



IPO Report

Apply **SME IPO**

Recode Studios Limited

Consumer Staples

Price Band: ₹150 to ₹158 per share
Bidding: 05 May to 07 May, 2026
Listing At: BSE SME
Listing Date: May 12, 2026

Details of the Issue

Lead Manager	Seren Capital Pvt. Ltd.
Market Maker	Asnani Stock Broker Pvt.Ltd.
Registrar	Mudra RTA Ventures Pvt. Ltd.

Promoter Holding

Pre-Issue	88.93%
Post-Issue	65.91%

Offer Structure

Market Maker	1,44,800 shares
QIB	13,36,800 shares
Retail	9,37,600 shares
NII	4,03,200 shares
Fresh Issue	25,03,200 shares
Offer For Sale	3,19,200 shares
Total Issue	₹44.59 Cr

Financial Summary (₹ in Lakhs)

Particular	9M-FY26	FY25
Revenue	5,739.29	4,779.81
EBITDA	1,333.96	612.99
PAT	906.18	330.29

Minimum Application

Category	Lots	Shares	Amount
Retail	2	1,600	₹2,52,800
S-HNI	3-7	2,400-5,600	₹3,79,200 -₹8,84,800
B-HNI	8	6,400	₹10,11,200

Customer concentration (% of Revenue)

Particulars	9M-FY26	FY25	FY24
Top 10 customers	39.38	39.65	25.66

Valuations

NAV(FY25)	10.78
EPS(Pre Issue)	4.06
P/E(Pre Issue)	38.92

Promoters

Mr. Dheeraj Bansal, Mr. Rahul Sachdeva, Mr. Shelly Bansal, Mr. Shalini Trehan, Mr. Preeti Trehan, and Mr. Karan Bansal

Company Overview

Recode Studios Limited is an Indian beauty and personal care company founded in 2021, engaged in branding, sourcing and distribution of products across makeup, skincare and accessories. The company follows an asset light model by outsourcing manufacturing to third party vendors while focusing on brand building and sales. It operates through an omnichannel network including COCO and FOFO retail stores along with online platforms such as Amazon and Nykaa. With 350 plus SKUs and a growing retail presence, the company aims to expand its reach through digital marketing and offline store expansion.

Object of the Issue

- Funding of Capital expenditure towards setup of a new Warehouse Facility at Ludhiana Punjab : ₹574.20 Lakhs
- Marketing and Advertisement expenses toward enhancing the awareness and visibility of our brand : ₹540.90 Lakhs
- Utilization towards Working Capital Requirements : ₹1,950.00 Lakhs
- General Corporate Purposes :

Price Band Analysis

At the upper price band of ₹158, Recode Studios Limited is valued at a post-issue P/E of 50.96x and P/B of 14.65x, indicating a premium valuation with growth expectations largely priced in. While the Company has shown strong revenue growth and return ratios, its valuation remains higher than peers like Ravelcare Limited but lower than high-growth players such as Honasa Consumer Limited and FSN E-Commerce Ventures Ltd.

Peer Comparison (as of FY25)

Company Name	EPS (₹)	NAV (₹)	P/E	RONW (%)
Recode Studios Limited	4.06	10.78	38.92	37.64
Honasa Consumer Limited	2.23	36.28	349.37	6.16
FSN E-Commerce Ventures Ltd	0.23	4.55	1,151.91	5.60
Ravelcare Limited	10.50	20.68	16.95	50.77

Risk Measures:

- A significant portion of the company's retail network operates under the FOFO model (19 of 22 stores), limiting direct control over operations. This may result in inconsistent service quality, non-compliance, or operational lapses, potentially impacting customer experience, brand perception, and overall business performance.
- The company operates in a highly competitive beauty and personal care market, where growth depends on successfully building the "Recode" brand. Intense competition from established players and new entrants in pricing, innovation, and marketing may hinder brand recognition and customer loyalty, adversely impacting sales, market share, and overall performance.

Investment Rationale:

- The Company has demonstrated strong revenue growth, with Revenue from Operations increasing from ₹2,237.85 lakhs in FY23 to ₹3,681.95 lakhs in FY24 and further to ₹4,779.81 lakhs in FY25 , while reaching ₹5,739.29 lakhs in 9M FY26. This growth has been primarily driven by a significant increase in net sales of products, indicating higher demand and improved scale of operations.
- The Company plans to invest ₹628.10 lakhs in a new warehouse facility, funded partly through IPO proceeds of ₹574.20 lakhs, to strengthen inventory management, improve fulfilment speed and support scalable operations. In addition, it proposes to allocate ₹540.90 lakhs towards marketing and brand building, with marketing spend already rising from 11.34% of revenue in FY23 to ~18.5% in FY25-FY26, reflecting an aggressive growth strategy. While these investments are expected to enhance brand visibility, drive revenue growth and improve operational efficiency.
- The Company's working capital requirement has been increasing significantly, rising to ₹2,132.06 lakhs in FY26 and projected to further grow to ₹3,087.76 lakhs in FY27 and ₹4,359.68 lakhs in FY28, driven by higher inventory and receivables, particularly from B2B and marketplace-led sales which involve credit cycles and delayed settlements. This indicates increasing cash blockage in operations, which may exert pressure on liquidity and cash flows. The Company's dependence on IPO proceeds, internal accruals and borrowings to fund this requirement may pose a risk if growth does not translate into timely cash realisation.

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Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	9M-FY26	FY25	FY24
Revenue From Operations	5,739.29	4,779.81	3,681.95
EBITDA	1,333.96	612.99	167.05
EBITDA Margin (%)	23.24	12.82	4.54
PAT	906.18	330.29	27.43
PAT Margin (%)	15.79	6.91	0.75
EPS	11.13	4.06	0.34
Return on Equity (RoE%)	68.11	46.37	5.14
Return on Capital Employed (RoCE%)	59.85	34.47	9.39
Debt to Equity Ratio	0.19	0.86	1.43

Source: RHP

Product wise Revenue Bifurcation (₹ in Lakhs)

Particulars	9M-FY26	FY25	FY24
Face Make-up	3,884.94	2,443.29	1,511.72
Eye Make-up	786.55	579.85	516.14
Lip Make-up	413.53	615.34	679.81
Face and Body Care	394.35	1,068.98	765.37
Other Accessories	226.84	218.92	28.79
Post Sale Discount	-153.91	-256.34	-137.64
Others	186.98	109.76	317.75
Total	5,739.28	4,779.80	3,681.94

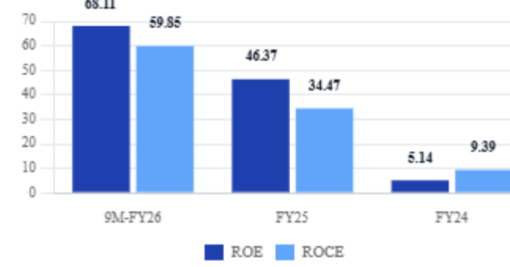
About The Founder



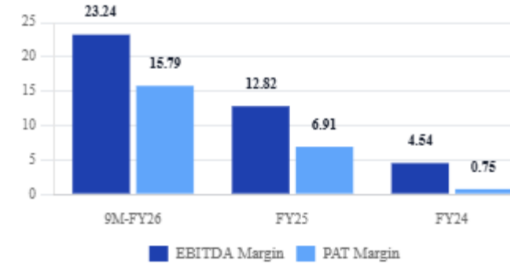
Dheeraj Bansal is the Promoter, Chairman and Managing Director of the Company and has been on the Board since its incorporation. He completed his senior secondary education from Punjab School Education Board in 1996. He began his career in 1997 as Production Head at M/s Engineers Trio, a bicycle parts business owned by his brother, and worked there till 2011. In 2012, he became a partner at M/s Ace Industries, Ludhiana, engaged in bicycle parts trading, and continued till 2021. He joined the Company as Director in 2021 and brings around 24 years of experience in the bicycle industry and over 4 years in the cosmetics sector. He currently oversees procurement, financial operations and corporate governance.

FINANCIAL HIGHLIGHTS

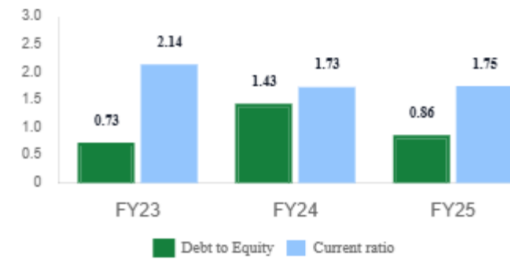
Return Ratios



EBITDA and PAT Margin



Key Ratios:



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