per share (Rs.)	8.6	1.8	(9.0)	(15.2)	
Free cash flow per share (Rs.)		(13.8)	(2.4)	(15.2)	

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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