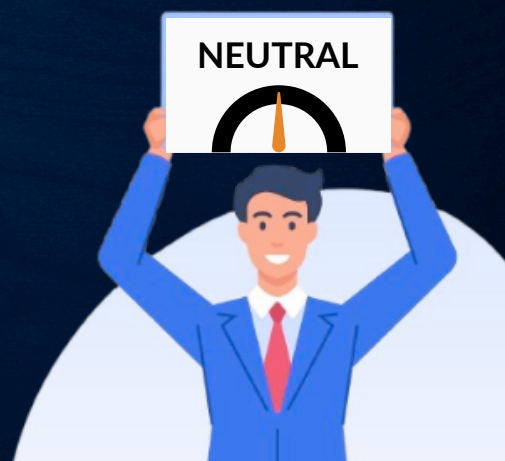


VARMORA
TILES • BATHWARE

IPO NOTE

VARMORA GRANITO LIMITED


Rating:
NEUTRAL


ISSUE OFFER

Issue Opens on	SEP 22, 2026
Issue Close on	SEP 24, 2026
Total IPO size (cr)	₹708 CR
Fresh issue (cr)	₹320 CR
Offer For Sale (cr)	₹388 CR
Price Band (INR)	₹140-148
Market Lot	101 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹3,344.97 CR

MINIMUM INVESTMENT DETAILS

Number of Shares	4,78,39,255
Minimum Investment Amount	₹14,948
Small-HNI (Min)/ 1414 Shares	₹2,09,272
Big-HNI (Min)/ 6767 Shares	₹10,01,516

INDICATIVE TIMETABLE

Basis of Allotment	25-09-2026
Refunds/Unblocking ASBA Fund	28-09-2026
Credit of Share to Demat A/c	28-09-2026
Listing Date	29-09-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

Varmora Granito Limited, incorporated in 2003, manufactures and markets ceramic and vitrified tiles, including Glazed Vitrified Tiles (GVT), Polished Vitrified Tiles (PVT) and ceramic tiles.

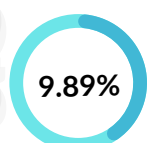
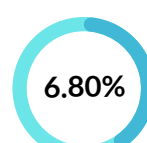
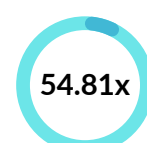
OBJECTS OF THE ISSUE

- Repayment/pre-payment of outstanding borrowings and accrued interest of the company and its subsidiaries—Covertex Ceramica, Varmora Sanitarywares and Simola Tiles.
- General Corporate Purposes

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	40.32	40.32	39.96
Net Worth	796.88	722.90	678.59
Revenue from operations	1512.46	1446.02	1435.48
EBITDA Margin%	14.18%	13.28%	10.21%
Net Profit/Loss of the year	55.09	30.77	44.94

FINANCIAL RATIOS OF FY26


ROCE

ROE

P/E (Pre IPO)

OUTLOOK & VALUATION

- 2nd-highest tile revenue among listed peers, with 3,063 stores across 249 cities and 81.7% of products manufactured in-house.
- EBITDA margins improved to ~14% in FY26; GVT & technical products now ~84% of tile revenue
- At 60.66x post-issue P/E, Varmora demands a premium over peer leader Kajaria Ceramics (40.27x), despite reporting lower return metrics (ROE of 7.79% vs Kajaria's ~14.2%).
- While balance sheet health improves significantly post-IPO, the asking valuation leaves limited margin of safety for short-term listing gains. Long-term value depends on sustained execution in the premium GVT market and raw material cost stability.



COMPANY PROFILE

- Varmora Granito manufactures and sells tiles, bathware, and adhesives.
- Its core product categories include glazed vitrified tiles, polished vitrified tiles, ceramic tiles, sanitaryware, faucets, and tile adhesives.
- The company operates eight in-house manufacturing facilities situated in Morbi, Gujarat, and engages contract manufacturers to produce standard volume items.
- The company also exports products internationally to multiple countries.
- It sells products domestically across India through a franchisee-owned network of exclusive brand outlets and multi-brand outlets, alongside partnerships with architects, builders, contractors, and government agencies under its B2B channel.
- Revenue is primarily generated from the sale of tiles, particularly glazed vitrified tiles and technical products featuring specialized homogeneous body formulations and digital printing surface engineering.



COMPETITIVE STRATEGIES

- Expanding reach in high growth emerging markets while consolidating leadership in core markets
- Strategic acquisition and expansion into East and Northeast regions of India
- Expansion of distribution network with focus on EBOs
- Accelerate investment in brand-building
- Continued focus on technology-driven product innovation and premiumization
- Expansion in bathware, adhesives and other adjacencies



KEY CONCERNS

- Heavy revenue reliance on manufacturing facilities situated exclusively in Morbi.
- High revenue concentration in glazed vitrified tiles exposes business to category slowdowns.
- Dependent on independent franchisees for operating retail distribution networks.
- Volatility in prices and supply of raw materials, power, and natural gas.
- Susceptible to international trade tariffs, sanctions, and foreign exchange risks.



KEY STRENGTHS

- Broad distribution network with 305 EBOs and 2,758 MBOs across India.
- In-house manufacturing in Morbi supported by technical research capabilities.
- Diverse product portfolio covering tiles, bathware, and adhesives.
- Strong market focus on high-margin glazed vitrified tiles.
- Established global export presence across multiple international markets.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Varmora Granito Limited	3.08	54.81	39.52	1512.46	7.79
Peer Group					
Kajaria Ceramics Ltd.	30.48	40.27	191.11	4830.36	15.89
Somany Ceramics Ltd.	19.80	28.55	202.11	2789.84	8.79
Asian Granito India Ltd.	0.70	72.00	51.36	1858.06	1.23
Orient Bell Ltd.	8.46	47.67	222.78	691.45	3.78



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For additional information & risk factors please refer to the Red Herring Prospectus