

Vama Wovenfab IPO

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- The company is primarily engaged in manufacturing and selling PP, HDPE woven sack bags to user industry.
- It is operating in a highly competitive and fragmented segment.
- Its boosted performance for FY26 appears a window dressing to pave the way for fancy valuation of IPO.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About the Company

Vama Wovenfab Ltd. (VWL) is an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Sack Bags & Fabric based products of different weight, sizes and colours as per customers specifications like, HDPE Trampoline and Coloured Woven Fabric Sheets, Loop handle bags. The company also trades in plastic granules.

It offers customized bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries and traders. The company is well-equipped to manufacture woven bags, fabrics along with trading of plastic granules. Its major revenue comes from the production and sale of Woven bags and Fabrics, which are used in several sectors for packaging and transporting various goods. Also, its well-equipped facilities enable the company to consistently deliver high-quality products that meet the diverse requirements of customers in sectors such as agriculture, chemicals, food processing, and more.

The company has its registered office at 1104, W 92, L T Road, Borivali (West), Vazira Naka, Mumbai 400092 and established its manufacturing unit at Sr. No. 162/4,6,7,9, Costal Highway, Bhimpore, Nani Daman, Daman - 396210 (U.T), and commenced production in 2013. The unit started with a production of Poly Propylene / H.D.P.E woven sack bags & fabrics. As of the financial year 2025-26, the company has established a sales presence in 3 (Three) states and 1 (one) union territory. A nearby transportation hub is under development, designed to connect highways and coastal roads, which will further facilitate movement of goods and support expansion into other states and Union Territories.

Its production primarily uses plastic granules, which are melted, extruded into tapes, and woven into fabric for conversion into customized woven bags, with reprocessed granules from recycled residues

also utilized to optimize resources. To enhance quality and performance, VWL incorporates filler additives for processability and functional traits, and masterbatches for color and durability. Additionally, ancillary inputs such as BOPP films, liners, yarn, inks, and paper cores are used to provide strength, protection, printability, and finishing, enabling it to deliver tailored, high-quality packaging solutions to customers.

Furthermore, the company maintains a well-established customer network, built on long-term relations. This enables it to effectively serve multiple industries, including food grains, sugar, fertilizers, chemicals, and cement. By combining resource accessibility, infrastructure readiness, and strong market relationships, the company continues to meet client requirements while fostering trust and long-term loyalty among its workforce and customers.

VWL makes woven bags that are specially designed to meet high-quality standards. The company listens carefully to customer feedback and understands what each customer needs. This helps company to provide custom solutions that satisfy their buyers. Because of this, the company builds strong, long-lasting relationships and is known for reliable, quality products. As of April 30, 2026, it had 94 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 1452800 equity shares of Rs. 10 each to mobilize Rs. 49.54 cr. at the upper cap. The company has announced a price band of Rs. 324 – Rs. 341 per share. The minimum application to be made is for 800 shares and in multiples of 400 shares thereon, thereafter. The issue opens for subscription on September 15, 2026 and will close on September 17, 2026. The shares will be listed on BSE SME. The IPO constitute 28.00% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh issue, the company will utilize Rs. 1.36 cr. for capex towards construction of shed, Rs. 7.25 cr. for capex on purchase of machinery, Rs. 26.50 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Gretex Corporate Services Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Nikunj Stock Brokers Ltd., is a market maker, and also a syndicate member. The IPO is underwritten to the tune of 15.03% by Gretex Corporate Services, and 84.97% by Nikunj Stock Brokers.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 54.00 – Rs. 105.00 per share between April 2017, and November 2024. The average cost of acquisition of shares by the promoters is Rs. 14.60, Rs. 19.27, Rs. 23.02, and Rs. 94.24 per share.

Post-IPO, company's current paid-up equity capital of Rs. 3.74 cr. (3736164 equity shares) will stand enhanced to Rs. 5.19 cr. (5188964 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 176.94 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 27.87 cr. / Rs. 2.63 cr. (FY24), Rs. 77.76 cr. / Rs. 6.84 cr. (FY25), Rs. 214.62 cr. / Rs. 11.55 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Rising trade receivables since last two fiscals, raise alarms.

For the last three fiscals, the company has reported an average EPS of Rs. 22.88 and an average RoNW of 48.25%. The issue is priced at a P/BV of 4.44 based on its NAV of Rs. 76.80 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.33, and based on FY25 earnings, the P/E stands at 25.87. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 9.44% (FY24), 8.83% (FY25), 5.38% (FY26) and RoCE margins of 22.44%, 28.83%, 31.94%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Aeroflex Neu, Kahan Packaging, as its listed peers. They are currently trading at a P/E of 985, and 11.2 (as of September 11, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 18th mandate from Gretex Corporate in the last three fiscals (including the ongoing one). Out of the last 10 listings, 1 opened at par, and the rest listed with a premium of 2.09% to 22.81%. on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

VWL is primarily engaged in manufacturing and selling PP, HDPE woven sack bags to user industry. It is operating in a highly competitive and fragmented segment. Its boosted performance for FY26 appears a window dressing to pave the way for fancy valuation of IPO. Based on its recent average financial data, the issue appears aggressively priced. Tiny post-IPO equity base indicates longer gestation period for migration. Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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