



Company Overview

Runwal Enterprises Limited (REL) is a Mumbai-based real estate developer with operations spanning residential, commercial, retail and educational developments, covering the full development cycle from land acquisition and project planning to construction, sales and marketing. The company has a predominantly Mumbai-focused development portfolio, while gradually expanding into markets outside the Mumbai Metropolitan Region (MMR). REL portfolio comprises of 88.4 million sq. ft. of developable area, of which 74.6 million sq. ft., or 84%, was residential, with the balance 13.8 million sq. ft. comprising non-residential projects. Within residential, the portfolio spans affordable, mid-income and luxury housing, with affordable and mid-income projects accounting for 30.4 million sq. ft. and 40.8 million sq. ft., respectively, alongside 3.4 million sq. ft. of luxury development. Geographically, the company has historically been concentrated in Mumbai's eastern suburbs and Kalyan-Dombivli, but its development footprint is expanding toward Mahalaxmi, Girgaum, Bandra and Chembur, while also extending outside the MMR to Alibaug. Its non-residential portfolio includes Grade-A commercial offices, educational buildings, shopping malls, retail outlets and convenience stores, with revenue generated through both sales and leasing. Residential remains the principal contributor to business activity, generating Rs. 2,211 crores of sales value, or 93.9% of total sales, in FY26. For the same period, consolidated revenue from operations stood at Rs. 1,799 crores, with revenue recognition primarily driven by residential project sales alongside contributions from commercial and retail developments.

Objects of the issue

The offer comprises of a fresh issue of Rs. 500 crores. The objects of the offer are to:

- ⇒ Repayment/ pre-payment, in full or in part, of certain outstanding borrowings availed by the Company;
- ⇒ Investment in the company's wholly owned Material Subsidiaries namely Runwal Residency Private Limited and Evie Real Estate Private Limited, for repayment/ pre-payment, in full or in part, of all or a portion of certain of their outstanding borrowings; and
- ⇒ Funding acquisitions of future real estate projects and general corporate purposes.

Investment Rationale

Established Mumbai franchise with a visible development pipeline

Runwal Enterprises has an established position in Mumbai's residential real estate market, supported by a recognizable brand and a broad development pipeline. The company ranked third in Mumbai in both new launches and sales, with approximately 2.3% and 2.5% market shares, respectively. Its presence is particularly concentrated in the Eastern Suburbs and Kalyan-Dombivli, where it ranked first in sales and new launches, respectively, during the period of FY23- FY26. The company launched approximately 5,875 residential units and sold 6,309 units during this period, reflecting its operating scale across multiple housing segments. The company had 28 ongoing projects and 33 upcoming projects, with 19.88 million sq. ft. of Developable Area in ongoing projects and 56.41 million sq. ft. of Estimated Developable Area in upcoming projects during FY26. The pipeline also reflects a broader geographic and segment mix, with expansion from its established eastern-suburban markets into locations such as Mahalaxmi, Girgaum and Bandra, alongside a greater focus on luxury residential development. This combination of an established Mumbai presence, brand recognition, demonstrated sales activity and a sizeable project pipeline provides the company with a diversified base of ongoing and future development opportunities.

Integrated township capabilities supported by in-house execution

Runwal Enterprises has developed capabilities around large-scale integrated townships and an in-house execution model that covers key stages of the real estate development process. Its township projects combine residential, educational, commercial and recreational components, creating campus-style developments with multiple amenities within the same development. Runwal Gardens and Runwal My City together span approximately 250 acres and are planned to include more than 100 residential towers, two schools, retail malls, shopping arcades, commercial office spaces, gardens and a clubhouse. The company also has a track record of completed development. REL has developed 19 completed projects comprising 12.1 million sq. ft. of Developable Area and has sold approximately 11,400 units. Its integrated operating model includes in-house capabilities across business development, land acquisition, regulatory compliance, design and architecture, construction management, sales and marketing, customer handover and post-sales services, supported by Systems, Applications and Products in Data Processing & Enterprise Resource Planning (SAP ERP) for process man-

Issue Details

Offer Period	25th Sept 2026 - 29th Sept 2026
Price Band	Rs. 290 - Rs. 305
Bid Lot	49
Listing	BSE & NSE
Issue Size (no. of shares in crores)	1.6
Issue Size (Rs. in crores)	500
Face Value (Rs.)	2

Issue Structure

QIB	50%
NII	15%
Retail	35%
	ICICI Securities Ltd.,
BRLM	Jefferies India Pvt. Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	95.16%	84.61%
Public	4.84%	15.39%
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

agement. The company also maintains relationships with established design and architecture firms and construction and technical consultants. Recent projects illustrate its execution record, with several phases of Runwal Forests and Runwal Gardens completed ahead of their Real Estate Regulations and Development act completion schedules. The company's project sales also extend through the construction period, with selected completed projects showing more than 85% of saleable area sold before receipt of occupancy certificates. Its projects incorporate sustainability measures including renewable energy, water conservation and green-building practices, while several developments have received safety and sustainability-related recognitions.

Valuation

Runwal Enterprises is a Mumbai-based real estate developer focused primarily on residential projects across the Mumbai Metropolitan Region (MMR), with a portfolio spanning affordable, mid-income and luxury housing, along with commercial and retail developments. Its residential portfolio comprises 41% affordable, 55% mid-income and 5% luxury housing by developable area. Key projects include Runwal Gardens, Runwal Greens, Runwal Bliss, Runwal My City and Runwal Pinnacle. The company intends to use the IPO proceeds primarily towards repayment/prepayment of borrowings, funding debt repayment at subsidiaries, acquisition of future real estate projects and general corporate purposes. It also plans to continue expanding its residential portfolio and evaluate opportunities beyond the MMR. Runwal Enterprises has shown a strong improvement in financial performance over FY24-26, although reported revenue remains volatile due to project-completion based revenue recognition under Ind AS 115. Revenue from operations declined 58.2% YoY in FY25 to Rs. 1,008 crores due to lower project handovers, before rebounding 78.5% YoY to Rs. 1,799 crores in FY26 as completions increased across projects. Importantly, underlying operating performance remained more consistent, with sales value increasing from Rs. 1,528 crores in FY24 to Rs. 2,354 crores in FY26, a 24.1% CAGR over FY24-26. Sales area increased from 1.62 million sq. ft. to 2.07 million sq. ft., while units sold increased from 1,688 to 2,182, with strong gross collections over the period. Profitability also improved sharply, with EBITDA increasing 94.2% YoY to Rs. 350 crores in FY26 and EBITDA margin expanding to 19.4% in FY26 from 8.4% in FY24. The margin improvement was driven by higher project completions, better realizations per sq. ft. and operating leverage as the development portfolio scaled up. The improvement in profitability has translated into strong return ratios, with RoNW increasing to 27.2% in FY26 from 20.3% in FY24. However, this high RoNW also needs to be viewed alongside the company's higher leverage, with net debt/equity at 3.29x, versus substantially lower leverage across most listed peers. The IPO's Rs. 500 crores fresh issue, largely earmarked for debt repayment/prepayment, should help reduce finance costs and strengthen the balance sheet post listing. On peer comparison, Runwal trades at a meaningful discount despite its stronger return profile. At the upper price band, its FY26 P/E of 18.2x compares with 25.9x for Oberoi Realty, 33.4x for Lodha and 27.5x for Godrej Properties, while the broader peer average stands at 39.2x. Runwal's 27.2% RoNW is also above these peers, although its smaller scale and higher leverage provide important context to the comparison. **At the upper price band of Rs. 305, Runwal Enterprises is valued at 18.2x FY26 diluted EPS and 26.6x three-year weighted-average EPS, while the P/NAV stands at 5.0x. The FY26 P/E represents a 53.5% discount to the peer average, providing relative valuation support. We, thus, recommend a "SUBSCRIBE" rating to the issue.**

Key Risks

- ⇒ 67% of the company's real estate development projects were located in Mumbai, creating significant dependence on the local real estate market and its economic, regulatory and environmental conditions.
- ⇒ 86% of total developable area was concentrated across 28 ongoing and 33 upcoming projects. Delays in approvals, financing, land-related matters or construction, along with cost overruns, could affect profitability and project timelines.
- ⇒ The company had 7,072 unsold units covering 7.55 million sq. ft. across completed and ongoing projects. Slower monetization could increase holding costs, constrain cash flows and reduce liquidity.

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	2,409	1,008	1,799
Total revenue	2,409	1,008	1,799
Expenses			
Cost of construction and development	1,397	1,542	1,514
Changes in inventories of finished goods (incl. stock-in-trade) and WIP	538	-896	-318
Employee benefit expenses	46	66	98
Other expenses	255	159	206
Total operating expenses	2,235	871	1,501
EBITDA	174	137	298
Depreciation & amortization expenses	3	4	11
EBIT	171	133	287
Other Income	28	43	52
Finance costs	42	79	115
PBT	157	98	224
Tax Expense	-63	42	38
Total comprehensive profit	94	56	186
Dailuted EPS	6.0	6.3	16.7

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	-549	-198	-181
Cash flow from/(used in) investing activities	251	-168	-213
Net cash flows (used in) / from financing activities	352	310	496
Net increase/(decrease) in cash and cash equivalents	54	-56	102
Cash and cash equivalents at the beginning of the period	101	155	99
Cash and cash equivalents at the end of the period	155	99	201

Source: RHP, BP Equities Research

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
ASSETS			
Non-Current Assets			
Property, plant and equipment	83	92	104
Investment Property	6	10	37
Intangible Assets	3	2	4
Investment Property Under Construction	141	189	342
Right of Use Assets	27	26	47
Investments accounted for using the equity method	0	0	0
Other financial assets	37	62	84
Income Tax Assets (net)	43	58	81
Deferred tax assets (net)	50	80	102
Other non-current assets	-	-	9
Total non-current assets	392	519	809
Current assets			
Inventories	5,941	6,811	8,451
Investments	7	-	-
Trade receivables	0	0	0
Cash and cash equivalents	155	99	201
Bank balances other than cash and cash equivalents	31	103	74
Loans	17	32	64
Other financial assets	118	129	134
Other assets	419	635	521
Total current assets	6,688	7,809	9,445
Total assets	7,080	8,328	10,254
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	25	25	25
Other equity	391	485	809
Non-Controlling Interest	35	(25)	11
Total equity	451	485	845
Non-current liabilities			
Borrowings	1,356	1,759	1,628
Lease Liabilities	-	-	21
Other financial liabilities	2	2	3
Provisions	8	9	16
Deferred tax liability (net)	14	16	17
Other non-current liabilities	2	2	4
Total non-current liabilities	1,381	1,788	1,689
Current liabilities			
Borrowings	428	553	1,282
Lease Liabilities	-	-	1
Trade Payables	427	439	465
Other financial liabilities	74	131	187
Provisions	46	48	64
Other current liabilities	4,244	4,804	5,641
Current Tax Liability (net)	28	79	81
Total current liabilities	5,247	6,055	7,721
Total equity and liabilities	7,080	8,328	10,254

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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