

IPO NOTE

Issue Details

Price Band: ₹140 to ₹148 Per Share
Issue Opens on: Sep 22, 2026
Issue Closes on: Sep 24, 2026
Lot Size: 101 Shares & in Multiples thereafter

Issue Highlights

Issue Size: ₹708.02
No of Shares: 4,78,39,255
Face Value: ₹ 2/-

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	320.00
Offer for Sale	388.02
Total	708.02

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	354.01
HNI	15	106.20
RETAIL	35	247.81
TOTAL	100	₹ 708.02

Listing

BSE & NSE

Lead Managers

- **JM Financial Ltd.**
- **Goldman Sachs (India) Securities Pvt. Ltd.**
- **SBI Capital Markets Ltd.**

Registrar

Kfin Technologies Ltd

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COMPANY OVERVIEW

Varmora Granito Limited, incorporated in 2003 and headquartered in Gujarat, manufactures ceramic and vitrified tiles, including Glazed Vitrified Tiles (GVT), Polished Vitrified Tiles (PVT) and ceramic tiles, along with bathware and tile adhesives. The Company operates eight manufacturing facilities in the Morbi cluster of Gujarat, with 81.72% of its Fiscal 2026 revenue generated from in-house manufactured products, and has commercialised Integrated Stone Technology (IST) through a partnership with Italy's SACMI. Varmora sells through 305 exclusive brand outlets and 2,758 multi-brand outlets across India and overseas, alongside B2B sales to builders, contractors, developers and government entities. GVT and technical products, its higher-realisation category, accounted for 84.19% of tile revenue in Fiscal 2026, up from 75.37% in Fiscal 2024. As of March 31, 2026, the Company had 1,153 permanent employees.

HIGHLIGHTS

- Established player: operating in the tile industry in India in a large and attractive market.
- Comprehensive product portfolio: a premium portfolio spanning GVT, PVT, ceramic tiles and bathware.
- Innovation-led approach: customer-centric approach resulting in multiple new product launches – over 2,900 new SKUs added between Fiscal 2024 and Fiscal 2026.
- Pan-India distribution: well-diversified network anchored by exclusive brand outlets (EBOs) that strengthens brand recall.
- In-house manufacturing: strategically located, technologically advanced manufacturing that preserves control over quality and the supply chain.

OBJECTS OF THE ISSUE

The Company proposes to utilise the Rs. 320.00 crore Fresh Issue proceeds primarily towards repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by **the Company (Rs. 215.00 crore)** and its wholly-owned subsidiaries, Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (**Rs. 30.00 crore**), with the balance towards general corporate purposes. The Company will not receive any proceeds from the **Rs. 388.02 crore Offer for Sale**, which will accrue to the Investor Selling Shareholder, Katsura Investments, after deducting applicable expenses and taxes.

OUR VIEW

Varmora Granito has demonstrated improving financial performance, with Total Income growing **1.4% in FY2025 and 4.7% in FY2026**, while PAT fell **31.5% in FY2025 before rebounding 79.0% in FY2026**, driving diluted EPS from **Rs. 1.74 to Rs. 3.05** and improving RoNW to **7.79%**. EBITDA margin expanded to 14.18% in FY2026 from 13.28% in FY2025, aided by a shift toward premium GVT/technical tiles. However, at the upper price band the issue is priced at around **48.5x FY2026 diluted earnings**, broadly in line with the disclosed listed-peer average of 47.1x (range 28.6x–72.0x), leaving limited valuation cushion. Given the fair-value pricing versus peers, a competitive, cyclical tile industry, set against the company's 23-year track record, premiumisation strategy and deleveraging balance sheet, we recommend **Subscribe**.

Brief Financials

** Not Annualized

Particulars	FY2024	FY2025	FY2026
Total Income	1,472.58	1,492.68	1,562.53
Total Expenditure	1,412.92	1,456.28	1,486.36
EBITDA	150.33	198.29	221.56
Profit Before Tax	63.04	37.65	76.62
Profit After Tax	44.94	30.77	55.09
E.P.S. (Diluted)	2.19	1.74	3.05
P/E (Diluted)*	67.58x	85.06x	48.52x
RONW / RoE	6.51%	4.88%	7.79%

PRICE CHART (@ ₹148) (Retail Category)

LOT SIZE	Amount
101	14,948
202	29,896
303	44,844
404	59,792
505	74,740
606	89,688
707	1,04,636
808	1,19,584
909	1,34,532
1010	1,49,480
1111	1,64,428
1212	1,79,376
1313	1,94,324

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	1,414	2,09,272
Big HNI	6,767	10,01,516

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	25/9/2026
Initiation of refunds/unblocking ASBA Fund	28/9/2026
Credit of Equity Shares to demat accounts of Allottees	28/9/2026
Commencement of trading of the Equity Shares on the Stock Exchanges	29/9/2026

For more details, Please refer RHP
[SEBI | Varmora Granito Limited - DRHP](#)

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