Veegaland Developers Ltd.

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IPO Note **09th September 2026**

Company Overview

Veegaland Homes is a Kerala-based real estate development company engaged in the planning, development and sale of multi-storied residential apartments across the mid-premium, premium, ultra-premium, luxe-series and ultra-luxury segments. Operating under the 'Veegaland Homes' brand, the Company has established a presence across key markets in Kerala, including Kochi, Thiruvananthapuram, Kozhikode and Thrissur. As per the ICRA Report, the Company was ranked as Kerala's fastest-selling real estate developer as of December 8, 2025. Veegaland Homes is part of the broader V-Guard Group, founded by promoter Kochouseph Thomas Chittilappilly, which has diversified interests across consumer electricals, entertainment and fashion. Incorporated in 2007, the Company commenced its real estate operations in 2011 with its first project, 'Green Clouds', an ultra-luxury residential development in Kochi. As of June 30, 2026, Veegaland Homes had completed 10 residential projects with an aggregate saleable area of 11.05 lakh sq. ft. across 692 units, including units allocated to landowners under JDAs. All units across the completed projects have been fully sold, highlighting strong absorption and the Company's execution track record. The Company currently has 12 ongoing projects with a total saleable area of 18.57 lakh sq. ft. comprising 987 units, of which 637 units representing 11.72 lakh sq. ft. have been sold, resulting in 63.6% sales penetration. Additionally, the Company has an upcoming project pipeline of approximately 4.62 lakh sq. ft. across 212 units, currently at various pre-construction stages. The Company follows an asset-light execution model, with construction activities undertaken through third-party contractors and specialized architectural, structural and MEP services provided by external consultants. An in-house engineering team oversees project planning, execution, quality control and regulatory compliance. Contractors are selected through a structured tendering process based on technical capabilities, execution track record, financial strength, safety practices and commercial terms. This model, coupled with the Company's established presence in Kerala, strong project absorption and sizeable ongoing and upcoming pipeline, provides visibility for sustained growth in the residential real estate market.

Objects of the issue

The IPO consists of a fresh issue of Rs. 1.5 crores.

The company proposes to utilize the proceeds from the issue towards the following objects:

⇒ Funding a part of the expense to be incurred in the development of the ongoing projects; and

⇒ Funding unidentified acquisition of land and general corporate purposes.

Investment Rationale

Established track record of execution, complete project absorption, and market-leading sales velocity

Veegaland Developers Limited has established a proven operational track record characterized by timely project delivery, disciplined construction milestone management, and high commercial absorption across Kerala's primary urban centers. Across its 10 Completed Projects covering 11.05 lakh sq. ft. of total saleable area and 692 residential units, the company has achieved a 100% sales realization rate. This strong commercial momentum carries directly into its active development pipeline. As of June 30, 2026, the company had 12 Ongoing Projects comprising 994 units with 18.57 lakh sq. ft. of saleable area, of which 637 units aggregating 11.72 lakh sq. ft. (or 63.62% of saleable area excluding Joint Development Arrangements) were already sold and booked by customers. Further supported by industry recognition in the ICRA Report identifying Veegaland as Kerala's fastest-selling real estate developer, this rapid sales velocity provides multi-year revenue visibility, secures predictable milestone-linked customer collections, and minimizes inventory carrying risks across fluctuating market cycles.

Disciplined sourcing model, robust growth pipeline, and established promoter heritage

The company utilizes a calibrated land procurement framework that blends freehold outright land purchases with selective, capital-efficient Joint Development Arrangements (JDAs). This strategy allows Veegaland to secure strategically located parcels across key growth hubs, including Kochi, Kozhikode, Thrissur, and Thiruvananthapuram while managing leverage, controlling upfront capital expenditure, and maintaining development flexibility. Its forward pipeline remains robust, with 12 Ongoing Projects (18.57 lakh sq. ft.) and 3 Upcoming Projects (4.62 lakh sq. ft.), providing an aggregate

Issue Details	
Offer Period	10th Sept. 2026 - 15th Sept. 2026
Price Band	Rs. 130 to Rs. 140
Bid Lot	107
Listing	BSE & NSE
Issue Size (no. of shares in Crores)	1.5
Issue Size (in	210
Face Value	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Cumulative Capital Pvt. Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	92.0%	63.7%
Public	8.0%	36.3%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

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development footprint of over 23.19 lakh sq. ft.. Complementing this pipeline is the extensive business reputation and brand equity of promoter Kochouseph Thomas Chittilappilly, founder of listed leaders V-Guard Industries Limited and Wonderla Holidays Limited. This corporate pedigree strengthens retail buyer trust, expands access to Non-Resident Keralite (NRK) demographics, and supports banking relationships, creating a scalable platform for sustainable operational and financial expansion.

Valuation

Veegaland Developers is a Kerala-focused residential real estate developer operating under the 'Veegaland Homes' brand, with presence across Kochi, Thiruvananthapuram, Kozhikode and Thrissur. Backed by the V-Guard Group, the Company has established a strong execution track record with 10 completed projects, 12 ongoing projects and a sizeable upcoming project pipeline, while achieving 100% sell-through across its completed projects. The Indian real estate sector has witnessed strong structural growth, supported by rising urbanization, increasing household incomes, nuclearization of families and improving housing affordability. According to the industry assessment, the Indian real estate market is valued at Rs. 29.5 trillion in FY24 and is projected to reach Rs. 69.8 trillion by FY30. Residential real estate remains the largest segment, supported by increasing preference for organized developers, premiumization and sustained demand for quality housing. Kerala's residential market is also expected to benefit from urbanization, NRI-led housing demand and increasing preference for branded developers. Financially, the Company has demonstrated strong growth, with revenue from operations increasing from Rs. 110.8 crores in FY24 to Rs. 192.4 crores in FY25 and Rs. 251.0 crores in FY26, implying a 51% CAGR over FY24-FY26. EBITDA increased from Rs. 12.9 crores to Rs. 39.5 crores during the same period, while PAT grew from Rs. 7.9 crores to Rs. 26.6 crores, translating into 84% PAT CAGR. PAT margin remained healthy at 10.6% in FY26, while the Company's debt profile improved materially, with borrowings declining from Rs. 177.0 crores in FY25 to Rs. 85.6 crores in FY26. The strong project pipeline and 63.6% sales penetration across ongoing projects provide visibility for future revenue and cash flows. **At the upper price band of Rs. 140, the IPO is valued at 15.9x FY26 P/E, based on diluted EPS of Rs. 8.7. The issue appears reasonably valued against listed industry peers, particularly when viewed alongside Veegaland's superior return profile (FY26 RoNW of 16.0%). The valuation therefore appears reasonable considering the company's strong earnings growth, healthy return profile, established brand and robust project pipeline. We recommend a SUBSCRIBE rating for the issue, considering the company's strong execution track record, rapid growth in revenue and profitability, improving balance sheet, healthy project absorption and favourable long-term prospects for residential real estate in Kerala.**

Key Risks:

⇒ The company's operations are entirely concentrated in Kerala, making its business performance highly dependent on the state's residential real estate market conditions. Any adverse changes in regulatory policies, economic conditions, or climatic events in Kerala could negatively impact demand, project execution and overall business operations, thereby adversely affecting the company's financial condition, results of operations and cash flows.

⇒ The timely execution and completion of the company's ongoing and upcoming projects are subject to various risks and uncertainties. Any delays in project completion, cost overruns or inability to execute projects as planned could adversely impact the Company's business operations, results of operations and financial condition.

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Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	111	192	251
Total revenue	**111**	**192**	**251**
Expenses			
Operating cost	86	207	250
Changes in inventories	(8)	(68)	(69)
Employee benefit expenses	5	6	8
Other expenses	15	17	23
Total operating expenses	**98**	**162**	**212**
EBITDA	**13**	**30**	**39**
Depreciation & amortization expenses	0	0	1
EBIT	**12**	**29**	**39**
Finance costs	5	5	6
Other Income	4	4	3
Profit before tax	**11**	**28**	**36**
Total Tax	3	8	10
Net Profit	**8**	**20**	**27**
Diluted EPS	**3.2**	**8.2**	**8.8**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	9	(44)	(74)
Cash flow from/(used in) investing activities	2	(0)	(20)
Net cash flows (used in) / from financing activities	(7)	52	78
Net increase/(decrease) in cash and cash equivalents	**4**	**7**	**(16)**
Cash and cash equivalents at the beginning of the period	**26**	**29**	**37**
Cash and cash equivalents at the end of the period*	**29**	**37**	**21**

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	3	23
(c) Other Intangible assets	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets			
Other financial assets	10	11	45
(g) Deferred Tax Assets (net)	0	0	0
Other non-current assets	1	1	3
Total Non-Current Assets	**13**	**16**	**71**
Current assets			
Inventories	152	219	288
Financial Assets			
Trade receivables	11	27	45
Cash and cash equivalents	29	37	21
Other balances with banks	0	0	13
Other Financial Assets	9	14	31
Current tax assets (net)	0	0	0
Other current assets	8	14	16
Total Current Assets	**208**	**311**	**413**
Total Assets	**221**	**327**	**484**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	5	5	34
(b) Other equity	40	60	233
Total Equity	**45**	**65**	**267**
Liabilities			
Non Current Liabilities			
(a) Financial liabilities			
Borrowings	85	104	27
Other financial liabilities	7	5	1
Provision	2	3	3
Deferred tax liabilities	0	0	0
Other non cuirrent liabilities	5	3	0
Total Non Current Liabilities	**100**	**114**	**32**
Current liabilities			
(a) Financial liabilities			
Borrowings	35	73	58
Trade Payables	6	7	7
Other financial liabilities	5	6	9
Provision	0	0	0
Other current liabilities	30	54	109
Current tax liabilities (Net)	0	7	1
Total Current Liabilities	**76**	**147**	**184**
Total Liabilities	**221**	**327**	**484**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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