

Retail Research	IPO Note
Sector: Real Estate	Price Band (Rs): 290 - 305
24th September 2026	Recommendation: NEUTRAL

Runwal Enterprises Ltd.

Company Overview:

Runwal Enterprises Ltd (REL) is a Mumbai-focused real estate developer operating across residential and non-residential segments, including affordable, mid-income and luxury housing, retail, commercial spaces and educational buildings. Its business spans across all activities related to real estate development, from the identification and acquisition of land to the planning, execution, marketing and sales of projects developed. As of Mar'26, the company had 19 completed (12.1 mn sqft.), 28 ongoing (19.9 mn sqft.) and 33 upcoming projects (56.4 mn sqft.), with an aggregate developable area of 88.4 mn sqft., comprising 74.6 mn sqft. (84%) of residential and 13.8 mn sq ft (16%) of non-residential projects. Its residential portfolio is spread across affordable (41%), mid-income (55%) and luxury (4%) segments, with presence across Mumbai and near Alibaug. While its non-residential projects consists of the development and lease/sale of units in certain commercial (office, school, hospital, and townhall spaces) and retail (shopping) complexes. The company uses both greenfield development and brownfield asset-light models including Joint Development Agreements (JDAs), Development Agreements (DAs) and Joint ventures (JVs).

Key Highlights:

1. Prominent residential developer in Mumbai: REL is ranked 3rd in Mumbai in terms of both new launches and sales, with market shares of 2.3% and 2.5%, respectively, between Jan'23 and Mar'26. REL ranked 1st in sales with a 7.9% share in Eastern Suburbs, while in Kalyan-Dombivli it ranked 1st in new launches and 2nd in sales, with market shares of 11.4% and 6.3%, respectively during the same period.

2. Established brand strength enabling premium pricing and strong pre-sales: REL leverages the well-recognized Runwal brand to command premium realizations across key micro-markets such as Kanjurmarg and Mulund, with FY26 realizations of up to Rs 14,844/sqft. The brand's strong market acceptance is reflected in robust sales traction, with 4.4 mn sqft. (40.3%) of the saleable area across seven projects launched during FY24-FY26 sold within one year of launch, while 89.4% of the saleable area in five completed projects was sold before receipt of occupancy certificates.

3. Large project pipeline providing development visibility: As of Mar'26, the company had 19.9 mn sq ft of developable area across ongoing projects and 56.4 mn sqft. of estimated developable area across upcoming projects. Residential projects account for 18.1 mn sqft. of the ongoing portfolio and 44.9 mn sqft. of the upcoming portfolio. The pipeline also reflects geographic expansion from the eastern suburbs into Mahalaxmi, Girgaum and Bandra, alongside opportunities near Alibaug.

Valuation: Runwal Enterprises Ltd. is a Mumbai-focused real estate developer with a diversified portfolio spanning affordable, mid-income and luxury residential projects. It reported a Revenue/EBITDA/Adj PAT CAGR of -13.6%/30.9%/40.8% respectively during FY24-FY26 period, while delivering RoCE/RoE of 9.1%/25.1% respectively in FY26. At the upper price band of Rs 305, the issue is valued at 21.5x FY26 post-issue P/E and a Mkt Cap/ Pre Sales multiple of 1.9x. REL demonstrated strong sales traction, with 4.4 mn sq. ft. (40.3%) of the saleable area launched across seven projects during FY24-FY26 sold within one year of launch, and generated gross collections of Rs 1,855 cr in FY26. The company has a robust pipeline of 76.3 mn sq. ft. of developable area and has initiated geographic diversification with two new projects outside Mumbai. However, it has negative operating cash flows over the last three years, and exposure to project execution and Mumbai-centric concentration risks. While growth visibility remains healthy, the company does not materially differentiate itself from peers in a highly competitive sector. Taking the above factors into consideration we assign a NEUTRAL rating to the company and would like to track the company's performance over the next few quarters post issue.

Issue Details	
Date of Opening	25 th September 2026
Date of Closing	29 th September 2026
Price Band (Rs)	290 – 305
Issue Size (Rs cr)	500 @ upper price band
Fresh Issue (Rs cr)	500 @ upper price band
Issue Size (No. of shares)	1,63,93,442 @ upper price band
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	4,310 – 4,507
BRLMs	ICICI Securities Ltd and Jefferies India Private Ltd
Registrar	MUFG Intime India Private Ltd
Bid Lot	49 shares and in multiples thereof
QIB shares	50%
NII shares	15%
Retail shares	35%
Employee Reservation (Rs cr)	3.5
Employee Discount (Rs)	14 per share

Objects of Issue	
Particulars	Estimated utilization from net proceeds (Rs cr)
Repayment/ pre-payment, in full or in part, of certain outstanding borrowings	100.0
Investment in wholly owned material Subsidiaries namely Runwal Residency Pvt Ltd and Evie Real Estate Pvt Ltd, for repayment/ pre-payment, in full or in part, of all or a portion of certain of outstanding borrowings	225.0
Funding acquisitions of future real estate projects and general corporate purposes*	-
Net proceeds from fresh issue	-

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	12,50,37,495	95.2
Public & Others	63,53,941	4.8
Total	13,13,91,436	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	12,50,37,495	84.6
Public & Others	2,27,47,383	15.4
Total	14,77,84,878	100.0

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	2,409	1,008	1,799
EBITDA	174	137	298
EBITDA margin (%)	7.2	13.6	16.6
Adj. PAT (ex of Minority Interest)	75	78	209
Adj. PAT margin (%) (ex of Minority Interest)	3.1	7.8	11.6
Adj. EPS (Rs)	5.7	6.0	15.9
RoE (%)	18.2	15.4	25.1
RoCE (%)	9.0	6.3	9.1
P/E (x)*	53.1	51.1	19.1

*Note: Pre-issue P/E is based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

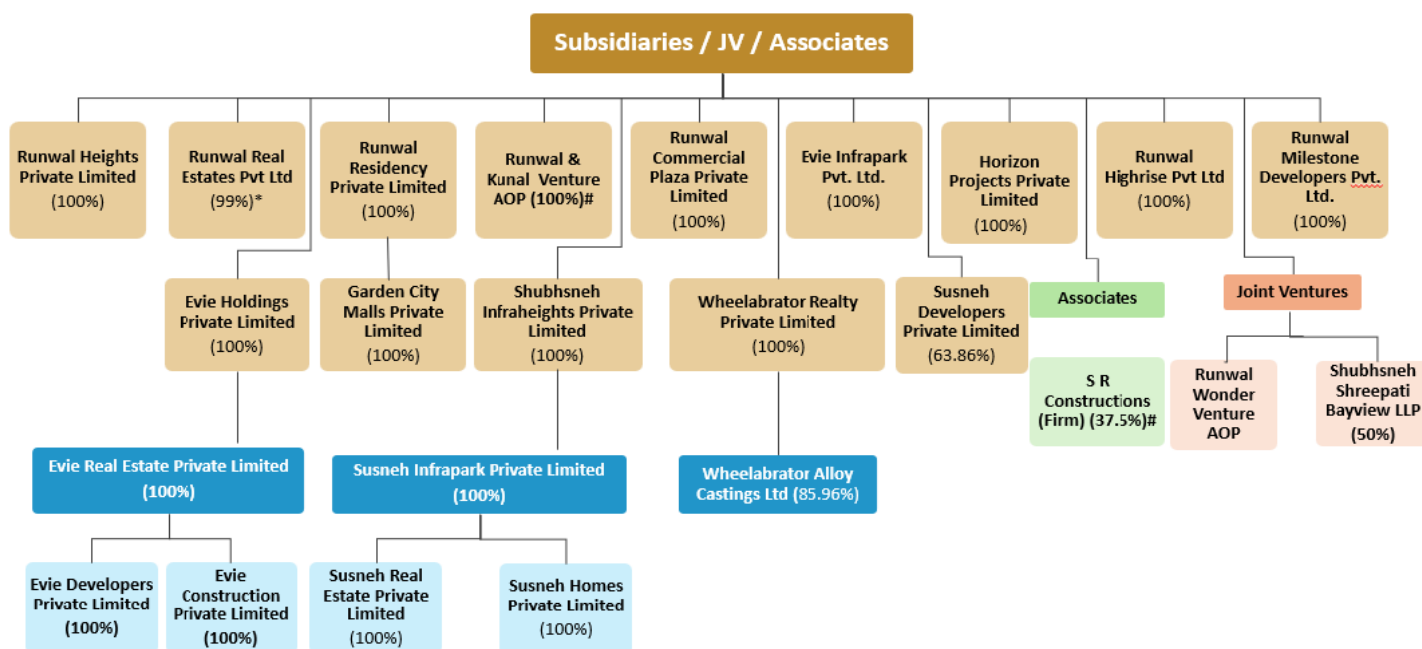
- **Mumbai concentration risk:** 66.7% of the company's developable area (58.9 mn sqft.) and 78 out of 80 projects are concentrated in Mumbai as of FY26. Any slowdown in Mumbai real estate, regulatory changes, or adverse events could significantly impact sales, pricing and project execution.
- **Project execution & delay risk:** The company has 28 ongoing and 33 upcoming projects, representing 86.3% of total developable area (76.3 mn sqft.). Delays in approvals, construction, labor availability or funding could lead to cost overruns and deferred cash flows.
- **Unsold inventory risk:** As of FY26, the company had 7,072 unsold units comprising 7.6 mn sqft. of unsold developable area. Prolonged inventory liquidation could increase holding costs, reduce margins and strain liquidity.
- **Land title & acquisition risk:** Certain projects have title deficiencies, pending compliances and development-right related issues. Additionally, 59.4 acres linked to a subsidiary is reportedly under investigation, which may affect project development timelines and future growth.
- **High debt & funding dependence:** Consolidated borrowings stood at Rs 2,909 cr as of FY26 with a Debt/Equity ratio of 3.5x. The business is highly capital intensive and continued reliance on debt could expose it to refinancing and interest-rate risks.
- **Promoter share pledge risk:** Promoter, Subodh Subhash Runwal, has pledged 3.8 cr equity shares (25% of total shares post issue) and provided a non-disposal undertaking on 2.6 cr equity shares in connection with borrowings availed from IndusInd Bank. Although these shares have been temporarily released to comply with SEBI lock-in requirements they are proposed to be re-pledged within 30 days of listing, any default under the underlying financing arrangements could result in invocation of the pledge, potentially affecting promoter shareholding, market perception, and investor confidence.

Growth Strategies

- Focus on real estate development in Mumbai to leverage strategic advantages.
- Continue to pursue asset-light growth opportunities through redevelopment, JVs and JDA projects.
- Continue to focus on all segments of residential projects while selectively developing retail, commercial and other projects as part of mixed-use developments.
- Expand the use of IT driven processes

Runwal Enterprises – Group Structure

Runwal Enterprises Limited Group Structure as on the date of RHP



Note: 1) Percentage is given on a fully diluted basis. 2) Percentage is held by the company together with its subsidiaries. 3) Pursuant to a scheme of amalgamation filed in Feb'25, the appointed date of amalgamation of Horizon Projects Private Limited into Evie Realty Private Limited is Apr'25. NCLT has approved the amalgamation by way of an order dated Sep'25.

FY26 Project Composition by Residential and Commercial Segments

Particulars	Completed Projects		Ongoing Projects*		Upcoming Projects*	
	Number of Projects	(mn sqft.)	Number of Projects	(mn sqft.)	Number of Projects	(mn sqft.)
Residential	12	11.6	17	18.1	20	44.9
Non-residential	7	0.5	11	1.8	13	11.5
Retail	5	0.4	7	1.0	5	5.4
Commercial (including schools)	2	0.1	4	0.8	8	6.1
Total	19	12.1	28	19.9	33	56.4

Source: RHP, SBICAP Securities Research

*As of Mar'26

Portfolio Split Across Greenfield and Brownfield Opportunities

Particulars	Developable Area (mn sqft.)
Greenfield projects	83.6
Non-greenfield projects	4.8
Total	88.4
Greenfield projects as a percentage of total projects	94.6%

Source: RHP, SBICAP Securities Research

Includes developable area across completed, ongoing and upcoming projects

Residential Portfolio Split Across Segments

Particulars	Developable Area (sq. ft.)	% of total Developable Area
Affordable	30.4	40.7%
Mid-income	40.8	54.7%
Luxury	3.4	4.6%
Total	74.6	100.0%

Source: RHP, SBICAP Securities Research

Includes developable area across completed, ongoing and upcoming projects

Portfolio Split Across Geographies

Particulars	FY24		FY25		FY26	
	Number of Projects	(mn sqft.)	Number of Projects	(mn sqft.)	Number of Projects	(mn sqft.)
Mumbai	72	57.4	75	57.9	78	58.9
Outside Mumbai	0	0.0	0	0.0	2	29.5
Total	72	57.4	75	57.9	80	88.4

Source: RHP, SBICAP Securities Research

Key Metrics

Particulars	FY24	FY25	FY26
Sales value ⁽¹⁾ (Rs mn)	15,276	18,990	23,535
Sales area (saleable area) (mn sqft.)	1.6	1.6	2.1
Sales (No. of units)	1,688	1,700	2,182
Gross collections ⁽²⁾ (Rs mn)	19,240	15,562	18,546
Launches ⁽³⁾ (mn sqft.)	1.9	1.1	2.1
Deliveries ⁽⁴⁾ (mn sqft.)	2.2	1.3	1.2
Average sale price ⁽⁵⁾ (Rs / sqft.)	9,430	11,754	11,366

Source: RHP, SBICAP Securities Research

Note:

1. Sales value is calculated as the sum of the agreement value of units sold in residential, retail and commercial projects (net of cancellations) during such period for which agreements have been entered into and the booking amount has been received, but does not include taxes, other charges, stamp duty and registration charges.
2. Gross collections are calculated as the sum of collections against agreement value from sale of units (net of cancellations) but do not include taxes and other charges.
3. Launches refers to mn sqft. of area of inventory launched in market by the Company to start taking bookings from customers.
4. Deliveries refers to completed area where occupation certificate has been received.
5. Average sale price is calculated as sales value divided by the sales area in mn square feet.

Restated - Key Metrics

Particulars	FY24	FY25	FY26
Sales value ⁽¹⁾ (Rs mn)	16,514	21,181	23,535
Sales area (saleable area) (mn sqft.)	1.8	2.0	2.1
Sales (No. of units)	1,954	2,154	2,182
Gross collections ⁽²⁾ (Rs mn)	21,741	18,315	18,546
Launches ⁽³⁾ (mn sqft.)	3.0	1.9	2.1
Deliveries ⁽⁴⁾ (mn sqft.)	2.2	2.4	1.2
Average sale price ⁽⁵⁾ (Rs / sqft.)	9,023	10,756	11,366

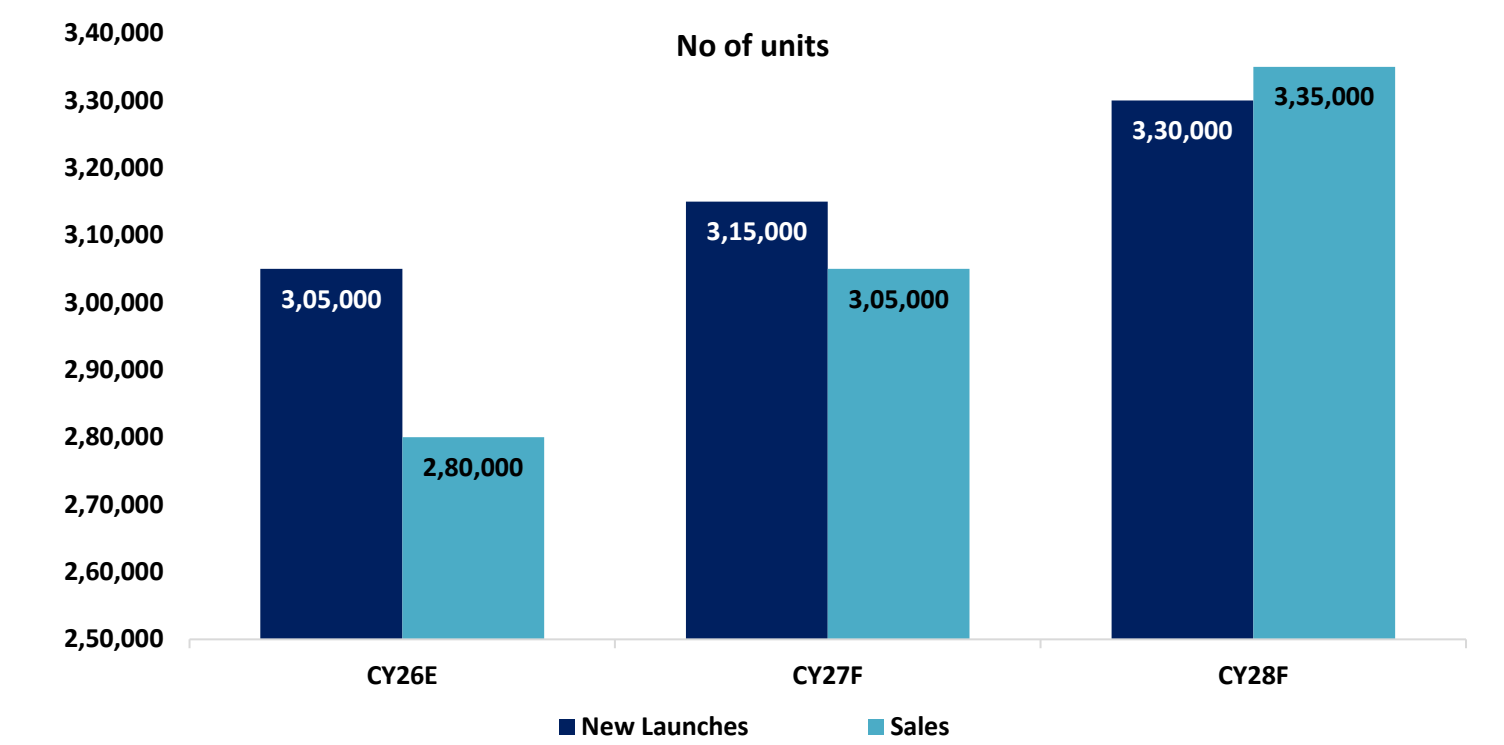
Source: RHP, SBICAP Securities Research

Note: Runwal My City, which operates under Horizon Projects Private Limited (formerly Evie Realty Private Limited), became a subsidiary effective April 1, 2025. Accordingly, the figures presented above have been considered as if it had been consolidated from the beginning of the period.

1. Sales value is calculated as the sum of the agreement value of units sold in residential, retail and commercial projects (net of cancellations) during such period for which agreements have been entered into and the booking amount has been received, but does not include taxes, other charges, stamp duty and registration charges.
2. Gross collections are calculated as the sum of collections against agreement value from sale of units (net of cancellations) but do not include taxes and other charges.
3. Launches refers to mn sqft. of area of inventory launched in market by the Company to start taking bookings from customers.
4. Deliveries refers to completed area where occupation certificate has been received.
5. Average sale price is calculated as sales value divided by the sales area in mn square feet

Industry Overview

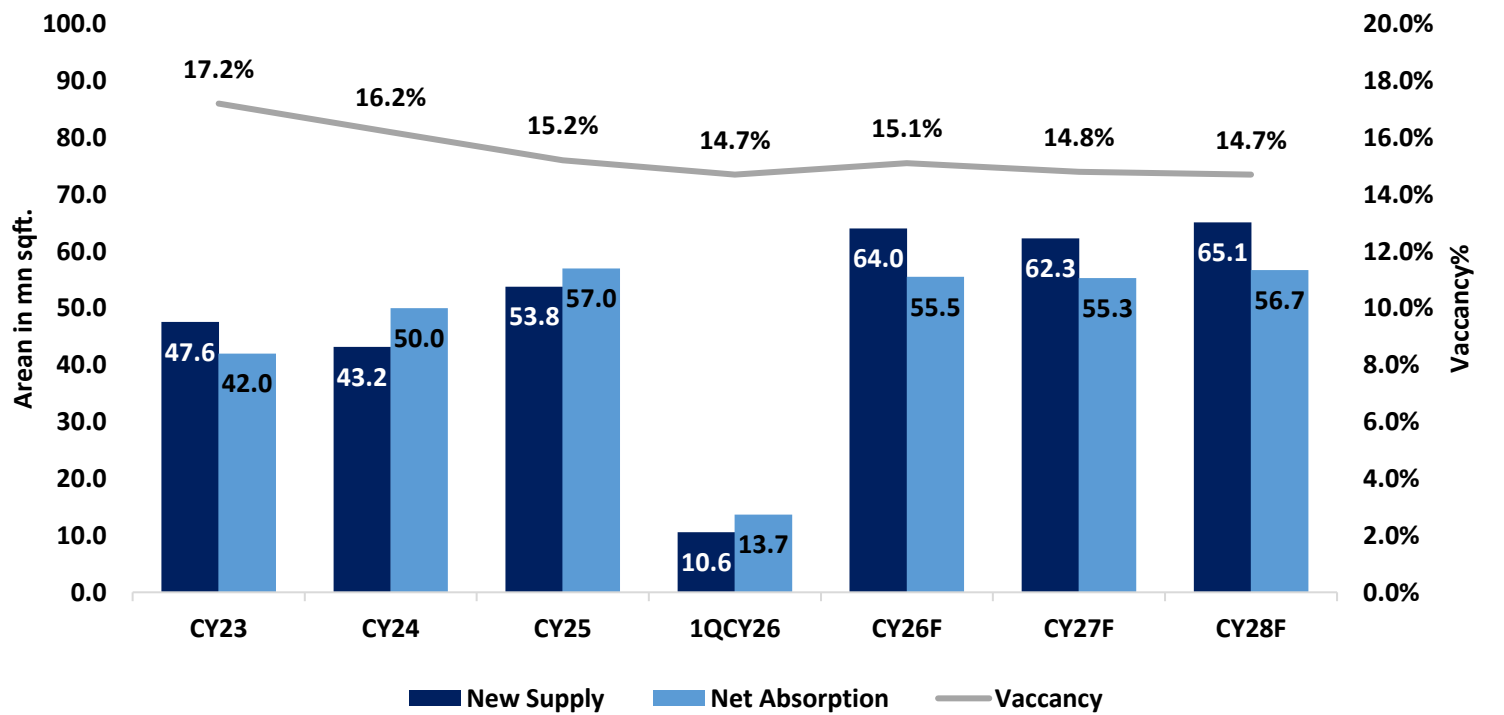
Residential new launches and sales in India



Source: RHP, SBICAP Securities Research

Note: Figures indicate aggregate residential units in the top 7 cities of NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, and Kolkata; Mumbai includes Mumbai city, Mumbai suburbs, Thane city, Kalyan-Dombivli, and Navi Mumbai

New completions, net absorption, and vacancy trends in India’s Office Market



Source: RHP, SBICAP Securities Research

Peer Comparison

Particulars (Rs cr)	Runwal Enterprises Ltd	Lodha Developers Ltd	Kalpataru Ltd	Kolte Patil Developers Ltd	Keystone Realtors Ltd
CMP (Rs)	305	1,155	284	430	366
Mkt Cap.	4,507	1,15,423	5,838	3,810	4,627
Enterprise Value	6,641	1,21,721	14,181	4,442	5,208
Sales	1,799	16,676	3,436	735	2,635
EBITDA	298	4,923	119	-61	122
Net Profit	209	3,363	90	-44	79
Pre Sales	2,354	20,520	5,280	2,605	4,023
Collection	1,855	15,150	4,960	2,689	2,621
Gross Development Value (GDV) ¹	86,711	24,060	65,022	34,400	61,940
EBITDA Margin (%)	16.6	29.5	3.5	(8.3)	4.6
Net Profit Margin (%)	11.6	20.2	2.6	(6.0)	3.0
RoE (%)	25.1	14.4	2.2	(3.6)	2.8
RoCE (%)	9.1	15.0	1.2	(0.3)	4.4
P/E (x)	21.5	34.3	64.9	(86.6)	58.6
EV/EBITDA (x)	22.3	24.7	119.2	(72.8)	42.7
EV/Sales (x)	3.7	7.3	4.1	6.0	2.0
Mkt Cap/GDV (x)	0.1	4.8	0.1	0.1	0.1
Mkt Cap/Pre-Sales (x)	1.9	5.6	1.1	1.5	1.2

Source: RHP, SBICAP Securities Research, Exchange Filings

For Runwal Enterprises Ltd., the Market Cap, P/E (x), EV/Sales (x) and EV/EBITDA (x) are calculated on post-issue equity capital at the upper price band. CMP of peer companies is close price of 24th September, 2026

¹Gross Development Value (GDV): For Lodha Developers GDV represents pipeline for rest of FY27; For all remaining companies it is as of Mar'26; For Runwal Enterprises GDV is calculated as follows: Aggregate Developable Area of Upcoming & Ongoing Projects multiplied by Rs 11,386/sqft as an average assumed realization

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	2,409	1,008	1,799
YoY growth (%)	-	-58.2%	78.5%
Cost of Projects	1,935	646	1,197
Employee Cost	46	66	98
Other Operating Expenses	255	159	206
EBITDA	174	137	298
EBITDA margins (%)	7.2%	13.6%	16.6%
Other Income	28	43	52
Interest Exp.	42	79	115
Depreciation	3	4	11
Exceptional item	-	-	-
Share of profit of associates and JVs	(0)	(0)	(0)
PBT	157	98	224
Tax	63	42	38
PAT	94	56	186
PAT margin (%)	3.9%	5.5%	10.3%
Minority Interest	18.2	(22.7)	(23.5)
Adj. PAT (ex of Minority Interest)	75	78	209
Adj. PAT margin (%) (ex of Minority Interest)	3.1%	7.8%	11.6%
Adj. EPS	5.7	6.0	15.9

BALANCE SHEET			
Particulars (Rs cr)	FY24	FY25	FY26
Assets			
Net Block	83	92	104
Capital WIP	-	-	-
Intangible Assets	3	2	4
Right of use assets	27	26	47
Other Non current Assets	278	399	655
Current Assets			
Current Investment	7	-	-
Inventories	5,941	6,811	8,451
Trade receivables	0	0	0
Cash and Bank Balances	187	202	275
Short-term loans and advances	17	32	64
Other Current Assets	537	763	655
Total Current Assets	6,688	7,809	9,445
Current Liabilities & Provisions			
Trade payables	427	439	465
Other current liabilities	4,346	5,014	5,909
Short-term provisions	46	48	64
Total Current Liabilities	4,819	5,501	6,438
Net Current Assets	1,869	2,307	3,007
Total Assets	2,260	2,827	3,816
Liabilities			
Share Capital	25	25	25
Reserves and Surplus	391	485	809
Total Shareholders Funds	416	510	834
Minority Interest	35	(25)	11
Total Debt	1,784	2,313	2,909
Long Term Provisions	8	9	16
Lease Liabilities	-	-	22
Other Long Term Liabilities	4	4	7
Net Deferred Tax Liability	14	16	17
Total Liabilities	2,260	2,827	3,816

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	(550)	(198)	(181)
Cash flow from Investing Activities	252	(168)	(213)
Cash flow from Financing Activities	352	310	496
Free Cash Flow	(678)	(273)	(412)

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Assets	1.1%	0.9%	2.0%
Return on Capital Employed	9.0%	6.3%	9.1%
Return on Equity	18.2%	15.4%	25.1%
Margin Analysis			
EBITDA Margin	7.2%	13.6%	16.6%
Adj. PAT margin (%) (ex of Minority Interest)	3.1%	7.8%	11.6%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.3	1.2
Quick Ratio (x)	0.1	0.2	0.1
Avg. Days Sales Outstanding	0	0	0
Avg. Days Inventory Outstanding	900	2,467	1,715
Avg. Days Payables	70	184	113
Fixed asset turnover (x)	20.1	7.7	9.4
Debt-service coverage (x)	0.1	0.1	0.1
Long-Term Solvency			
Total Debt / Equity (x)	4.3	4.5	3.5
Interest Coverage Ratio (x)	4.8	2.2	2.9
Valuation Ratios*			
EV/EBITDA (x)	32.2	44.6	22.3
P/E (x)	53.1	51.1	19.1
P/B (x)	9.6	7.9	4.8
EV/Sales (x)	2.3	6.1	3.7
P/Sales (x)	1.7	4.0	2.2

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

SBICAP Securities Limited

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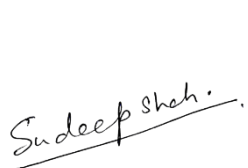
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<u>Name</u>	<u>Qualification</u>	<u>Designation</u>
Fundamental Team		
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Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
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Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Aditya Bhamare	MBA (Finance)	Research Analyst - Equity Technicals
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