

IPO Details

IPO Date	22nd to 24th Sep, 2026
Face Value	₹2 per share
Price Band	₹140 to ₹148
Lot Size	101 Shares
Sale Type	Fresh capital cum OFS
Total Issue Size	4,78,39,255 shares (agg. up to ₹708 Cr)
Fresh Issue	2,16,21,621 shares (agg. up to ₹320 Cr)
Offer for Sale	2,62,17,634 shares of ₹2 (agg. up to ₹388 Cr)
Issue Type	Book Building IPO
Listing At	BSE, NSE
Shareholding pre issue	20,43,90,203 shares
Share Holding Post Issue	22,60,11,824 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max) shares	101 Shares & 1,313 shares
Retail (Min & Max) application amount	₹14,948 & ₹1,94,324
S-HNI (Min shares & application amount)	1,414 shares & ₹2,09,272
S-HNI (Max shares & application amount)	6,666 shares & ₹9,86,568
B-HNI (Min shares & application amount)	6,767 shares & ₹10,01,516
Basis of Allotment	Fri, Sep 25, 2026
Initiation of Refunds	Mon, Sep 28, 2026
Credit of Shares to Demat	Mon, Sep 28, 2026
Listing Date	Tue, Sep 29, 2026
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 24, 2026
Registrar	Kfin Technologies Ltd.

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Company Profile

Incorporated in 2003 and headquartered in Ahmedabad, Gujarat, Varmora Granito Limited manufactures and markets ceramic and vitrified tiles, including Glazed Vitrified Tiles (GVT), Polished Vitrified Tiles (PVT) and ceramic tiles, with GVT and technical tiles accounting for around 84% of its tile revenue in Fiscal 2026. The Company operates eight manufacturing facilities in the Morbi cluster of Gujarat, with 81.72% of its Fiscal 2026 revenue generated from in-house manufactured products, and has adopted Integrated Stone Technology (IST) through a technology partnership with Italy's SACMI. Varmora has a wide distribution network of 305 exclusive brand outlets and 2,758 multi-brand outlets across India and overseas, besides B2B sales to builders, contractors, developers and government entities. It also focuses on sustainability, with 16.22 MW of renewable energy capacity. As of March 2026, it had 1,153 permanent employees.

Objects of the Issue

- ☐ Repayment/prepayment of borrowings availed by the Company and its subsidiaries – ₹245.00 Cr.
- ☐ General Corporate Purposes – up to ₹75.00 Cr.
- ☐ Offer for Sale – up to ₹388.00 Cr.

Financial Details

Particulars (Amount in Crores)	FY26	FY25	FY24
Revenue from Operations	1,512.46	1,446.03	1,435.48
Other income	50.06	46.65	37.10
Total Income	1,562.53	1,492.67	1,472.58
Expenses			
- Cost of Materials Consumed	383.79	406.06	309.74
- Purchases of Stock-in-Trade	213.15	230.70	362.85
- Changes in Inventories	44.12	(90.60)	(3.66)
- Employee Benefit Expenses	111.76	109.12	97.51
- Other Expenses	588.15	639.11	555.83
Total expenses	1,340.97	1,294.38	1,322.25
EBITDA	171.49	151.65	113.23
EBITDA Margin (%)	11.34%	10.49%	7.89%
- Finance cost	39.40	42.49	29.06
- Depreciation and amortization	105.99	119.41	61.61
- Exceptional Items	0.77	-	-
Profit/(Loss) before tax	76.62	37.65	63.04
Tax expense/(credit)	21.52	6.88	18.10
Profit/(Loss) After Tax	55.09	30.77	44.94
PAT Margin (%)	3.64%	2.13%	3.13%
Basic EPS (in Rs.)	3.08	1.75	2.19

Key Metrics	FY26	FY25	FY24
Return on Equity (%)	6.80%	4.14%	6.39%
Return on Capital Employed (%)	9.89%	6.32%	7.95%
Debt/Equity (x)	0.44	0.68	0.59
Overall Capacity Utilisation (%)	72.49%	78.20%	71.86%
Net working capital days	96	112	82
Tiles sales volume(Million square meters)	38.34	38.10	36.12

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Competitive Strengths

- **Established Leadership in India's Premium Tile Market** – The Company's revenue from operations grew from ₹1,435.48 Cr in Fiscal 2024 to ₹1,512.46 Cr in Fiscal 2026, with GVT and technical products contributing 84.19%, 78.71% and 75.37% of tile revenue in Fiscal 2026, 2025 and 2024, respectively, and the Company held an approximate 6.6% share of the Indian GVT tiles market by revenue in Fiscal 2026.
- **Comprehensive, Innovation-led Product Portfolio** – As of March 31, 2026, the Company offered over 3,500 SKUs across 20 surface types, supported by a dedicated R&D team of 17 members and 20 in-house designers, having launched over 2,900 new SKUs and eight new surface finishes between Fiscal 2024 and Fiscal 2026, driving an improvement in gross margin from 35.26% in Fiscal 2024 to 37.92% in Fiscal 2026.
- **Pan-India Distribution Network Anchored by EBOs(Exclusive Brand Outlets)** – The Company's B2C channel, comprising 305 exclusive brand outlets and 2,758 multi-brand outlets spread across 988 cities as of March 31, 2026, accounted for 66.80% of total domestic sales in Fiscal 2026, reinforcing brand recall and providing a competitive edge over regional peers.
- **Strategically Located, Technology-led In-house Manufacturing** – The Company operates eight manufacturing facilities in Morbi, Gujarat — India's tile manufacturing hub, contributing approximately 90% of national tile production — enabling 81.72% of Fiscal 2026 revenue to be met through in-house manufacturing, supported by capital expenditure of ₹33.76 Cr, ₹111.67 Cr and ₹348.30 Cr in Fiscal 2026, 2025 and 2024, respectively, and its IST partnership with Italy's SACMI.

Key Risk Factors

- **Manufacturing Concentration Risk** – All eight of the Company's in-house manufacturing facilities are located in Morbi, Gujarat, with 81.72% of its Fiscal 2026 revenue generated from in-house manufactured products. Any disruption in the Morbi region or shutdown at these facilities — as previously experienced for around three weeks during Cyclone Biparjoy in Fiscal 2024 — could significantly and adversely affect the Company's business, financial condition and results of operations.
- **Product Concentration Risk** – GVT and technical products accounted for 73.98%, 69.56% and 65.54% of the Company's revenue from operations in Fiscal 2026, 2025 and 2024, respectively. Any slowdown in demand for GVT tiles could have a material adverse effect on the Company's business, financial condition and cash flows.
- **Raw Material and Supplier Concentration Risk** – The Company's top ten suppliers contributed 8.10% of its total expenses in Fiscal 2026, and it remains exposed to volatility in the pricing and supply of key raw materials such as clays, glaze, ink, feldspar, frit and bentonite. Any loss of key suppliers, interruption in timely delivery or escalation in raw material prices could adversely affect the Company's business and margins.
- **Intense Competition Risk** – The Company operates in a highly competitive, largely unorganised Indian tiles and bathware market, facing pressure from larger organised and branded players as well as smaller regional and unbranded manufacturers with greater flexibility. An inability to compete effectively on price, brand recognition or product innovation could adversely affect the Company's revenues and profitability.

Comparison with Listed Peers

Name of the Companies	Market Price*	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Varmora Granito Limited	NA	2.00	60.66*	2.44**	2.44**	7.79%	39.52
Peers:							
Kajaria Ceramics Limited	1,226.02	1.00	40.27	30.48	30.44	15.89%	191.11
Somany Ceramics Limited	564.15	2.00	28.55	19.80	19.76	8.79%	202.11
Asian Granito India Limited	50.40	10.00	72.00	0.70	0.70	1.23%	51.36
Orient Bell Limited	401.86	10.00	47.67	8.46	8.43	3.78%	222.78

*P/E calculated based on upper band price.

**EPS calculated including fresh issue shares

Summary

As per the Technopak Report, the Indian domestic tiles market is projected to grow from ₹531.0 billion in Fiscal 2025 to ₹765.2 billion by Fiscal 2030, while glazed vitrified tiles (GVT) — the largest and fastest-growing tile sub-segment — are expected to grow at a CAGR of 14.5% over the same period, with their share of industry revenue rising from 36.5% in Fiscal 2026 to 45.5% by Fiscal 2030, driven by premiumisation and India's low per capita tile consumption relative to peer economies.

The Company generates 87.87% of its revenue from tiles, with GVT and technical products contributing 73.98% of revenue from operations in Fiscal 2026, and the balance from bathware, adhesives and other products. Its distribution is anchored by 305 EBOs and 2,758 MBOs (Multi Brand Outlets) across 988 cities, driving 66.80% of domestic sales, while 81.72% of Fiscal 2026 revenue was met through in-house manufacturing across eight facilities in Morbi, Gujarat, with exports contributing a further 20.97%.

Going forward, growth should be supported by the Company's leadership in the fast-growing GVT segment, expanding pan-India distribution network and continued focus on product innovation and premiumization. The Company reported Fiscal 2026 revenue from operations of ₹1,512.46 Cr, up 4.59% YoY, and PAT of ₹55.09 Cr, while EBITDA margin (excluding other income) improved to 11.34% from 10.49% in Fiscal 2025 and 7.89% in Fiscal 2024. The improvement has been aided by a richer product mix, with the Company increasingly focusing on premium and higher-margin products while exiting lower-margin categories. This strategy should support better realizations and further margin improvement. In addition, the Company's planned capacity expansion through its joint venture in Assam should provide additional headroom for volume growth and strengthen its manufacturing presence in the eastern and north-eastern markets.

The Company plans to utilize a significant portion of the Net Proceeds towards repayment/prepayment of borrowings availed by the Company and its subsidiaries. Following the proposed debt repayment, the Company is expected to become **net debt free**, materially strengthening its balance sheet. The resulting reduction in finance costs should translate into an **incremental improvement in PAT**, complementing earnings growth from operating performance and margin expansion, while providing greater financial flexibility for future growth initiatives.

The Company is well positioned to benefit from the growing premiumization trend in India's tiles market, supported by its established distribution network, improving product mix and capacity expansion through the Assam JV. Post-IPO debt repayment is expected to generate meaningful interest cost savings and improve profitability. **After factoring in these savings, the valuation is broadly in line with peers, indicating that the benefits of deleveraging are largely priced in.** Nevertheless, given the growth potential from premiumization and incremental capacity, we recommend investors to **"Subscribe" from a long-term perspective.**

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