

Runwal Enterprises Ltd

25 September 2026

IPO NOTE

Sector	Real Estate
Recommendation	SUBSCRIBE

Offer Details

Issue Details	Quantity
Type of Offer	Fresh Issue
No. of Shares Offered	16.4mn Equity Shares*
Price Band (Rs.)	290 - 305
Registrar	MUFG Intime India Pvt. Ltd.
BRLMs	ICICI Securities, Jefferies India

Source: Company RHP; *at upper band

Shareholding Pattern

Shareholder (%)	Pre-Issue	Post-Issue*
Promoter & Group	95.2%	84.6%
HDFC Capital AREF-3	4.8%	4.3%
Public	0.0%	11.1%

Source: Company RHP; *at upper band

Offer Allocation

Category	Allocation
QIB Portion	Up to 50% of Net Issue
NIB Portion	Min. 15% of Net Issue
RIB Portion	Min. 35% of Net Issue

Source: Company RHP; *at upper band

Mumbai Housing Play with Multiple Growth Levers

Runwal Enterprises Limited (REL) is a Mumbai-focused residential developer carrying forward the “Runwal” brand legacy since 1978. The company has established a strong presence across Mumbai and the wider MMR, with a portfolio spanning affordable, mid-income and luxury residential projects, alongside select commercial and retail developments. As of Mar’26, REL had 88.4msf of developable area across 80 projects, including 74.6msf of residential development, providing a sizeable pipeline for future growth. Its established presence in key micro-markets such as Kanjurmarg, Mulund and Dombivli, coupled with increasing exposure to premium locations, positions the company to participate in Mumbai’s sustained housing demand and infrastructure-led expansion.

The company is coming out with a fresh issue of up to Rs 5,000mn at a price band of Rs 290-305/share, with no offer-for-sale component: The IPO proceeds will primarily be used towards repayment of borrowings, funding debt repayment at key subsidiaries and financing future project acquisitions. The issue will also provide REL with additional balance-sheet flexibility to pursue its development pipeline, while its increasing use of JDAs, redevelopment and other asset-light structures should enable access to premium locations with relatively lower upfront capital requirements.

Large development pipeline provides visibility across segments: REL had 88.4msf of developable area as of Mar’26, comprising 19 completed, 28 ongoing and 33 upcoming projects. Residential projects account for 74.6msf, with the portfolio spread across affordable, mid-income and luxury segments. The 17 ongoing residential projects have already recorded Rs 100.1bn of cumulative sales, with only 7.1msf of area remaining unsold. Several large projects are at advanced stages of construction, supporting revenue recognition over the coming years. Excluding the tentative 24.5msf Mithagar-Murud project, the total upcoming pipeline remains at ~56msf, providing substantial launch visibility.

Healthy pre sales and brand-led pricing support growth: REL’s pre-sales increased from Rs 15.3bn in FY24 to Rs 23.5bn in FY26, translating into a 24% CAGR, while average realisation increased from Rs 9,430/sq. ft to Rs 11,366/sq. ft. Large projects launched during FY24-FY26 sold 40% of saleable area within the first year, while projects receiving occupation certificates were ~89% sold before completion. REL also commands premium pricing in several of its core markets, with its projects achieving premiums of ~3% in Kanjurmarg, ~2% in Mulund and ~13% in Dombivli versus respective local market averages. Continued infrastructure development across Mumbai should further improve connectivity and support residential demand across REL’s key markets.

Valuation and View: At the upper price band of Rs 305, REL is valued at a market cap of Rs 45.1bn, implying 21.5x FY26 post-issue EPS, versus the listed peer average of ~39x P/E. The issue is also priced ~11% below HDFC Capital’s CCD conversion price of Rs 342.49/share in Aug’26, providing some comfort on institutional valuation. With IPO proceeds largely earmarked towards debt reduction and project acquisitions, the issue should support balance-sheet strengthening and future growth. We recommend SUBSCRIBE to the issue with a long-term perspective, while key monitorable remain leverage, project execution and the company’s high concentration in Mumbai/MMR.

Harmish Desai
harmishdesai@systematixgroup.in
+91 22 6704 8028

Raj Lakhani
rajlakhani@systematixgroup.in
+91 22 6704 8036

Offer Details

The IPO of Runwal Enterprises is entirely a fresh issue of equity shares aggregating up to Rs 5,000mn (~16.4mn shares at the upper band of Rs 305), with no offer for sale component. The issue includes an employee reservation of up to Rs 35mn. The issue size was halved from Rs 10,000mn envisaged in the DRHP (Mar'25). The issue opens on 25 September 2026 and closes on 29 September 2026, with a minimum bid lot of 49 shares; listing on NSE and BSE is scheduled for 5 October 2026.

Exhibit 1: Issue details

Face value	Rs 2 per equity share
Pre-issue equity shares	131.39mn
Fresh issue	Up to Rs 5,000mn (16.39-17.24mn shares)
Offer for sale	NA
Employee reservation	Up to Rs 35mn
Post-issue equity shares	147.78-148.63mn
Bid lot	49 shares and in multiples thereof
Issue period	25 Sep 2026 - 29 Sep 2026
Listing (tentative)	5 Oct 2026 (NSE, BSE)

Source: Company RHP, Systematix Research

Exhibit 2: Offer price and market capitalisation

Price band	at lower	at higher
Offer price (Rs)	290	305
Fresh shares issued (mn)	17.24	16.39
IPO size (Rs bn)	5.00	5.00
Pre-issue shares (mn)	131.39	131.39
Post-issue shares (mn)	148.63	147.78
Market capitalisation (Rs bn)	43.10	45.07
Market capitalisation (USD bn)	0.46	0.48

Source: Company RHP, Systematix Research; USD/INR at 94.3

Exhibit 3: Shareholding pattern (pre and post issue)

Shareholder	Pre-issue (%)	Post-issue (%)*
Subodh Subhash Runwal (Promoter)	80.89	71.92
Promoter Group	14.27	12.69
HDFC Capital Affordable Real Estate Fund-3	4.83	4.29
Others	0.01	0.01
New public shareholders (IPO)	-	11.09
Total	100.00	100.00

Source: Company RHP, Systematix Research; *at upper price band

Exhibit 4: Objects of the issue

Particulars	Amount (Rs mn)	Deployment
Repayment/pre-payment of borrowings of the Company	1,000	FY27
Investment in WOS Runwal Residency & Evie Real Estate for repayment of their borrowings	2,250	FY27
Funding acquisition of future real estate projects and general corporate purposes	1,750*	FY27-28
Gross proceeds	5,000	

Source: Company RHP; *capped at 35% of gross proceeds in aggregate, with each of acquisitions/GCP capped at 25%

Exhibit 5: Share allotment

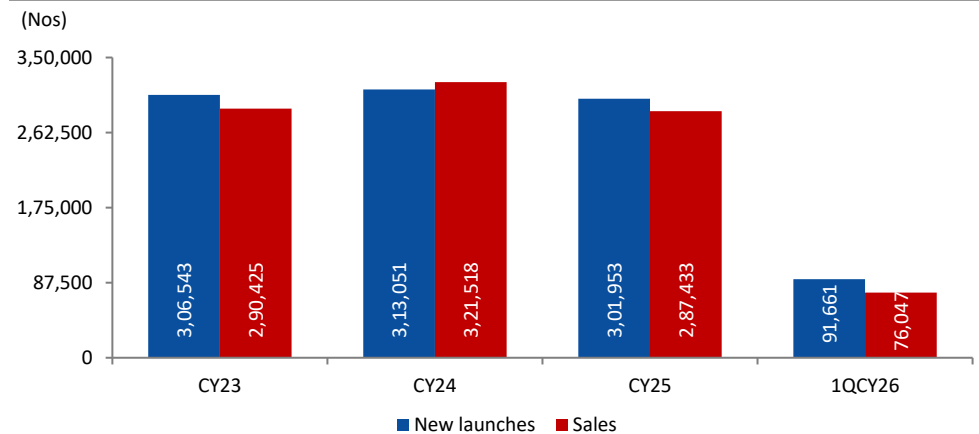
Offer allocation	
Qualified Institutional Buyers (QIB)	Not more than 50% of the Net Issue (up to 60% of QIB portion to anchors)
Non-Institutional Bidders (NIB)	Not less than 15% of the Net Issue
Retail Individual Bidders (RIB)	Not less than 35% of the Net Issue
Employee reservation	Up to Rs 35mn

Source: Company RHP, Systematix Research

Industry Outlook

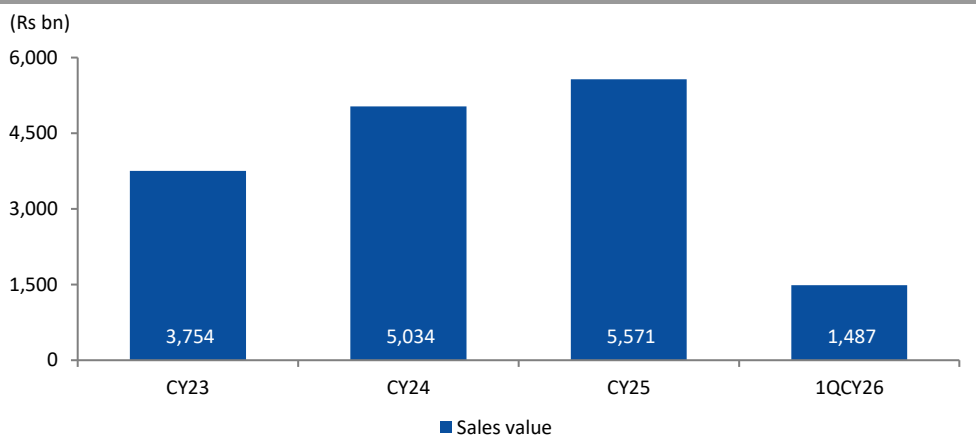
Housing demand holding near record highs across top-7 cities

India's residential market has been on a multi year up-cycle. Sales across the top seven cities hit a record 290,425 units in CY23 (surpassing the CY10 peak by ~25%) and rose further to an all-time high of 321,518 units in CY24. CY25 saw a healthy 287,433 units (-11% YoY) as moderate price hikes, while launches remained elevated at 301,953 units. Importantly, value growth has outpaced volumes - residential sales value expanded ~1.5x from Rs 3.75trn in CY23 to Rs 5.57trn in CY25, aided by premiumisation. Mumbai is the single largest market, accounting for ~24% of top 7 sales, launches and sales value over CY23-1QCY26.

Exhibit 6: Top-7 cities: residential new launches and sales

Source: JLL Report (Company RHP), Systematix Research

Exhibit 7: Top-7 cities: residential sales value

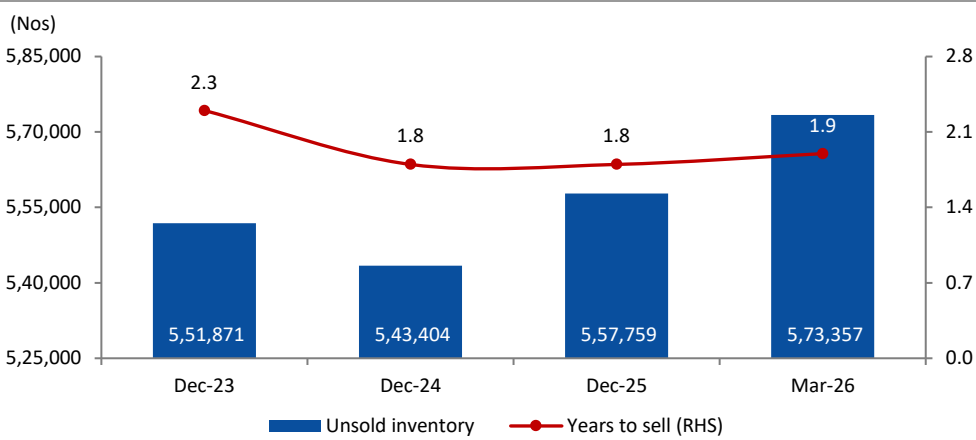


Source: JLL Report (Company RHP), Systematix Research

Inventory remains well absorbed

Unsold inventory across the top 7 cities has remained broadly flat at ~0.55-0.57mn units since Dec’23, while the years-to-sell (YTS, based on trailing eight-quarter velocity) has improved from 2.3 years in Dec’23 to ~1.9 years in Mar’26. This indicates that supply additions have largely been matched by absorption, reducing the risk of a price correction.

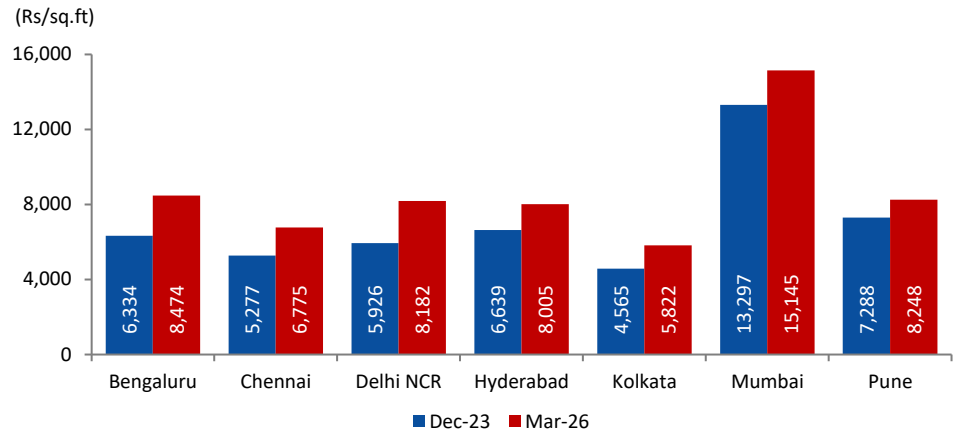
Exhibit 8: Top-7 cities: unsold inventory and years-to-sell



Source: JLL Report (Company RHP), Systematix Research

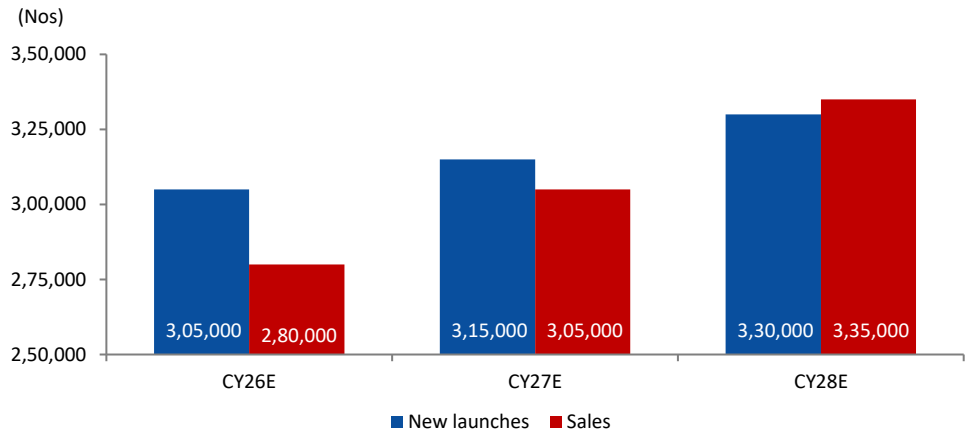
Prices sustained; Mumbai commands the highest capital values

Capital values rose across all top 7 markets in CY25, led by Delhi NCR, Bengaluru and Chennai (~13% YoY each). Mumbai remains the most expensive market at an average of ~Rs 15,145/sq. ft (saleable) as of Mar’26. JLL expects price appreciation to moderate and stabilise, with projects of superior quality and connectivity continuing to outperform - a trend that favours branded developers with established micro-market franchises.

Exhibit 9: Capital values across top-7 markets

Source: JLL Report (Company RHP), Systematix Research

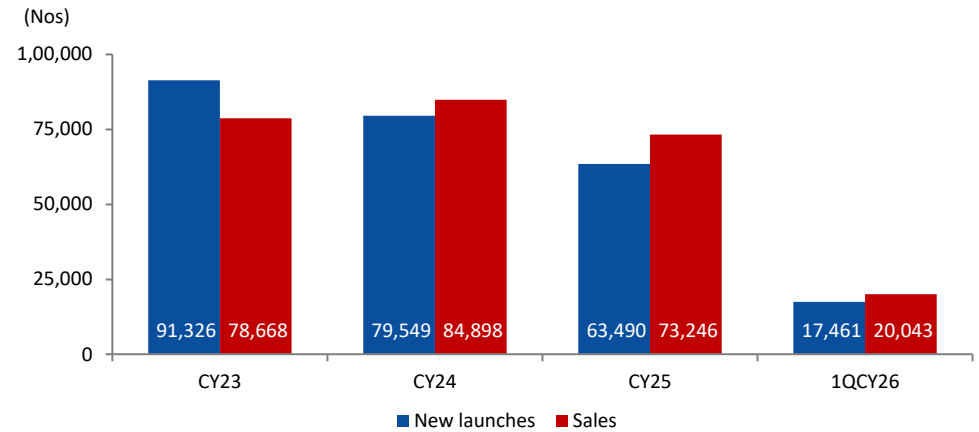
The market is expected to regain momentum from CY26, driven by strong developer launch confidence and sustained demand for quality housing, with sales projected to increase from ~280,000 units in CY26E to ~335,000 units in CY28E.

Exhibit 10: Top-7 cities: residential launches and sales outlook

Source: JLL Report (Company RHP), Systematix Research

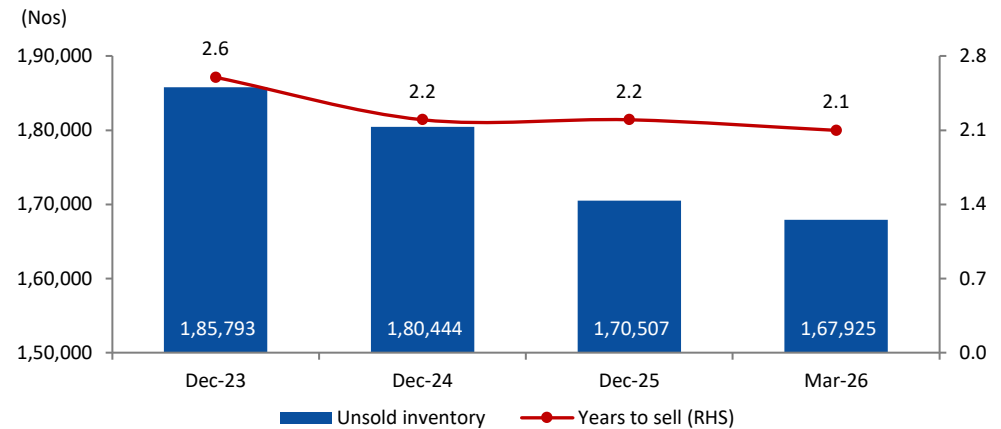
Mumbai - India's largest housing market

Mumbai (including Mumbai city, suburbs, Thane, Kalyan-Dombivli and Navi Mumbai) is the country's financial capital with GDP of Rs 16.3trn and household disposable income of ~Rs 1.3mn (CY25), among the highest in India. The market benefited significantly from MahaRERA, recording historic sales of 78,668 units in CY23 and 84,898 units in CY24. While CY25 volumes softened to 73,246 units, 1QCY26 recorded 20,043 units - the highest in seven quarters. Sales value rose ~1.2x from Rs 1,275bn in CY23 to Rs 1,379bn in CY25.

Exhibit 11: Mumbai: residential launches and sales

Source: JLL Report (Company RHP), Systematix Research

Supply discipline has been notable: Mumbai launches declined from 91,326 units in CY23 to 63,490 units in CY25 while sales outpaced launches. As a result, unsold inventory fell from 185,793 units (Dec'23) to 167,925 units (Mar'26), and YTS improved from 2.6 to 2.1 years. Peripheral submarkets (Kalyan-Dombivli, Thane and Navi Mumbai) continue to account for the bulk of market activity.

Exhibit 12: Mumbai: unsold inventory and years-to-sell

Source: JLL Report (Company RHP), Systematix Research

Exhibit 13: Mumbai submarket snapshot

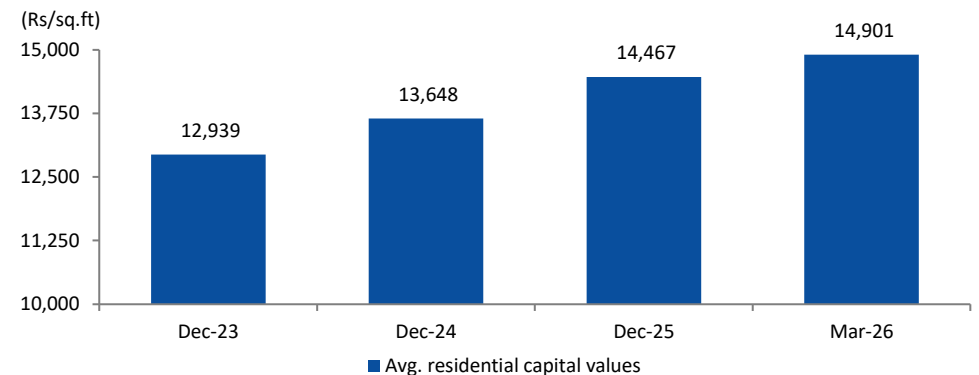
Submarket (CY23 - 1QCY26)	New launches (Nos)	Sales (Nos)	Unsold inventory Mar'26 (Nos)	% unsold in completed projects
South Mumbai	7,825	7,544	8,279	10.7%
Central Mumbai	18,072	16,630	16,211	11.6%
North Mumbai	6,727	5,271	4,978	8.2%
Western Suburbs I	21,102	18,677	16,892	8.1%
Western Suburbs II	29,968	28,078	21,098	12.5%
Eastern Suburbs	27,841	28,295	21,613	10.9%
Thane	38,266	36,676	24,382	7.2%
Navi Mumbai	66,660	54,791	39,766	10.1%
Kalyan-Dombivli	35,365	60,893	14,706	3.9%
Overall	251,826	256,855	167,925	9.5%

Source: JLL Report (Company RHP), Systematix Research; highlighted rows are REL's core submarkets

Infrastructure is compressing the price gradient

Mumbai's average capital value rose ~15% from Rs 12,939/sq. ft (Dec'23) to Rs 14,901/sq. ft (Mar'26). Appreciation has been sharpest in the peripheral markets - Kalyan-Dombivli (+21%) and Navi Mumbai (+18%) - as a wave of infrastructure is reshaping connectivity: 14 metro lines spanning ~357 km (completion by 2028/29, expected to cut average travel time by ~50%), the 29.8 km Coastal Road (2027) and the Navi Mumbai International Airport (operational since Dec'25). The upcoming Metro Lines 4, 5, 6, 12 and 14 and the Airoli-Katai freeway directly benefit REL's Kanjurmarg and Dombivli land banks.

Exhibit 14: Mumbai: average residential capital values

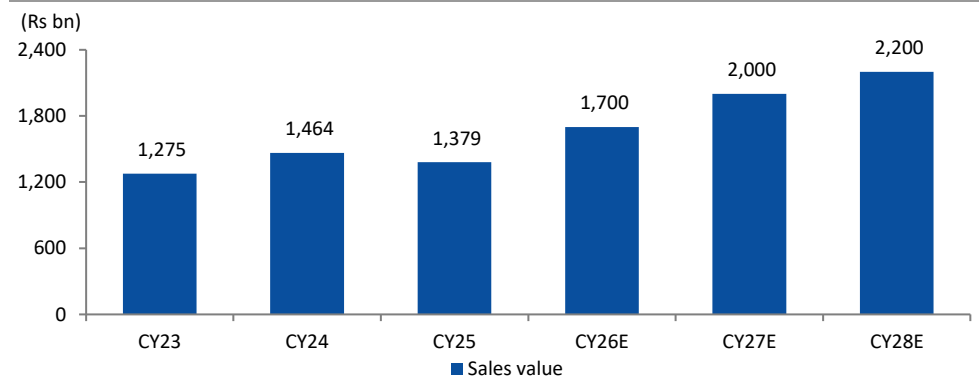


Source: JLL Report (Company RHP), Systematix Research

Outlook: Mumbai sales value to reach ~Rs 2.2trn by CY28

Developers have acquired 400+ acres of land in Mumbai over the last 2-3 years, implying development potential of 50+ msf and sales potential of over Rs 750bn. Mumbai sales to rise from ~82,000 units in CY26E to ~105,000 units in CY28E, with launches at ~70,000-76,000 units, implying continued inventory tightening. In value terms, the market is projected to grow at a ~17% CAGR to ~Rs 2.2trn by CY28E.

Exhibit 15: Mumbai: residential sales value and outlook



Source: JLL Report (Company RHP), Systematix Research

Regulation driving consolidation towards branded developers

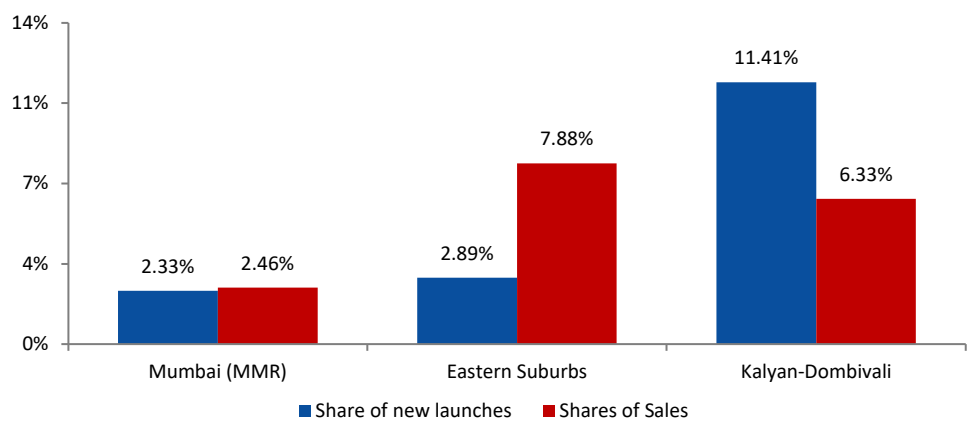
RERA (2016) triggered a structural shift in favour of organised developers. RERA 2.0 tightens this further through a three-account escrow structure (70% of buyer collections locked for the specific project, 30% released on verified construction milestones), RBI-linked delay penalties and time-bound dispute resolution. Coupled with lenders' preference for tier-1 developers post the NBFC crisis and landowners opting for Grade-A partners on JDAs, market share is steadily consolidating towards established brands such as REL.

Investment Rationale

Entrenched leadership in Mumbai’s high-velocity micro-markets

REL ranks 3rd in Mumbai on both new launches (~5,875 units; 2.33% share) and sales (~6,309 units; 2.46% share) during CY23-1QCY26. Its dominance is concentrated in two of the most active submarkets: in the Eastern Suburbs, REL is the #1 seller with 7.88% share (~2,200 units sold), anchored by its Kanjurmarg and Mulund projects, which together account for ~40-45% of the submarket’s activity. In Kalyan-Dombivli, REL is #1 on launches (11.41%; ~4,034 units) and #2 on sales (6.33%; ~3,857 units) through its Dombivli township. In the affordable segment (≤ Rs 5mn), REL holds a 9.86% share of Mumbai launches and 6.66% sales.

Exhibit 16: REL’s market share and rank (CY23 - 1QCY26)

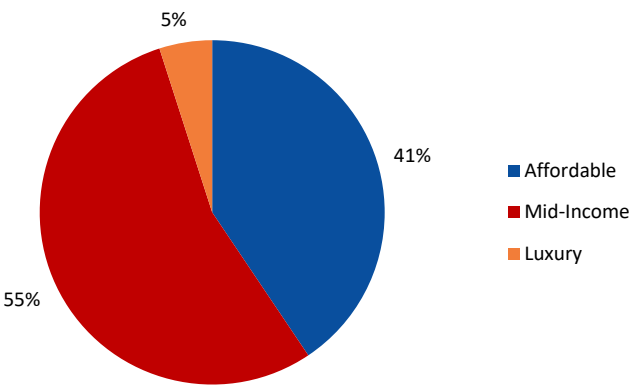


Source: JLL Report (Company RHP), Systematix Research

Large and diversified pipeline provides long-term visibility

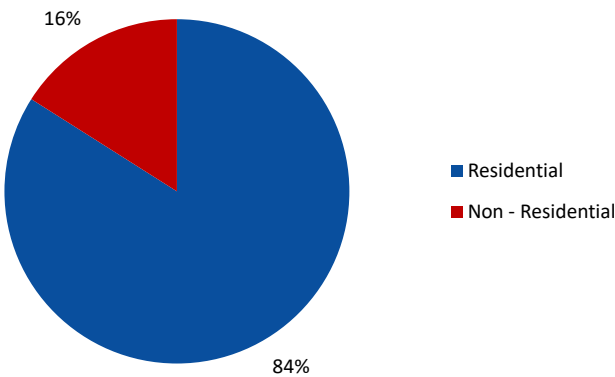
As of Mar’26, REL’s portfolio aggregates 88.37msf of developable area across 19 completed (12.09msf), 28 ongoing (19.88msf) and 33 upcoming projects (56.41msf). Residential accounts for 84% (74.58msf), split across affordable (41%), mid-income (55%) and luxury (5%), while non-residential (offices, retail, schools, hospitals) makes up 13.80msf. About 94.6% of the portfolio is greenfield. We note that the tentative ~24.5msf Mithagar-Murud residential project near Alibaug constitutes ~43% of the upcoming pipeline; excluding it, the upcoming pipeline is ~32msf - still ample for 8-10 years of launches.

Exhibit 17: REL’s portfolio mix (Mar’26)



Source: JLL Report (Company RHP), Systematix Research

Exhibit 18: Portfolio remains predominantly residential



Source: JLL Report (Company RHP), Systematix Research

Exhibit 19: Portfolio by completion status (Mar'26)

Particulars	Completed (No.)	Completed (msf)	Ongoing (No.)	Ongoing (msf)	Upcoming (No.)	Upcoming (msf)
Residential	12	11.55	17	18.11	20	44.92
Non-residential	7	0.54	11	1.77	13	11.49
Total	19	12.09	28	19.88	33	56.41

Source: Company RHP, Systematix Research

The 17 ongoing residential projects (18.11msf) have already booked cumulative sales value of Rs 100.1bn, with only ~7.1msf of area left unsold. Several large phases - Runwal Forests Ph 2, Runwal Gardens Ph 3/4 and My City Cluster 5 - are 59-88% complete, setting up healthy revenue recognition over FY27-FY29E as these towers receive occupation certificates.

Exhibit 20: Ongoing residential projects (Mar'26)

Project	Location	Segment	Dev. area (msf)	Unsold area (msf)	Sales value booked (Rs mn)	Completion (%)	RERA completion	Economic interest
Runwal Forests Ph 2	Kanjurmarg (W)	Mid	1.15	0.03	14,233	70.9	Jun-27	100%
Runwal Bliss Ph 1 (Garden Heights)	Kanjurmarg (E)	Mid	0.09	0.00	1,111	100.0	Mar-27	100%
Runwal Bliss Ph 2 (F, G, H)	Kanjurmarg (E)	Mid	1.08	0.64	5,670	49.9	Dec-27 to Jul-29	100%
Runwal Avenue Residential	Kanjurmarg (E)	Mid	1.63	0.44	15,751	63.8	Jun-27 to Oct-28	100%
Runwal Pinnacle	Mulund (W)	Mid	1.26	0.38	11,264	57.6	Dec-28	100%
Runwal Gardens Ph 3	Dombivli	Affordable	1.73	0.16	9,502	74.0	Jun-26	100%
Runwal Gardens Ph 4	Dombivli	Affordable	2.23	0.39	11,286	58.6	Sep-26 to Dec-27	100%
Runwal Gardens Ph 5A	Dombivli	Affordable	0.92	0.45	2,955	47.4	Jun-28	100%
Runwal Gardens Ph 6A	Dombivli	Affordable	0.71	0.55	959	24.8	Jun-29	100%
Runwal Gardens Ph 8	Dombivli	Affordable	0.57	0.21	2,374	42.2	Sep-28 to Dec-28	100%
Runwal My City Cluster 5	Dombivli	Affordable	2.08	0.38	9,006	87.6	Jun-27 to Dec-27	100%
Runwal My City Cluster 6	Dombivli	Affordable	1.10	0.83	1,649	35.1	Mar-29	100%
Runwal My City EWS	Dombivli	Affordable	0.51	0.22	843	13.9	Jun-29	100%
7 Mahalaxmi Ph 1	Mahalaxmi	Luxury	1.00	0.49	12,391	35.8	Oct-31	50% profit share
Runwal Bliss Ph 3 (T6, T8)	Kanjurmarg (E)	Mid	0.66	0.61	735	23.5	Jul-33	100%
Runwal Woods	Chembur	Mid	0.90	0.88	319	8.6	Jul-31	83% rev. share
Runwal My City Cluster 11	Dombivli	Affordable	0.49	0.48	29	3.2	Jul-32	100%
Total			18.11	7.12	100,077	-	-	-

Source: Company RHP, Systematix Research

Brand premium and strong early monetisation

REL's brand commands a pricing premium in its core micro-markets - ~3% above the mean capital value in Kanjurmarg (Runwal Bliss, Runwal Avenue), ~2% in Mulund (Runwal Pinnacle) and ~13% in Dombivli (Runwal Gardens, vs. a local average of ~Rs 5,995/sq. ft). Realisations in most ongoing projects rose 2-7% in FY26. Sell-through is strong: large launches (>1 msf) during FY24-26 sold 40% of saleable area within a year of launch, while towers that received OCs during the period were ~89% sold before completion - reducing inventory risk and supporting construction funding through customer advances.

Exhibit 21: Sale of saleable area within one year of launch (FY24-FY26 launches >1 msf)

Project	Location	Saleable area (msf)	Sold within 1 yr (msf)	% sold
Runwal My City Cluster 5	Dombivli	2.07	0.75	36.2
Runwal Avenue Residential	Kanjurmarg (E)	1.63	0.53	32.5
Runwal Bliss Ph 2 (F, G, H)	Kanjurmarg (E)	1.08	0.23	21.3
Runwal Gardens Ph 3	Dombivli	1.73	0.96	55.5
Runwal Gardens Ph 4	Dombivli	2.23	1.27	57.0
Runwal My City Cluster 6	Dombivli	1.10	0.23	20.9
7 Mahalaxmi Ph 1	Mahalaxmi	1.00	0.40	40.0
Total		10.84	4.37	40.3

Source: Company RHP, Systematix Research

Exhibit 22: Average realisation trend in key projects

Project (Rs/sq ft)	FY24	FY25	FY26	FY26 YoY (%)	Unsold flats (%)
Runwal Avenue Residential	13,384	13,802	13,980	1.3	29.7
Runwal Bliss Ph 2	12,738	13,404	13,813	3.1	57.4
Runwal Forests Ph 2	13,126	13,855	14,844	7.1	2.8
Runwal Pinnacle	12,934	13,707	14,343	4.6	31.1
Runwal Gardens Ph 4	6,297	6,587	6,837	3.8	16.5
Runwal Gardens Ph 5A	6,460	6,604	6,748	2.2	48.2
Runwal My City Cluster 5	5,848	6,023	5,854	(2.8)	16.3

Source: Company RHP, Systematix Research

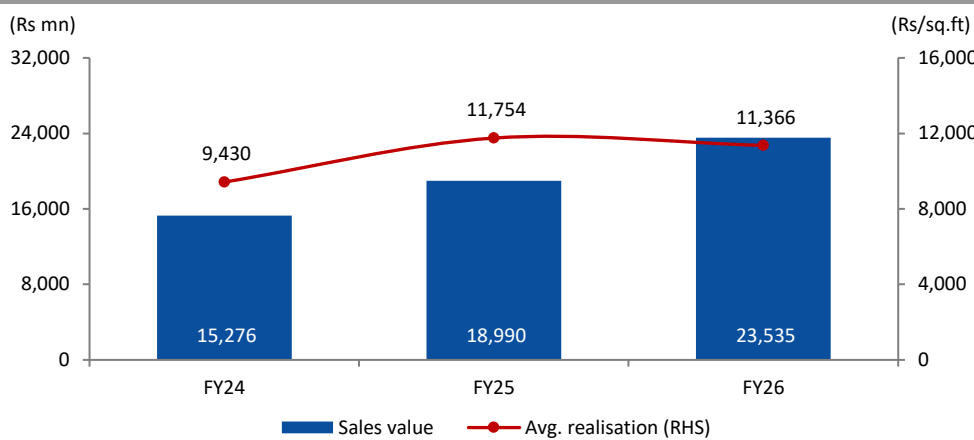
Unique competency in large integrated townships

REL has demonstrated the ability to plan and execute “live, learn, work, play” township developments. Runwal Gardens and Runwal My City in Dombivli together span ~250 acres, planned for 100+ residential towers, two schools, retail malls (incl. R Mall, in which Nexus Select Trust invested Rs 1,150mn), shopping arcades, commercial offices, 36 gardens, clubhouses and multi-level parking. In Kanjurmarg East, Runwal Bliss and Runwal Avenue sit on a 36-acre campus with high-rise residences, high-street retail and offices. Dombivli is set to be a key beneficiary of Metro Line 5 (Thane-Kalyan), proposed Metro Line 12 (Dombivli-Navi Mumbai), the Airoli-Katai freeway and the high-speed rail corridor, which are expected to cut travel time to BKC/Airoli to ~20 minutes and narrow its price gap with Thane and Navi Mumbai.

Operating momentum: pre-sales up at a 24% CAGR over FY24-26

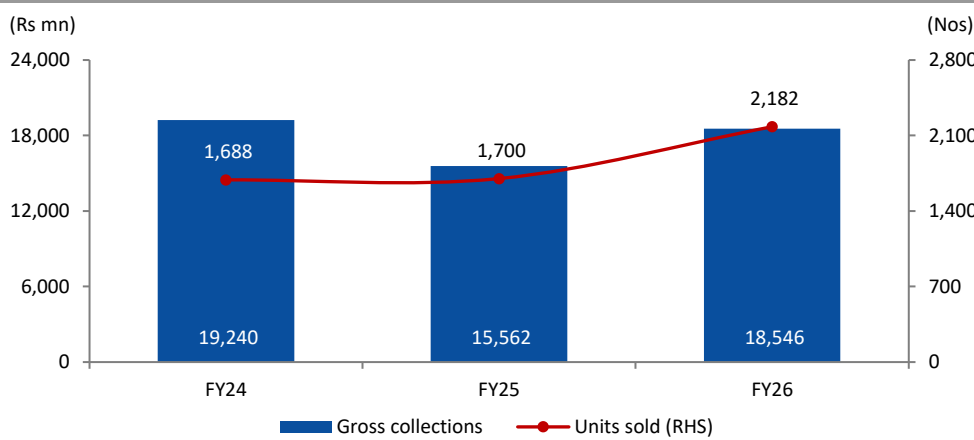
REL's pre-sales grew from Rs 15.3bn in FY24 to Rs 23.5bn in FY26 (24.1% CAGR), with volumes rising from 1,688 to 2,182 units and area sold rising to 2.07msf. Average realisation improved from Rs 9,430/sq. ft to Rs 11,366/sq. ft, aided by the mix shift towards Mumbai-proper projects and the 7 Mahalaxmi luxury launch. Gross collections recovered to Rs 18.5bn in FY26 (+19% YoY), while launches nearly doubled to 2.06msf. On a like-for-like basis (consolidating Runwal My City from FY24), pre-sales grew 11% in FY26 from Rs 21.2bn in FY25.

Exhibit 23: Pre-sales value and average realisation



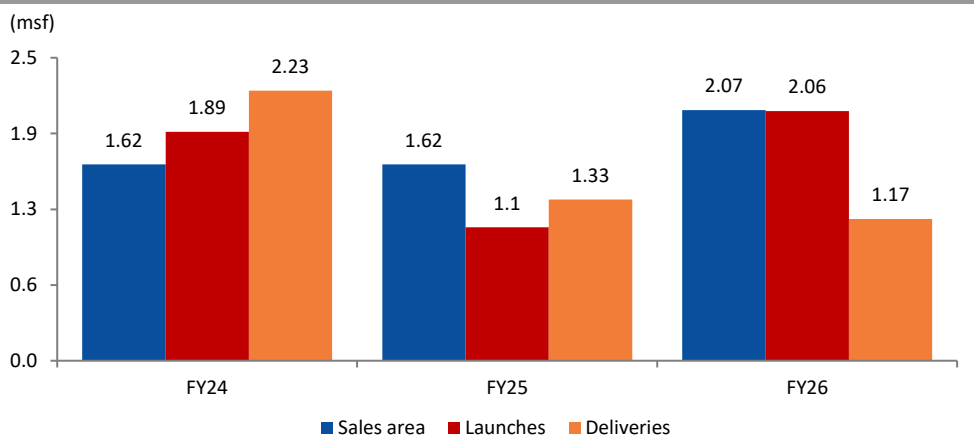
Source: Company RHP, Systematix Research

Exhibit 24: Gross collections and units sold



Source: Company RHP, Systematix Research

Exhibit 25: Area sold, launched and delivered



Source: Company RHP, Systematix Research

Asset-light foray into premium micro-markets

Given land scarcity in Mumbai, REL is increasingly using JDAs, development agreements and redevelopment to access prime locations with limited upfront capital. It entered South Mumbai in Oct'24 with the 2.89msf 7 Mahalaxmi luxury project (JDA, 50% profit share), and Central Mumbai via Runwal Woods, Chembur (83% revenue share). Upcoming projects include Runwal Kranti Nagar in Girgaum (luxury, 50% profit share) and Runwal Lakeview commercial/retail redevelopment in Bandra (0.44msf, 100%). As per management's recent media commentary, the company has also secured large redevelopment projects in Mahalaxmi, Marine Drive and Bandra - which should lift REL's luxury exposure and margin profile.

Exhibit 26: Projects under JDA / DA / JV arrangements

Project	Location	Category	Dev. area (sq ft)	Model	Status	Economic interest
7 Mahalaxmi	Mahalaxmi	Residential - Luxury	2,890,715	JDA	Ph1 ongoing; Ph2 upcoming	50% profit share
Runwal Woods	Chembur	Residential - Mid	895,333	JDA	Ongoing	83% revenue share
Runwal Woods	Chembur	Retail	22,257	JDA	Ongoing	83% revenue share
Runwal Woods	Chembur	Commercial	17,664	JDA	Upcoming	83% revenue share
Runwal Lakeview	Bandra	Commercial	316,496	DA	Upcoming	100%
Runwal Lakeview	Bandra	Retail	127,650	DA	Upcoming	100%
Runwal Kranti Nagar	Girgaum	Residential - Luxury	537,507	DA	Upcoming	50% profit share

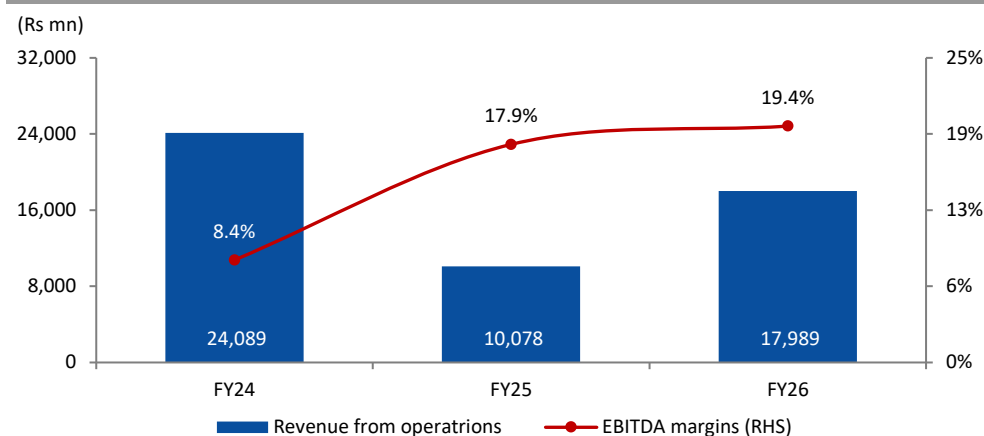
Source: Company RHP, Systematix Research

Building an annuity portfolio with marquee capital partners

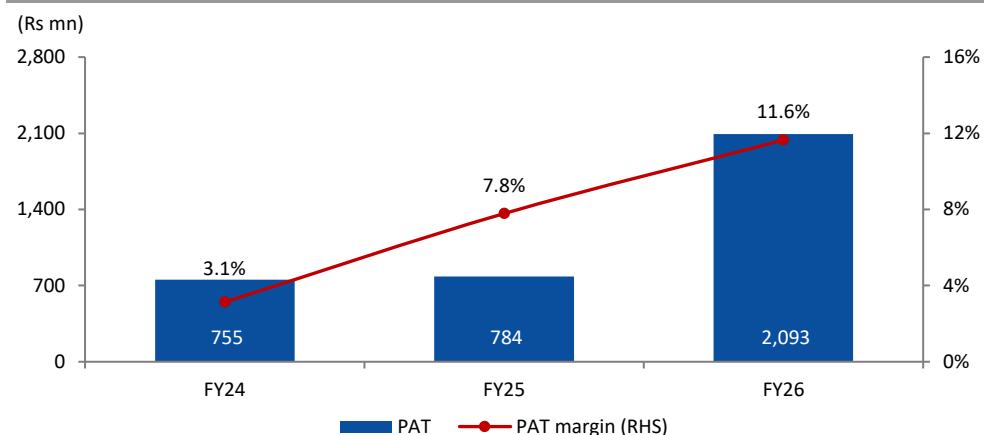
REL is selectively developing commercial assets as part of mixed-use destinations. Runwal BKC, a 0.3msf Grade-A office on LBS Road, Kurla (USGBC LEED Gold pre-certified), is under construction with Nishi Nippon Railroad and Genkai Capital having infused Rs 1,500mn of equity. The company plans 6+ msf of office development across Kurla, Bandra, Kanjurmarg and Dombivli over the next 5-10 years. REL's track record of raising capital from HDFC Capital (NCDs of Rs 5.0bn and Rs 3.5bn), ICICI Bank, Kotak Mahindra Bank, IndusInd Bank, Tata Capital, Piramal Finance and Nexus Select Trust demonstrates institutional confidence in its execution.

Financial performance: completion-led revenue, improving profitability

Revenue is recognised on completion (point-in-time) and is therefore lumpy - FY24 revenue of Rs 24.1bn was boosted by handovers at Runwal Gardens, before falling to Rs 10.1bn in FY25 and recovering to Rs 18.0bn in FY26 (+78.5% YoY) on deliveries at Runwal Forests, Runwal Bliss, Runwal Avenue Retail, Runwal My City and Runwal Gardens. Gross margin improved from 19.7% in FY24 to 33.5% in FY26 and EBITDA margin (incl. other income) expanded to 19.4%. Adjusted EBITDA (adding back capitalised interest and depreciation in cost of sales) stood at Rs 5.9 bn (32.9% margin). PAT attributable to owners rose 2.7x YoY to Rs 2.1bn, translating into an RoNW of 27.2%.

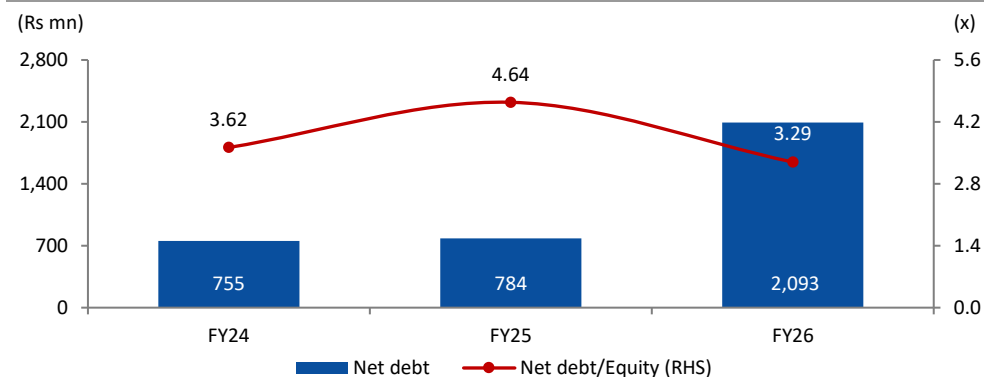
Exhibit 27: Revenue from operations and EBITDA margin

Source: Company RHP, Systematix Research

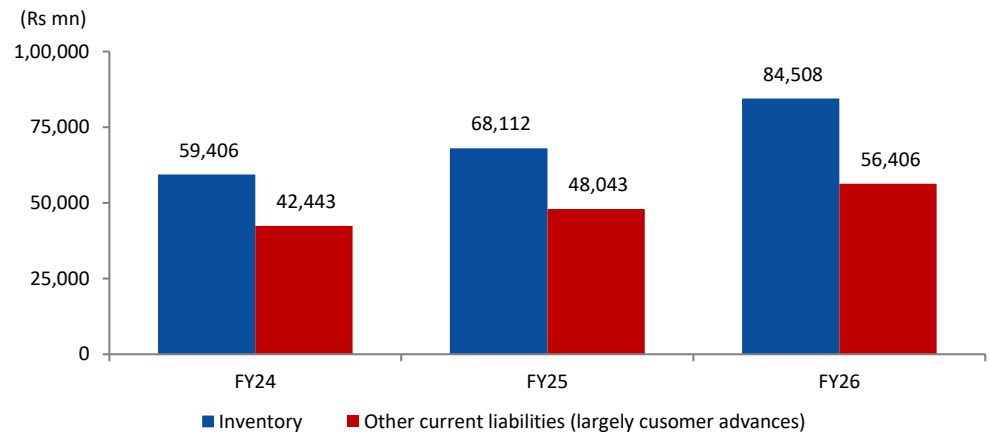
Exhibit 28: PAT attributable to owners and PAT margin

Source: Company RHP, Systematix Research

The balance sheet is stretched but backed by a large unrecognised revenue pool. Net debt rose to Rs 27.8bn in FY26 (net D/E 3.29x) as inventory (largely work-in-progress) climbed to Rs 84.5bn. However, other current liabilities - predominantly customer advances against booked units - stood at Rs 56.4bn, which will be recognised as revenue as projects complete. Post-IPO, we estimate pro-forma net debt of ~Rs 21 -22bn and net D/E of ~1.4x (after Rs 3.25bn of debt repayment and the CCD conversion).

Exhibit 29: Net debt and net debt/equity

Source: Company RHP, Systematix Research

Exhibit 30: Inventory vs. other current liabilities

Source: Company RHP, Systematix Research

Key Strategy

- **Continued focus on Mumbai:** REL will continue to concentrate on the MMR, where limited land availability and capital constraints for unorganised players create high entry barriers. It is expanding from the Eastern Suburbs and Dombivli into South Mumbai, the Western Suburbs and Central Mumbai, riding on metro, Coastal Road and airport-led connectivity gains.
- **Asset-light growth via redevelopment, JDAs and JVs:** With escalating land costs, the company is prioritising redevelopment and joint development models that minimise upfront land outlay, improve capital efficiency and provide access to prime locations. It also partners institutional investors through project SPVs, acting as development manager.
- **Upgrade the product mix into luxury:** While retaining its affordable and mid-income franchise, REL is expanding into the luxury segment (7 Mahalaxmi, Girgaum), which offers higher realisations and margins, leveraging rising affluence in Mumbai.
- **Mixed-use developments and annuity assets:** REL plans to selectively develop retail, office and hospitality assets within its townships and mixed-use projects, building a stream of recurring rental income that improves stability.
- **Plotted developments on the outskirts of Mumbai:** The company intends to expand into plotted development projects near Alibaug, capitalising on demand for second homes and weekend residences outside the city.
- **Strengthen the balance sheet:** IPO proceeds will be used to repay Rs 3.25bn of debt at the parent and key subsidiaries, lowering finance costs and freeing capacity for growth, with project-level construction finance and customer advances funding execution.

Key Risks

- **Geographic concentration:** About 66.65% of REL's projects (and all its ongoing projects) are located in Mumbai/MMR. Any slowdown, regulatory change or oversupply in the Mumbai market could materially affect sales, pricing and cash flows.
- **High leverage and negative operating cash flows:** Net debt/equity stood at 3.29x in FY26 (4.64x in FY25), well above listed peers, and operating cash flows were negative in each of FY24-FY26. The company carries an "IND BBB+/Stable" rating. Any delay in collections or tightening of credit could strain liquidity.
- **Project execution delays:** Delays in project completion could defer revenue recognition, increase construction costs and expose projects to potential RERA-related penalties.
- **Large contingent liabilities:** Contingent liabilities stood at Rs 79.8bn as of Mar'26, including tax disputes of Rs 6.3bn and corporate guarantees of Rs 18.4bn (mostly for group entity borrowings).
- **Pipeline concentration in a tentative project:** The tentative ~24.5msf Mithagar-Murud residential project accounts for ~43% of the upcoming pipeline; its viability, approvals and timing remain uncertain.
- **Lumpy revenue and earnings:** Revenue is recognised on project completion, resulting in volatile reported earnings (FY25 revenue fell 58% YoY) that may not reflect underlying sales momentum.
- **Promoter pledge and related party dealings:** The promoter's pledged/NDU shares are to be re-encumbered post listing, and the company has sizeable inter-corporate deposits with group companies. Any adverse development could weigh on sentiment and governance perception.

Valuation and View

The Indian residential market is in a structurally stronger phase, with record sales values, contained inventory and consolidation in favour of branded developers. Mumbai, the country's largest housing market, is set to benefit from a once-in-a-generation infrastructure build-out that is compressing the price gradient towards the peripheral markets where REL has its largest land banks.

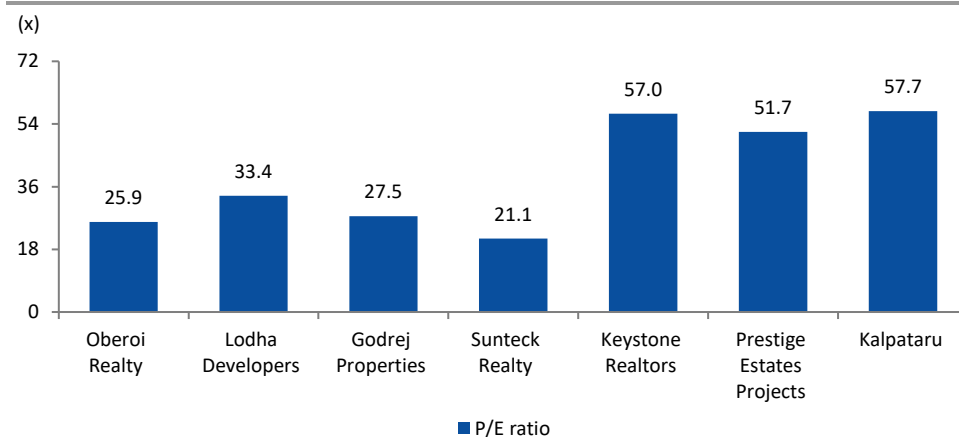
REL has a well-entrenched franchise in the Eastern Suburbs and Dombivli, a large 76msf ongoing and upcoming pipeline, a proven ability to sell early at premium pricing, and an emerging luxury/redevelopment leg. Operationally, pre-sales have grown at a 24% CAGR over FY24-26 to Rs 23.5bn, and FY26 RoNW stood at 27.2%. High leverage remains a key concern, though the IPO is expected to partly address it, with pro-forma net D/E declining to ~1.4x.

At the upper price band of Rs 305, REL is valued at a post-issue market cap of Rs 45.1bn, implying 21.5x FY26 post-issue EPS (Rs 14.2) and ~1.9x FY26 pre-sales. This remains at a discount to the listed peer average P/E of ~39x (range: 21–58x), while the issue is also priced ~11% below HDFC Capital's recent CCD conversion price of Rs 342.49/share. Considering the company's franchise strength, strong pipeline visibility and reasonable valuation, we recommend SUBSCRIBE to the issue with a long-term perspective

Exhibit 31: Valuation comparison with listed peers (FY26)

Company	CMP (Rs)	Revenue (Rs mn)	Pre-sales (Rs mn)	EPS (Rs)	P/E (x)	RoNW (%)	Net D/E (x)
Runwal Enterprises*	305	17,989	23,535	14.2	21.5	27.2	3.29
Oberoi Realty	1,830	60,091	54,475	69.0	25.9	14.0	0.15
Lodha Developers	1,155	166,762	205,300	34.3	33.4	14.7	0.31
Godrej Properties	1,674	51,314	341,710	61.4	27.5	9.6	0.34
Sunteck Realty	284	11,239	31,570	13.9	21.1	5.6	0.06
Keystone Realtors	366	26,345	40,220	6.2	57.0	3.3	0.35
Prestige Estates	1,475	126,854	300,245	27.8	51.7	8.0	0.67
Kalpataru	284	34,356	52,800	4.8	57.7	1.9	2.15

Source: Company RHP, Systematix Research; peer prices as of 24 Sep 2026 and FY26 data as per RHP; *Runwal at upper band on post-issue shares; Net D/E pre-issue

Exhibit 32: P/E: REL vs. listed peers (FY26)

Source: Company RHP, Systematix Research; *REL at upper price band, post-issue

Exhibit 33: Operational comparison with listed peers

Developer (FY26)	Pre-sales (Rs mn)	Area sold (msf)	Collections (Rs mn)	Avg. realisation (Rs/sq. ft)	Gross margin (%)	EBITDA margin (%)	Net D/E (x)
Runwal Enterprises	23,535	2.07	18,546	11,366	33.5	19.4	3.29
Godrej Properties	341,710	27.00	199,650	12,656	42.5	55.8	0.34
Lodha Developers	205,300	11.20	151,600	18,330	41.3	32.2	0.31
Prestige Estates	300,245	22.28	185,146	13,476	59.7	33.3	0.67
Keystone Realtors	40,220	2.12	26,220	18,972	20.8	7.8	0.35
Oberoi Realty	54,475	1.14	NA	47,785	62.3	60.8	0.15
Sunteck Realty	31,570	NA	14,330	NA	50.8	31.1	0.06
Kalpataru	52,800	3.16	49,600	16,709	19.9	6.5	2.15

Source: Company RHP (JLL Report), Systematix Research

Management Summary

Exhibit 34: Management Summary

Name	Position	Experience
Mr. Subodh Subhash Runwal	Chairman & Managing Director	Mr. Subodh Runwal is the Promoter and has 31 years of experience in real estate. He holds a B.Com from R.A. Podar College (University of Mumbai) and an MBA from Northeastern University, Boston, and has completed the Owner/President Management Programme at Harvard Business School. He has been instrumental in developing the Group's flagship projects including Runwal Greens, Runwal Forests, Runwal Bliss and Runwal Gardens, and is active in industry bodies such as FICCI, MCHI, NAREDCO and CREDAI.
Ms. Lucy Roychoudhury	Non-Executive Director	Ms. Roychoudhury has 28 years of experience in the real estate and hospitality sectors. She holds a diploma in hotel management from NCHMCT, New Delhi, and has previously worked with Oberoi Realty, Shapoorji Pallonji, Bombay Dyeing, Hirco Developments and Mahindra Gesco.
Mr. Pradumna Kanodia	Non-Executive Director	Mr. Kanodia is a Chartered Accountant and Company Secretary with 17 years of experience in corporate management, finance and strategic planning. He was previously associated with Welspun One Logistics Parks, Sobha Developers and Market City Resources.
Mr. Mukesh Gupta	Independent Director	Mr. Gupta has 38 years of experience in the insurance sector and has served as Managing Director at the central office of Life Insurance Corporation of India. He also serves on the boards of ITC Hotels and DCM Shriram International.
Mr. Sidharath Kapur	Independent Director	Mr. Kapur is a Chartered Accountant and Company Secretary with 26 years of experience in airports and infrastructure. He has served as CEO - Airports at Adani Ports & SEZ, and previously worked with GMR Airports, Petronet and ACME Solar. He is on the board of J. Kumar Infraprojects.
Ms. Aparna Chaturvedi	Independent Director	Ms. Chaturvedi has 29 years of experience in finance, fund management, sales and marketing, having previously been associated with UTI Asset Management Company. She holds an MBA from Lucknow University.

Source: Company, Systematix Research

Financials

Exhibit 35: Profit and loss statement

(Rs mn)	FY24	FY25	FY26
Revenue from operations	24,089	10,078	17,989
Cost of construction & development (net of inventory change)	19,347	6,460	11,967
Gross profit	4,742	3,618	6,023
Employee benefits expense	456	660	980
Other expenses	2,546	1,586	2,064
EBITDA (excl. other income)	1,739	1,372	2,980
Depreciation & amortisation	32	37	107
EBIT	1,707	1,335	2,872
Other income	278	429	518
Finance costs	418	789	1,152
Share of profit/(loss) of associates & JV	(0)	(0)	(0)
Profit before tax	1,568	976	2,239
Tax expense	(631)	419	382
Profit for the year	937	556	1,858
Non-controlling interest	182	(227)	(235)
PAT attributable to owners	755	784	2,093

Source: Company RHP, Systematix Research

Exhibit 36: Balance sheet

(Rs mn)	FY24	FY25	FY26
Equity share capital	250	250	250
Other equity	3,907	4,846	8,085
Equity attributable to owners	4,157	5,096	8,335
Non-controlling interest	354	(246)	113
Total equity	4,511	4,851	8,448
Borrowings (current + non-current)	17,836	23,126	29,091
Trade payables	4,274	4,385	4,653
Other current liabilities (incl. customer advances)	42,443	48,043	56,406
Other liabilities & provisions	1,733	2,877	3,946
Total equity & liabilities	70,797	83,281	102,545
Inventories	59,406	68,112	84,508
Cash & bank balances	1,867	2,018	2,752
Investment property (incl. under construction)	1,480	1,996	3,795
PPE, ROU & intangibles	1,131	1,201	1,545
Other assets	6,914	9,955	9,945
Total assets	70,797	83,281	102,545

Source: Company RHP, Systematix Research

Exhibit 37: Cash flow statement

(Rs mn)	FY24	FY25	FY26
Profit before tax	1,568	976	2,239
Change in working capital	(6,764)	(3,145)	(3,946)
Other non-cash adjustments	163	526	695
Income taxes paid	(461)	(338)	(796)
Cash flow from operations (A)	(5,495)	(1,981)	(1,807)
Capex (PPE & intangibles)	(1,283)	(751)	(2,316)
Other investing flows	3,798	(926)	184
Cash flow from investing (B)	2,515	(1,677)	(2,132)
Net borrowings	5,554	5,289	5,966
Interest paid	(2,036)	(2,192)	(2,729)
Equity infused (NCI) & others	0	0	1,724
Cash flow from financing (C)	3,518	3,098	4,960
Net change in cash (A+B+C)	538	(560)	1,021

Source: Company RHP, Systematix Research

Exhibit 38: Key ratios

YE Mar	FY24	FY25	FY26
Per share (Rs)			
EPS – reported	6.0	6.3	16.7
EPS – on post-issue shares*	5.1	5.3	14.2
Valuation (x)*			
P/E	59.7	57.5	21.5
Mcap / Pre-sales	3.0	2.4	1.9
Profitability (%)			
Gross margin	19.7	35.9	33.5
EBITDA margin (incl. other income)	8.4	17.9	19.4
Adjusted EBITDA margin	16.4	39.1	32.9
PAT margin	3.1	7.8	11.6
RoNW	20.3	17.2	27.2
Operational			
Pre-sales (Rs mn)	15,276	18,990	23,535
Pre-sales growth (YoY %)	-	24.3	23.9
Collections (Rs mn)	19,240	15,562	18,546
Units sold (Nos.)	1,688	1,700	2,182
Avg. realisation (Rs/sq. ft)	9,430	11,754	11,366
Growth (YoY %)			
Revenue from operations	-	(58.2)	78.5
PAT attributable to owners	-	3.8	167.0
Leverage			
Net debt (Rs mn)	16,312	22,507	27,781
Net debt / equity (x)	3.62	4.64	3.29
Gross debt / equity (x)	3.95	4.77	3.44

Source: Company RHP, Systematix Research; *at upper price band of Rs 305 on post-issue share count of 147.78mn

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Harmish Desai, Raj Lakhani**; hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

Disclosure of Interest Statement	Update
Analyst holding in the stock	No
Served as an officer, director or employee	No

II. ISSUER SPECIFIC REGULATORY DISCLOSURES, unless specifically mentioned in point no. 9 below:

- The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
- The research analyst(s), SSSIL, associates or relatives collectively do not hold more than 1% of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- The research analyst(s), SSSIL, associates or relatives did not have any other material conflict of interest at the time of publication of this research report.
- The research analyst, SSSIL and its associates have not received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in this report in the past twelve months.
- The research analyst, SSSIL or its associates have not managed or co-managed a private or public offering of securities for the company(ies) covered in this report in the previous twelve months.
- SSSIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party in connection with this research report.
- The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
- The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
- Details of SSSIL, research analyst and its associates pertaining to the companies covered in this research report:

Sr. No.	Particulars	Yes / No.
1	Whether compensation was received from the company(ies) covered in the research report in the past 12 months for investment banking transaction by SSSIL.	No
2	Whether research analyst, SSSIL or its associates and relatives collectively hold more than 1% of the company(ies) covered in the research report.	No
3	Whether compensation has been received by SSSIL or its associates from the company(ies) covered in the research report.	No
4	Whether SSSIL or its affiliates have managed or co-managed a private or public offering of securities for the company(ies) covered in the research report in the previous twelve months.	No
5	Whether research analyst, SSSIL or associates have received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in the research report in the last twelve months.	No

- There is no material disciplinary action taken by any regulatory authority that impacts the equity research analysis activities.

STOCK RATINGS

BUY (B): The stock's total return is expected to exceed 15% over the next 12 months.

HOLD (H): The stock's total return is expected to be within -15% to +15% over the next 12 months.

SELL (S): The stock's total return is expected to give negative returns of more than 15% over the next 12 months.

NOT RATED (NR): The analyst has no recommendation on the stock under review.

INDUSTRY VIEWS

ATTRACTIVE (AT): Fundamentals/valuations of the sector are expected to be attractive over the next 12-18 months.

NEUTRAL (NL): Fundamentals/valuations of the sector are expected to neither improve nor deteriorate over the next 12-18 months.

CAUTIOUS (CS): Fundamentals/valuations of the sector are expected to deteriorate over the next 12-18 months.

III. DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication,

redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.

SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Registration granted by SEBI to SSSIL, enlistment with BSE and certification from NISM to the analyst in no way guarantee performance of SSSIL or to provide any assurance of returns to investors.



Dhananjay Sinha:

Research Analyst

Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 - 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id contactus@systematixgroup.in. Visit us at: www.systematixgroup.in

Details of Compliance officer: Mr. Ajay Bendkhale, Compliance officer Tel no. 022-40874092/8879718654 Email id compliance@systematixgroup.in

Details of Email id grievance redressal cell: grievance@systematixgroup.in

Details of Registration: CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI

Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 12034600) |

PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840