

|                                 |                          |
|---------------------------------|--------------------------|
| Retail Research                 | IPO Note                 |
| Sector: Real Estate             | Price Band (Rs): 130-140 |
| 09 <sup>th</sup> September 2026 | Recommendation: NEUTRAL  |

## Veegaland Developers Ltd.

### Company Overview:

**Veegaland Developers Ltd (VDL)** is a Kerala-based residential real estate developer operating under the "Veegaland Homes" brand, with projects spanning the mid-premium (900-1,300 sq. ft.; Rs 6,300-7,000 per sq. ft.) to premium (1,270-2,579 sq. ft.; Rs 6,400-8,400 per sq. ft.), ultra-premium (>1,800 sq. ft.; Rs 6,500-8,800 per sq. ft.), luxe-series (1,900-2,600 sq. ft.; Rs 9,000-10,000 per sq. ft.), and ultra-luxury residences (up to 8,795 sq. ft.). As of Jun'26, VDL has completed 10 projects comprising 692 units and 1.11 mn sq. ft. of saleable area. Its development pipeline includes 12 ongoing projects with 994 units (1.86 mn sq. ft.) and 3 upcoming projects with 212 units (0.46 mn sq. ft.). The company has demonstrated strong growth, with unit sales increasing from 167 units in FY24 to 261 units in FY26 (+56%), while sales value more than doubled from Rs 187 cr to Rs 394 cr. Pre-sales rose 96% to Rs 406 cr, average realizations improved from Rs 6,935 per sq. ft. to Rs 8,021 per sq. ft., and gross collections grew 134% from Rs 125 cr to Rs 292 cr over the same period, reflecting strong demand and successful premiumization of its portfolio.

### Key Highlights:

**1. Strong execution & sales absorption:** VDL has established a strong track record of timely project delivery and sales execution, with 100% sell-through across all 692 completed units and several ongoing projects already achieving high sales absorption, including Green Fort (100%), Green Heights (99.3%), Maybell (98.8%), and Green Capitol (84.9%) as of Jun'26. VDL has consistently delivered projects on or ahead of RERA timelines, driving a 45% sales CAGR between FY24-FY26, with sales value increasing from Rs 187 cr to Rs 394 cr.

**2. Integrated land sourcing & visible growth pipeline:** VDL follows a balanced land acquisition strategy combining outright purchases and selective JDAs, enabling scalable growth with efficient capital deployment. As of Jun'26, 92% of its ongoing development area (1.71 mn sq. ft.) and 100% of its upcoming pipeline (0.46 mn sq. ft.) are backed by outright land ownership, while JDAs account for a limited 8% of ongoing area, providing additional sourcing flexibility.

**3. Integrated development platform:** VDL operates a fully integrated, end-to-end real estate development model covering land acquisition, design, approvals, construction, sales, handover, and post-possession support, enabling tight control over execution, quality, timelines, and regulatory compliance.

**Industry Outlook:** India's Real estate market is expected to grow at a CAGR of 13.5% over FY27E-FY32E period. While, the Kerala boutiques flat market is expected to grow at a CAGR of 18.0% over FY26E-FY32E.

**Key Risks:** (i) Geographic concentration in Kerala (ii) Project execution and completion risk (iii) Dependence on third-party contractors.

**View & Valuation:** Veegaland Developers Ltd. is a Kerala-focused residential real estate developer that reported strong growth during FY24-26, with Revenue/EBITDA/PAT CAGR of 51%/75%/84%. Sales value more than doubled to Rs 393 cr, while pre-sales rose to Rs 406 cr (+96%) during FY24-26. The company's premiumization strategy drove premium segment contribution from 47% to 93% and improved realizations to Rs 8,021/sq. ft. The company has demonstrated strong execution with 100% sales absorption across 692 completed units and a 2.32 mn sq. ft. development pipeline. At the upper price band of Rs 140, the issue is valued at 25.6x FY26 post-issue P/E. Given VDL's high geographic concentration in Kerala, dependence on third-party contractors, and elevated working capital requirements, we assign a NEUTRAL rating to the IPO and would prefer to monitor cash-flow generation and execution consistency post listing.

| Issue Details                    |                                     |
|----------------------------------|-------------------------------------|
| Date of Opening                  | 10 <sup>th</sup> September 2026     |
| Date of Closing                  | 15 <sup>th</sup> September 2026     |
| Price Band (Rs)                  | 130 – 140                           |
| Fresh Issue (Rs cr) @UB          | 210                                 |
| Total Issue Size (No. of shares) | 1,50,00,000 shares                  |
| Face Value (Rs)                  | 10                                  |
| Post Issue Market Cap (Rs cr)    | 649 – 683                           |
| BRLMs                            | Cumulative Capital Private Ltd      |
| Registrar                        | MUFG Intime India Private Ltd       |
| Bid Lot                          | 107 shares and in multiples thereof |
| QIB shares                       | 50%                                 |
| Retail shares                    | 35%                                 |
| NIB shares                       | 15%                                 |

| Objects of Issue                                                                    |                                         |
|-------------------------------------------------------------------------------------|-----------------------------------------|
| Particulars (Rs cr)                                                                 | Estimated utilization from net proceeds |
| Funding a part of the expense to be incurred in the development of ongoing projects | 15.4                                    |
| Funding unidentified acquisition of land & general corporate purposes*              | 115.0                                   |
| <b>Net proceeds from fresh issue*</b>                                               | -                                       |

\*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 | 3,10,48,500        | 92.0         |
| Public & Others           | 27,01,500          | 8.0          |
| <b>Total</b>              | <b>3,37,50,000</b> | <b>100.0</b> |

| Post Issue @Upper Price Band | No. of Shares      | %            |
|------------------------------|--------------------|--------------|
| Promoter & Promoter Group    | 3,10,48,500        | 63.7         |
| Public & Others              | 1,77,01,500        | 36.3         |
| <b>Total</b>                 | <b>4,87,50,000</b> | <b>100.0</b> |

Source: RHP, SBICAP Securities Research

## Financial Overview

| Particulars (Rs cr) | FY24  | FY25   | FY26   | FY24-FY26 CAGR (%) |
|---------------------|-------|--------|--------|--------------------|
| Revenue             | 111   | 192    | 251    | 50.5               |
| YoY (%)             | -     | 73.7   | 30.5   | -                  |
| EBITDA              | 13    | 30     | 39     | 75.1               |
| YoY (%)             | -     | 132.4  | 31.8   | -                  |
| PAT                 | 8     | 20     | 27     | 83.9               |
| YoY (%)             | -     | 159.6  | 30.3   | -                  |
| EBITDA Margin (%)   | 11.6  | 15.6   | 15.7   | -                  |
| PAT Margin (%)      | 7.1   | 10.6   | 10.6   | -                  |
| ROE (%)             | 17.5  | 31.2   | 10.0   | -                  |
| ROCE (%)            | 9.9   | 13.7   | 11.9   | -                  |
| D/E (x)             | 2.7   | 2.7    | 0.3    | -                  |
| P/E (x)             | 60.0  | 23.1   | 17.8   | -                  |
| EV/EBITDA (x)       | 43.8  | 20.5   | 13.3   | -                  |
| CFO                 | 8.8   | (44.0) | (74.3) | -                  |
| CFI                 | 1.9   | (0.2)  | (19.8) | -                  |
| CFF                 | (7.0) | 51.7   | 77.9   | -                  |
| FCF                 | 8.4   | (45.4) | (95.3) | -                  |

Source: RHP, SBICAP Securities Research

## Peer Comparison – FY26

| Particulars (Rs cr)        | Veegaland Developers Ltd | Shriram Properties Ltd | Puravankara Ltd |
|----------------------------|--------------------------|------------------------|-----------------|
| CMP (Rs @ UB)              | 140                      | 73                     | 214             |
| Mkt Cap (@ UB)             | 683                      | 1,250                  | 5,070           |
| Revenue                    | 251                      | 1,267                  | 3,740           |
| EBITDA                     | 39                       | 85                     | 691             |
| EBITDA Margin (%)          | 15.7                     | 6.7                    | 18.5            |
| PAT                        | 27                       | 101                    | 62              |
| PAT Margin (%)             | 10.6                     | 8.0                    | 1.7             |
| RoE (%) - Post issue       | 5.6                      | 6.9                    | 3.5             |
| P/E (x)                    | 25.6                     | 12.4                   | 81.8            |
| EV/EBITDA (x) - Post Issue | 13.3                     | 20.1                   | 13.3            |
| Mkt Cap/Sales (x)          | 2.7                      | 1.0                    | 1.4             |

Source: RHP, SBICAP Securities Research.

For Veegaland Developers Ltd., the Market Cap, P/E (x), Mkt Cap/Sales (x) and EV/EBITDA (x) are calculated on post-issue equity capital at the upper price band.

CMP of peer companies is live price of 09<sup>th</sup> September, 2026

**SBICAP Securities Limited**

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

Research Analyst: INH000000602 | IRDA: CA0103 | PFRDA Registration No: POP 26092018

**Registered & Corporate Office:** Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,  
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013 .

For any information contact us: **(022) 6854 5555 | E-mail: [helpdesk@sbicapsec.com](mailto:helpdesk@sbicapsec.com) | Web: [www.sbisecurities.in](http://www.sbisecurities.in)**

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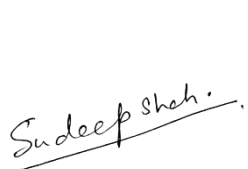
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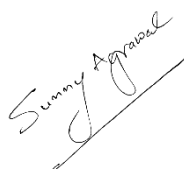
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| <u>Name</u>                             | <u>Qualification</u>           | <u>Designation</u>                       |
|-----------------------------------------|--------------------------------|------------------------------------------|
| <b>Fundamental Team</b>                 |                                |                                          |
| Sunny Agrawal                           | B.E, MBA (Finance)             | DVP - Fundamental Research               |
| 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   |
| Sumeet Shah                             | B.E., CFA                      | Research Analyst - Equity Fundamentals   |
| Shubham Purohit                         | BMS (Finance)                  | Research Associate - Equity Fundamentals |
| Vinit Mishra                            | B.Com                          | Research Associate - Equity Fundamentals |
| Avijit Sheet                            | MBA (Finance)                  | Research Associate - Equity Fundamentals |
| Siddhesh Nanal                          | MSc (Finance)                  | Research Associate - Equity Fundamentals |
| <b>Technical &amp; Derivatives Team</b> |                                |                                          |
| Sudeep Shah                             | MMS-Finance                    | VP- Technical & Derivative Research      |
| Gautam Upadhyaya                        | MBA (Finance)                  | Research Analyst - Equity Derivatives    |
| Vinayak Gangule                         | BE (IT)                        | Research Analyst - Equity Technicals     |
| Ashwin Ramani                           | B.Com                          | Research Analyst- Equity Technicals      |
| Sagar Peswani                           | B.Tech (ECE)                   | Research Associate - Equity Technicals   |
| Kalpesh Mangade                         | B.Com                          | MIS Analyst - Retail Research            |
| Aditya Bhamare                          | MBA (Finance)                  | Research Analyst - Equity Technicals     |

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**Sudeep Shah**  
VP – Technical & Derivative Research



**Sunny Agrawal**  
DVP – Fundamental Resea