

Veegaland Developers IPO

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- It has posted growth in its top and bottom lines and enjoys credentials for its brand “Veegaland Homes”.
- Its order book stood at Rs. 909.42 cr. as of June 30, 2026.
- Based on its recent average financial performance, the issue appears aggressively priced.
- Investors may park funds for medium to long term.

About the Company

Veegaland Developers Ltd. (VDL) is a real estate development Company engaged in the planning, development and sale of multi-storied residential apartment projects in the state of Kerala, India. Its projects are developed across mid-premium, premium, ultra-premium, luxe-series and ultra-luxury residential segments and are implemented in accordance with the applicable provision of RERA. The company operates under its brand name ‘Veegaland Homes’ and as on date it has undertaken projects in Kochi, Thiruvananthapuram, Kozhikode and Thrissur in the state of Kerala, India.

According to the ICRA Report, as of December 8, 2025, it is ranked as Kerala’s fastest-selling real estate developer and is also one of the recognised residential real estate developers in the state of Kerala. It forms part of the broader ‘V-Guard Group’, which traces its origins to 1977. As part of diversification strategy of the said group, the Company was incorporated in 2007 and it entered the real estate development sector in 2011 upon commencing its residential real estate operations. It commenced real estate activities in 2011 with the receipt of its first building permit for ‘Green Clouds’, a multi-storey apartment in Kochi, Kerala positioned under its ultra-luxury segment. Thereafter, VDL expanded operations within Kochi and subsequently into other cities in Kerala, including Thiruvananthapuram, Kozhikode and Thrissur, by undertaking residential apartment developments of varying scales and configurations.

Its construction activities are carried out through independent third-party civil contractors, subcontractors and vendors. Architectural design, structural engineering, MEP (Mechanical, Electrical and Plumbing) design and related consultancy services are undertaken by external consultants. VDL’s in-house team of engineers in project monitoring roles is responsible for planning, supervision, quality control and regulatory compliance. It maintains control over construction 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. Briefly,

the process involves identification of work packages, shortlisting of contractors from an empaneled list or through 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 contract awards are based on a combination of technical suitability, execution capability and pricing, followed by issuance of a formal work order setting out scope, timelines, payment terms, safety obligations and quality requirements. It has for the purpose of describing business, classified the description of its projects into the categories, i.e., (i) Completed Projects; (ii) Ongoing Projects; and (iii) Upcoming Projects. As of June 30, 2026, it had a portfolio comprising 10 Completed Projects, 12 Ongoing Projects, and 3 Upcoming Projects in the state of Kerala, India. As of June 30, 2026, the Company has completed 10 residential projects aggregating to 11.05 lakh square feet of saleable area. These comprised of 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 its execution track record across area of operation in the state of Kerala.

Its Ongoing 12 projects aggregates 18,57,460 square feet of saleable area and it comprises of 987 units (excluding 7 units comprising of 14,907 square feet of saleable area allocated to landowners under JDA). As of June 30, 2026, 637 units, aggregating 11,72,182 square feet of saleable area have been sold, representing 63.62% of the total saleable area excluding JDA across these projects. These developments are at different stages of construction, ranging from early foundation works to advanced finishing and constitutes a significant component of its near-term operational visibility. Bookings in respect of ongoing projects are typically undertaken during the construction phase in accordance with applicable laws and regulations, and such bookings form part of the Company's order book. Collections from customers are received in a phased manner basis in line with RERA approved construction schedules, which supports project-level cash flows and operational visibility.

In addition, VDL's Upcoming Projects identified for launch collectively account for an estimated saleable area of 4,62,010 square feet, comprising of approximately 212 residential units. These projects, as on June 30, 2026, are currently at various stages of pre-construction activities, including architectural and engineering design and statutory approval processes with the relevant authorities. Parallel to the same, as on date of this Red Herring Prospectus, it maintains land reserves aggregating 6.51 acres across in Kochi and Kozhikode, Kerala, which are intended to support future residential development, subject to receipt of applicable statutory approvals, feasibility assessments and market conditions. As of June 30, 2026, it had 127 employees on its payroll. As of the said date, its order book stood at Rs. 909.42 cr. Its pre-sales increased by 64.8% year-on-year, demonstrating continued customer demand and sales momentum across its residential project portfolio.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO worth Rs. 210 cr. (of approx. 15000000 equity shares at the upper cap). The company has announced a price band of Rs. 130 – Rs. 140 per equity shares of Rs. 10 each. The issue opens for subscription on September 10, 2026, and will close on September 15, 2026. The minimum application to be made is for 107 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 30.77% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 119.83 cr. for funding a part of expenses for the development of ongoing project, and the rest for inorganic growth /general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Cumulative Capital Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Nikunj Stock Brokers Ltd. is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares at a price of Rs. 1000 per share in August 2025. It has also issued bonus shares in the ratio of 4 for 1 in September 2025. The average cost of acquisition of shares by the promoters is Rs. 2.40, and Rs. 77.76 per share.

Post-IPO, its current paid-up equity capital of Rs. 33.75 cr. (33750000 equity shares) will stand enhanced to Rs. 48.75 cr. (48750000 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 682.50 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 114.61 cr. / Rs. 7.87 cr. (FY24), Rs. 196.22 cr. / Rs. 20.43 cr. (FY25), and Rs. 254.16 cr. / Rs. 26.61 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods, in line with the general trends in the sector. Its contingent liability stood at Rs. 0.97 cr. as of March 31, 2026.

For the last three fiscals, the company has posted an average EPS of Rs. 7.63 and an average RoNW of 23.52 %. The issue is priced at a P/BV of 1.77 based on its NAV of Rs. 79.08 as of March 31, 2026, and at a P/BV of 1.43 based on its post-IPO NAV of Rs. 97.83 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 25.64. Based on FY25 earnings, the P/E stands at 33.41. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 6.87% (FY24), 10.41% (FY25), 10.47% (FY26), and RoCE margins of 9.85%, 13.75%, 11.89%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in November 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Shriram Properties, Purvankara Ltd., as its listed peers. They are currently trading at a P/E of 13.6, and 32.0 (as of September 09, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The sole BRLM associated with this issue has handled 8 IPOs in the last three fiscals and out of which no IPO closed below the issue price on listing date.

Conclusion / Investment Strategy

VDL is a realty arm of V-Guard group, that has two listed entities i.e., V-Guard and Wonderla. It has posted growth in its top and bottom lines and enjoys credentials for its brand “Veegaland Homes”. Company will follow the legacy of the group in rewarding stakeholders. Its order book stood at Rs. 909.42 cr. as of June 30, 2026. Based on its recent average financial performance, the issue appears aggressively priced. Investors may park funds for medium to long 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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