IPO REVIEW

Vegorama Punjabi Angithi IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 15 May 2026

- The company is engaged in cloud kitchen and takeaway service business.
- It’s a central and north region centric player.
- The company marked growth in its top and bottom lines for the reported periods.
- Boosted bottom lines from FY24 onward raise eyebrows and concern over its sustainability as it is operating in a highly competitive segment.
- Based on its recent earnings, though the issue appears fully priced, on overall parameters, it stands aggressively priced.
- Merchant banker has a poor track record.
- Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About the Company

Vegorama Punjabi Angithi Ltd. (VPAL) initially, operated as a cloud kitchen and takeaway service provider, focusing on delivering high-quality vegetarian North Indian and other cuisines directly to customers' homes. By 2020, the company established itself as one of the prominent players in the cloud kitchen segment, successfully fulfilling thousands of orders across multiple outlets. In 2021, it expanded operations by including “corporate thali services” targeting bulk orders from the corporates. This marked its entry into institutional catering, diversifying revenue streams beyond the traditional cloud kitchen and takeaway model.

Further in 2022, after shifting its business model from a HUF Firm to a Private Limited Company, the company also introduced compact catering solutions for smaller events such as “office parties, team lunches, and home gatherings”, offering flexibility and affordability while further expanding its reach in the catering market. Finally, in 2024, the company opened its first fine dining restaurant, offering a premium dining experience with varied dishes, elegant presentation, and impressive ambience.

The fine dining model allowed its brand to tap into an upscale customer demographic providing an immersive dining experience that showcases Vegorama Punjabi Angithi’s rich heritage. The Company is an evolving brand in the Indian food industry, known for its rich vegetarian North Indian and other cuisines. Since its establishment in 2014, it has grown from a cloud kitchen and take away service provider to a multi-vertical segment, catering to the diverse customer needs. The brand has successfully adapted to changing market trends, offering a range of services from corporate catering to fine dining experiences.

The company is committed to delivering high-quality, flavor-full and affordable multi-cuisine food, ensuring an authentic and immersive dining experience while maintaining operational efficiency and customer satisfaction. Its core values revolve around authentic taste, quality, and affordability ensuring that every customer enjoys a memorable meal. With its unique recipe blend, operational efficiency and customer-centric approach, VPAL is well-positioned for continued growth and success in the competitive Indian food industry. The brand's future strategies focus on expanding its fine dining and corporate catering services, leveraging digital transformation through online platforms to expand customer base and provide home delivery services, and entering new markets to further solidify its position as a key player in the industry.

As on the date of this RHP, it had 27 cloud kitchens (out of which 2 cloud kitchens located at Noida, Uttar Pradesh whose operations are yet to be commenced, 1 cloud located at Dwarka is closed) and 2 fine dine restaurant in Delhi NCR. Its cloud kitchens are constructed in minimum area of approximately 400 square feet to maximum 870 Square Feet and fine dine restaurant is constructed in approx. 2,397 square feet area. As of February 28, 2026, it had 306 employees on its payroll. The pictures given in the offer document shows differed name style and ambience, that raise concern as the company has no similarity in ambiance on many locations. Differentiating outlook and ambiance raise concern over brand image with missing its trademark logo on many outlets.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 4984000 equity shares of Rs. 10 each to mobilize Rs. 38.38 cr. at the upper cap. The IPO consists of 3987200 fresh equity shares worth Rs. 30.70 cr. at the upper cap, and Offer for Sale (OFS) for 996800 equity shares worth Rs. 7.68 cr. at the upper cap. The company has announced a price band of Rs. 73 - Rs. 77 per share of Rs. 10 each. The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on May 20, 2026 and will close on May 22, 2026. The shares will be listed on BSE SME. The IPO constitute 30% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh equity issue, it will utilize Rs. 11.82 cr. for capex on construction of banquet and fine dine restaurant, Rs. 4.27 cr. capex on construction of centralized kitchen, Rs. 4.93 cr. for capex on roll out of new cloud kitchen, Rs. 2.30 cr. for capex on upgradation of existing cloud kitchen facility, repayment of certain borrowings, and the rest for general corporate purposes. There are some mismatches as on page 90 it shows Rs. 2.30 cr. for capex on existing cloud kitchen facilities upgradation and on page no. 92 it has shown Rs. 1.93 cr. for the said purpose. The clarification is needed from Merchant Banker/Promoters on this.

The IPO is solely lead managed by Corporates Makers Capital Ltd., and Bigshare Services Pvt. Ltd. is the registrar to the issue. Pace Stock Broking Services Pvt. Ltd. is the market maker as well as a syndicate member.

After issuing initial equity capital at par value, it issued further equity shares at a fixed price of Rs. 20000.00 per share in March 2023. It has also issued bonus shares in the ratio of 250 for 1 in May

2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NA, and Rs. 0.04 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 12.62 cr. will stand enhanced to Rs. 16.61 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 127.90 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 16.91 cr. / Rs. 0.84 cr. (FY23), Rs. 66.37 cr. / Rs. 4.64 cr. (FY24), Rs. 102.06 cr. / Rs. 8.22 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 9.04 cr. on a total income of Rs. 105.35 cr. The company marked quantum jump in its bottom lines from FY24 onward, and has also posted bumper margins in its bottom lines since then.

For the last three fiscals, the company has reported an average EPS of Rs. 4.59 and an average RoNW of 90.42%. The issue is priced at a P/BV of 4.16 based on its NAV of Rs. 18.52 per share as of December 31, 2025, and at a P/BV of 2.20 based on its post-IPO NAV of Rs. 35.07 per share at the upper cap. Here again, there is garble on NAV as it has shown Rs. 33.94 at the cap price and Rs. 35.07 per share at the floor price.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 10.62, and based on FY25 earnings, the P/E stands at 15.56. The issue appears fully priced based on its recent inflated earnings, but on other parameters, it appears aggressively priced.

The company has posted PAT Margins of 4.95% (FY23), 7.04% (FY24), 8.11% (FY25), 8.60% (9M-FY26), and RoCE margins of 68.15%, 101.29%, 76.03%, 53.73%, respectively for referred periods. I ts outperformance in margins against peers raises eyebrows and concern over its sustainability going forward, as it is operating in a highly competitive segment.

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 Speciality Restaurants, Vikram Kamats, as its listed peers. They are currently trading at a P/E of 20.3, and 1818 (as of May 15, 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 8th mandate from Corporate Makers Capital in the last three fiscals (including the ongoing one). Out of the last 7 listings, five opened at discount and 2 at par. Thus, the merchant banker has a poor track record.

Conclusion / Investment Strategy

VPAL is engaged in cloud kitchen and takeaway service business. It’s a central and north region centric player. The company marked growth in its top and bottom lines for the reported periods. Boosted bottom lines from FY24 onward raise eyebrows and concern over its sustainability as it is operating in a highly competitive segment. Based on its recent earnings, though the issue appears fully priced, on overall parameters, it stands aggressively priced. Merchant banker has a poor track record. 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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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