

Veegaland Developers Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
10 September 2026	15 September 2026	₹130-140	Subscribe

Investment Summary

Veegaland Developers Limited is a Kerala-based real estate developer engaged in the construction, development, sale, management and operation of residential projects, with a focus on residential developments. As of March 31, 2026, the company had 10 completed projects and 11 ongoing projects, with saleable area of 16.96 lakh sq. ft. across ongoing projects. The company has demonstrated strong financial growth, with **FY26 revenue from operations of ₹250.98 Cr, EBITDA of ₹42.64 Cr and PAT of ₹26.61 Cr**, compared with ₹192.38 Cr, ₹33.77 Cr and ₹20.43 Cr, respectively, in FY25. EBITDA and PAT margins stood at **16.78% and 10.47%**, respectively, in FY26. The company recorded **30.46% YoY growth in revenue** and continues to expand its project portfolio, with sales of **261 units** during FY26. The IPO comprises a **fresh issue of ₹210 Cr**, with identified net proceeds of **₹119.83 Cr proposed towards funding expenses for ongoing and upcoming projects**, while the balance is proposed towards unidentified land acquisition and general corporate purposes. The company offers exposure to residential real estate development in Kerala, supported by its ongoing project pipeline and established execution track record. However, project execution, regulatory approvals, funding requirements, land acquisition and residential demand remain key monitorable.

Company Overview

Veegaland Developers Limited is a Kerala-focused real estate development company engaged in the planning, development and sale of multi-storied residential apartment projects across the mid-premium, premium, ultra-premium, luxe-series and ultra-luxury segments under the brand name **‘Veegaland Homes’**. The company has undertaken projects across Kochi, Thiruvananthapuram, Kozhikode and Thrissur, with its portfolio comprising 10 completed, 12 ongoing and 3 upcoming projects as of June 30, 2026. The company follows an integrated and process-led development model spanning feasibility assessment, master planning, design, consultant engagement, procurement, regulatory approvals, construction supervision, quality verification, milestone-linked billing, marketing, customer documentation and possession handover. Its project portfolio provides visibility across different stages of development, with completed projects aggregating 11.05 lakh sq. ft. of saleable area and fully sold, while ongoing projects comprise approximately 18.57 lakh sq. ft. of saleable area, of which 11.72 lakh sq. ft. had been sold as of June 30, 2026. The company operates through both outright land acquisition and an asset-light Joint Development Arrangement (JDA) model, although its current portfolio has only one project, Elanza, being developed under a JDA structure. Veegaland also maintains 6.51 acres of land reserves across Kochi and Kozhikode, supporting its medium - and long-term development pipeline. Its upcoming portfolio comprises three projects aggregating approximately 4.62 lakh sq. ft. of estimated saleable area, providing a pipeline for future launches across different Kerala micro-markets. The company seeks to strengthen its presence across its core markets and selectively evaluate expansion into neighbouring districts within Kerala.

Business Model

Veegaland Developers Limited operates a residential real estate development model focused on the planning, development and sale of multi-storied apartments across Kerala under the ‘Veegaland Homes’ brand. The company caters to mid-premium through ultra-luxury segments and follows an integrated project lifecycle covering project identification, land acquisition, planning and design, regulatory approvals, construction, marketing and sale of residential units. The company primarily follows an outright land acquisition model, while selectively undertaking projects through Joint Development Arrangements (JDAs). Under its JDA model, the landowner receives an agreed portion of the saleable area, while Veegaland retains the balance for sale to customers, enabling development with lower upfront land acquisition requirements. Revenue is generated through the sale of residential units, with customer collections linked to project progress and construction milestones. Going forward, the company intends to leverage its existing land reserves and development pipeline to expand its residential portfolio across Kerala. The business remains dependent on timely project execution, regulatory approvals, construction costs, customer demand and successful monetisation of its projects.

Investment Rationale

Proven Execution Track Record with Strong Sales Absorption: Veegaland Developers has demonstrated a consistent track record of project execution, with 100% sell-through achieved across completed projects and strong sales absorption in ongoing projects. The company is also ranked as Kerala's fastest-selling real estate developer as per the ICRA Report, supporting its established market position.

Strong Growth in Sales and Revenue Visibility: The company has recorded strong improvement in sales performance, with sales value growing at a CAGR of 45.10% between FY24 and FY26. Revenue from operations increased from ₹110.77 Cr in FY24 to ₹250.98 Cr in FY26, while PAT increased from ₹7.87 Cr to ₹26.61 Cr over the same period.

Balanced Project Portfolio Providing Future Visibility: As of June 30, 2026, the company had 10 completed, 12 ongoing and 3 upcoming projects across Kerala. The upcoming portfolio includes projects in Kochi and Kozhikode, providing a pipeline for continued development and future monetisation.

Diversified Residential Portfolio across Kerala: Veegaland operates across Kochi, Thiruvananthapuram, Kozhikode and Thrissur, with projects spanning mid-premium, premium, ultra-premium, luxe-series and ultra-luxury segments. This multi-city presence and broad product positioning allow the company to cater to different customer segments while expanding its residential portfolio.

Improving Financial Profile and Lower Leverage: The company has strengthened its financial profile, with EBITDA increasing from ₹16.72 Cr in FY24 to ₹42.64 Cr in FY26 and EBITDA margin improving from 14.59% to 16.78%. Debt/Equity also declined significantly from 2.67x in FY24 to 0.32x in FY26, indicating a substantial reduction in leverage.

Key Risk Factors

Geographical Concentration in Kerala: Veegaland Developers' entire project portfolio is concentrated in Kerala, primarily across Kochi, Thiruvananthapuram, Kozhikode and Thrissur. Any adverse changes in local residential demand, economic conditions, regulations, land prices or climatic events could impact sales, project absorption, profitability and cash flows.

Project Execution Risk: The company's future revenues and cash flows are significantly dependent on the timely execution of its **12 Ongoing and 3 Upcoming Projects**. Delays in construction, cost overruns or inability to complete projects as planned could adversely affect financial performance and cash flows.

Land Acquisition and Regulatory Risk: The company's expansion depends on securing suitable land or development rights. Competition for land, title disputes, development restrictions and delays in obtaining approvals from various authorities could increase acquisition costs, restrict development potential or delay projects.

Joint Development Agreement Risks: The company undertakes projects through joint development arrangements, where execution depends on continued cooperation from landowners. Title defects, disputes, non-performance or termination of JDAs could result in project delays, additional costs, loss of development rights or litigation.

Construction Cost and Funding Risk: Project development remains exposed to fluctuations in construction and financing costs. Inability to procure materials, services or land at commercially acceptable prices, together with cost overruns or execution delays, could adversely impact project economics and financial performance.

Intense Competitive Environment: The company operates in a competitive residential real estate market, with larger and well-capitalised developers potentially increasing competition for customers and suitable land parcels. Heightened competition could result in pricing pressure and affect margins and market share.

Financial Snapshot

Metric	FY24	FY25	In Cr FY26
Revenue from Operations	110.77	192.38	250.98
EBITDA	16.72	33.77	42.64
EBITDA Margin	15.09%	17.55%	16.99%
Profit After Tax (PAT)	7.87	20.43	26.61
PAT Margin	7.10%	10.61%	10.60%
Basic EPS (₹)	2.32	6.04	7.87

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Veegaland Developers Limited
IPO Issue Size	1,50,00,000 shares (agg. up to ₹210 Cr) Fresh Issue 1,50,00,000 shares (agg. up to ₹210 Cr)
Price Band	₹130 – ₹140 per share
Face Value	₹10 per share
IPO Opening Date	10 September 2026
IPO Closing Date	15 September 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~92%
Book Running Lead Managers	Cumulative Capital Private Limited
Use of Proceeds	• ₹119.83 Cr towards funding a part of the expenses for development of ongoing and upcoming projects • Funding unidentified acquisition of land and general corporate purposes

Valuation and Outlook

At the upper price band of **₹140**, Veegaland Developers Limited is valued at a **P/E of ~25.13x**, based on its **post-issue EPS of ₹5.57**, implying a **post-issue market capitalisation of approximately ₹682 Cr**. Compared with the listed peer group, the company trades at a premium to Shriram Properties Limited (12.91x) but at a significant discount to Puravankara Limited (84.24x). Given the variation in business scale, profitability and project portfolios across the peer group, direct P/E comparison should be viewed with caution. At ~25.13x, the issue appears reasonably valued relative to the selected peer set. Considering the company's redevelopment-focused business model, ongoing and upcoming project pipeline and opportunities in the residential real estate segment, **we recommend a Subscribe rating**, while investors should closely monitor project execution, approvals, funding requirements and timely monetization of projects.

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