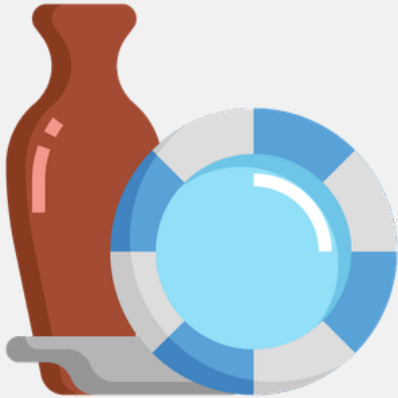




IPO DETAILS

VARMORA GRANITO LIMITED

#IPOlogy



ISSUE OPEN

22/09/2026



ISSUE CLOSE

24/09/2026

Min. Lot Size

101 Shares

Issue Price Band

₹140 - ₹148

Issue Size

Fresh Issue:

2.16 Cr Eq Shares
(₹320.00 Cr)

OFS:

2.62 Cr Eq Shares
(₹388.02 Cr)

Face Value

₹2

Industry

Ceramics/ Sanitary Ware

Listing at

NSE, BSE

Rating

Avoid

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.

0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

For Facts & Figures



VARMORA GRANITO LIMITED

Rationale

Considering the FY26 EPS of Rs 2.44 on a post issue basis, the company is going to list at a P/E of ~61x with a market cap of Rs 3,345 Cr whereas its peers namely Kajaria Ceramics Ltd, Somany Ceramics Ltd, Asian Granito India Ltd, and Orient Bell Ltd are trading at P/E ratio of approximately ~33x, ~21x, ~112x, ~27x respectively.

We assign a 'Avoid' rating to this IPO as the valuations are expensive and not in favor of investors.

Objectives of the issue

Repayment/pre-payment, in full or part, of outstanding borrowings and accrued interest of the company and its wholly-owned subsidiaries, Covertex Ceramica Private Limited and Varmora Sanitarywares Private Limited, through investment in such subsidiaries.;

General corporate purposes.

Company Overview

Varmora Granito Limited, incorporated in 2003, manufactures and markets ceramic and vitrified tiles, including Glazed Vitrified Tiles (GVT), Polished Vitrified Tiles (PVT) and ceramic tiles.

Their diverse product offerings comprise a wide range of high-quality, durable and aesthetic tiles. Their primary focus is on selling premium products such as GVT and technical products which represented 84.19%, 78.71% and 75.37% of their revenue from operations from tiles in Fiscals 2026, 2025 and 2024, respectively.

In FY2026, tiles made up 87.87% of total revenue, led by GVT and technical products at 73.98%, followed by PVT (8.52%) and Ceramics (5.37%). Beyond tiles, Bathware contributed 9.18% of revenue, while Adhesive and Others added 1.50% and 1.45% respectively.

They sell their products through a multi-channel distribution network comprising business-to-consumer ("B2C") retail channels, which includes 305 exclusive brand outlets ("EBOs") and 2,758 multi brand outlets ("MBOs") (collectively, referred to as "Dealers") spread across India and outside India, as of March 31, 2026, and business-to-business ("B2B") channels, various builders, contractors, developers and government empanelment.

The company has entered into a term sheet dated August 2, 2025 (the "Allembly Term Sheet") to acquire 51% equity shareholding in Allembly, a tiles, manufacturer incorporated in Assam, India, pursuant to which they proposed to establish a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India, with an expected installed production capacity of approximately 6.40 million square meters of GVT tiles per annum.

Through their joint venture, allembly, operations at manufacturing facility in Tezpur, Assam, commenced in July 2026, with an installed production capacity of approximately 6.40 million square meters of GVT tiles per annum.

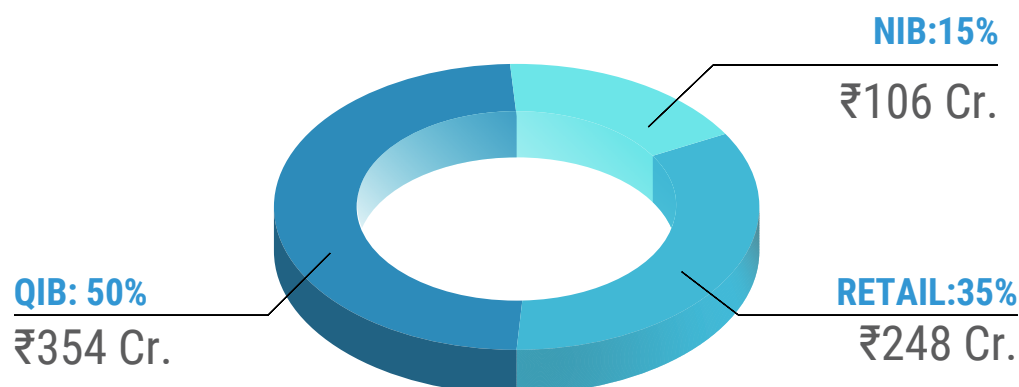
8 Manufacturing Facilities in Morbi, Gujarat

They have eight strategically located manufacturing facilities (operated through their company and subsidiaries) in the Morbi cluster in Gujarat.

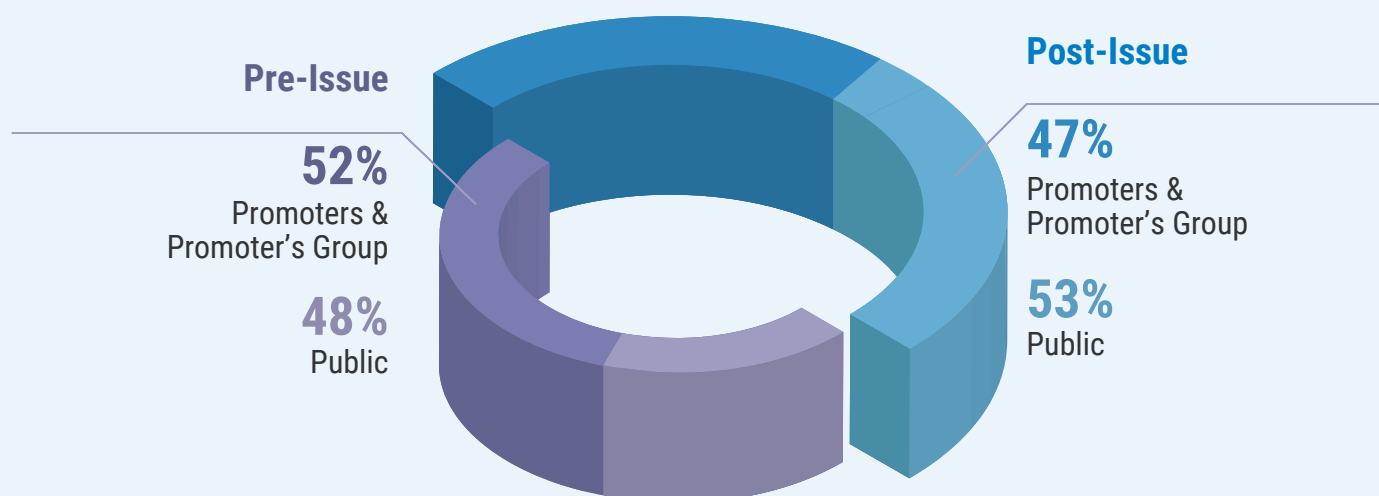


VARMORA GRANITO LIMITED
Issue Details

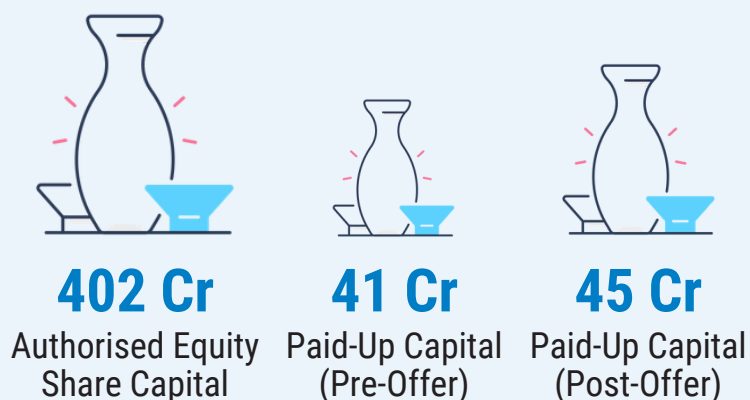
Issue Break-Up



Shareholding Pattern



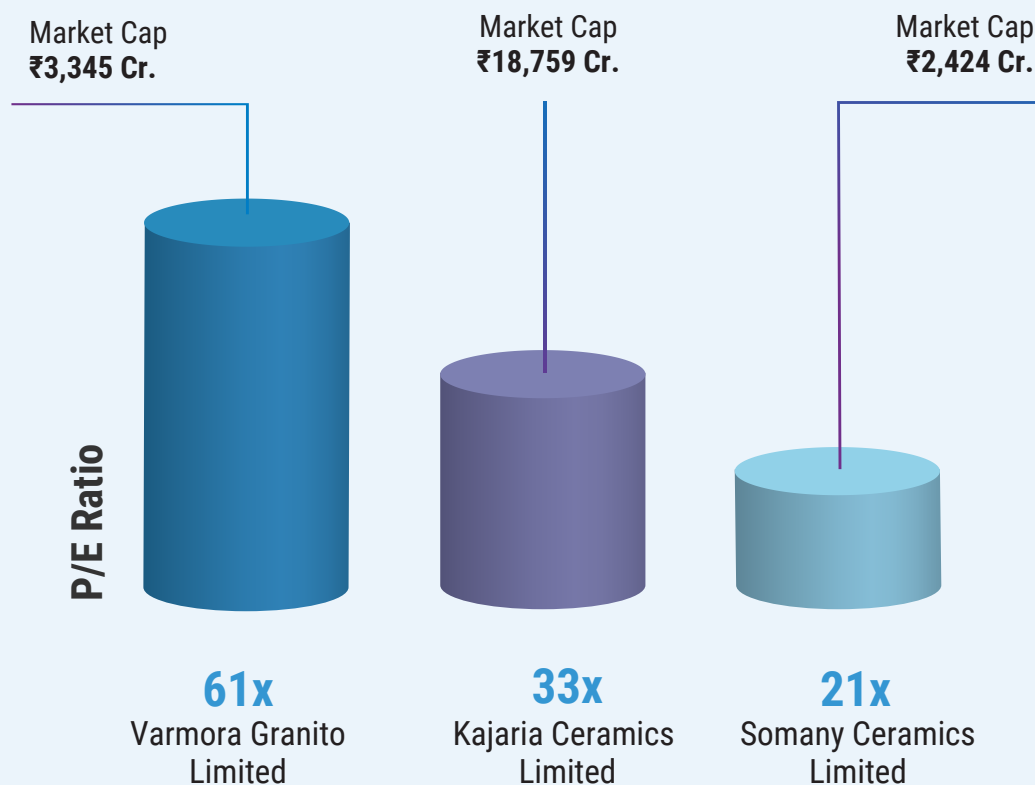
Capital Structure (in ₹ Cr.)





VARMORA GRANITO LIMITED

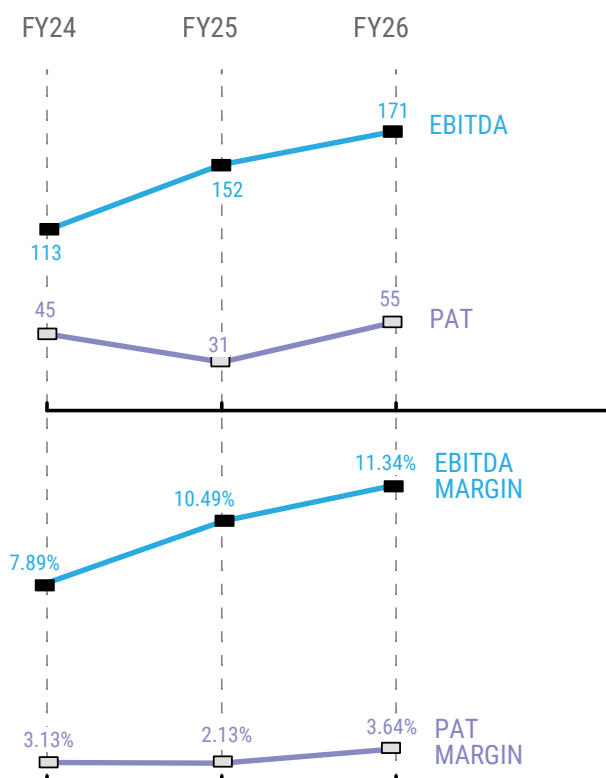
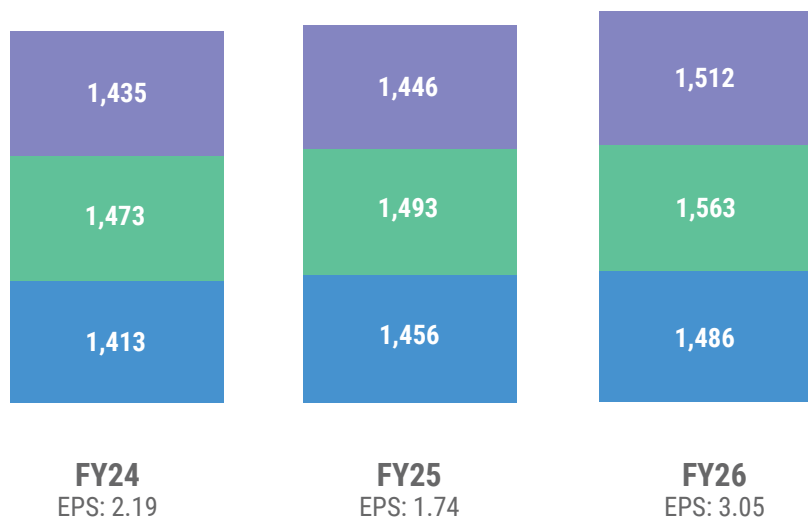
Valuations and Peer Comparison



Market Cap data of listed securities as on Sep 21, 2026

Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





VARMORA GRANITO LIMITED

Business Insights



Competitive Strengths

- Established player operating in the tile industry in India in a large attractive market.
- Comprehensive premium product portfolio.
- Customer centric innovation led approach resulting in multiple new product launches.
- Well diversified pan-India distribution network focused on EBOs that strengthen their brand recall model.
- Strategically located and technologically advanced in-house manufacturing to maintain control over quality and supply chain.
- Entrepreneurial founder led management team, independent board with strong focus on sustainability.



Business Strategy

- Expanding reach in high growth emerging markets while consolidating leadership in their core markets.
- Strategic acquisition and expansion into East and Northeast regions of India.
- Expansion of distribution network with focus on EBOs.
- Accelerate their investment in brand-building.
- Continued focus on technology-driven product innovation and premiumization.
- Expansion in bathware, adhesives and other adjacencies.
- Pursue inorganic growth opportunities.
- Continued focus on ESG and adoption of enhanced sustainable practices.



Risks

- They derive a substantial portion of their revenue from the sale of glazed vitrified tiles ("GVT") and technical products (73.98% of their total revenue from operations in Fiscal 2026), and any slowdown in the demand for GVT and technical products could have a material adverse effect on their business, financial condition, cash flows and results of operations.
- They have an extensive retail distribution network and derive a significant portion of their revenue from operations from their B2C retail chain (comprising exclusive brand outlets ("EBOs") and multi brand outlets ("MBOs")) (accounting for 66.80% of their total domestic sales in Fiscal 2026). They operate all their EBOs and MBOs through franchisees and any non-performance by their franchisees may adversely affect their business, results of operations and financial condition.
- They derive a portion of their revenue from operations from outside India (revenue from contracts with customers from outside India was 21.11% of sale of products in Fiscal 2026) which exposes them to risks inherent to operations in these foreign jurisdictions. Their global operations expose them to risks such as compliance with local laws, and any failure to comply with applicable laws or regulations could lead to civil, administrative or regulatory proceedings which could adversely affect their business, results of operations and financial condition.

Promoters and Management Details

Bhavesh Vallabhdas Varmora - Chairman and Managing Director

Pramodkumar Parsotambhai Patel - Executive Director

Hiren R Varmora - Executive Director

Research Disclaimer <https://bit.ly/2RK2tzc>

