

Varmora Granito Ltd

IPO Note



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Tiles & Bathware Manufacturer

Varmora Granito Limited is an integrated building materials company engaged in the manufacturing and marketing of tiles, bathware and allied products. The company offers a diversified product portfolio comprising glazed vitrified tiles (GVT), polished vitrified tiles (PVT), ceramic tiles, large-format slabs, sanitaryware, faucets, bath fittings and tile adhesives. It operates through eight manufacturing facilities in Morbi, Gujarat, supported by an extensive distribution network across India. The company caters to retail customers as well as architects, builders, contractors, developers and institutional customers, with the B2C segment contributing approximately 66.8% of domestic sales in FY26.

The company operates through a combination of in-house manufacturing, outsourced production and a pan-India dealer network, with tiles forming the core of its business. Its product portfolio spans multiple sizes, designs, finishes and applications across residential and commercial segments. Varmora has progressively increased the contribution from in-house manufacturing, supporting better control over product quality, supply chain and operating efficiency. Its distribution-led business model, supported by exclusive and multi-brand outlets, provides the company with a broad presence across retail and project-driven markets.

Varmora has expanded from a traditional tile manufacturer into a broader branded building-material platform, supported by product premiumisation, distribution expansion and increasing manufacturing integration. Revenue from operations stood at approximately ₹1,512.5 crore in FY26. EBITDA increased from ₹113.2 crore in FY24 to ₹151.6 crore in FY25 and ₹171.5 crore in FY26, with EBITDA margin improving from 7.9% to 10.5% and 11.3%, respectively. PAT stood at ₹41.6 crore in FY24, ₹29.5 crore in FY25 and ₹53.9 crore in FY26, translating into PAT margins of 2.9%, 2.0% and 3.6%, respectively. The improvement in profitability reflects increasing operating leverage, higher in-house manufacturing and an improving product mix.

The IPO comprises a Fresh Issue of ₹320 crore and an Offer for Sale (OFS) of approximately ₹388 crore by existing shareholder Katsura Investments, taking the total issue size to approximately ₹708 crore at the upper price band. The company intends to utilise approximately ₹245 crore of the fresh issue proceeds towards repayment/prepayment of outstanding borrowings and accrued interest of Varmora Granito and its wholly owned subsidiaries, Covertex Ceramica Private Limited and Varmora Sanitarywares Private Limited, with the balance towards general corporate purposes.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	ROE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	1435.5	113.2	44.2	7.9	3.1	2.0	31.1	6.4	5.2	75.7	32.3
FY25	1446.0	151.6	35.2	10.5	2.4	1.6	32.9	4.8	2.9	94.9	24.6
FY26	1512.5	171.5	62.1	11.3	4.1	2.7	35.8	7.7	6.2	53.9	20.9

Source: Ventura Research & Company update

Industry	Ceramics / Building Materials
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Scrip Details

Listing	BSE &NSE
Open Date	Sept 22, 2026
Close Date	Sept 24, 2026
Price Band	INR 140 – 148
Face Value	INR 2
Market Lot	101 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	708
Issue Size (Shares Cr)	4.78
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	20.44
Post Issue sh. (cr)	22.60
Post Issue Market Cap (cr)	3,344.98

Shareholding (%)	Pre(%)	Post (%)
Promoter	52	46.55
Public	48	53.45
TOTAL	100.0	100.0

Issue Structure and Offer Details

Varmora Granito Limited IPO is a book build issue of INR 708 Cr. The issue comprises a fresh issue and offer for sale of 4.78 Cr Shares aggregating to Fresh Issue of INR 320 Cr and an offer for sale of INR 388 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50 .00% of the Net Offer
NII (HNI)	Not less than 15.00% of the Net Offer
Retail	Not less than 35.00% of the Net Offer

Number of shares based on a higher price band of INR 148

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. Fresh Issue – INR 320 towards the following objects

- Repayment/prepayment of outstanding borrowings and accrued interest of Varmora Granito and its wholly owned subsidiaries, Covertex Ceramica and Varmora Sanitarywares.
- General corporate purposes.

2. Offer for Sale – INR 388 Cr

Proceeds go to the existing investors.

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26	Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement				Per share data & Yields			
Revenue	1,435.5	1,446.0	1,512.5	Adjusted EPS (INR)	2.0	1.6	2.7
YoY Growth (%)	7.5	0.7	4.6	Adjusted Cash EPS (INR)	4.7	6.8	7.4
Raw Material Cost	618.8	486.3	582.3	Adjusted BVPS (INR)	31.1	32.9	35.8
RM Cost to Sales (%)	43.1	33.6	38.5	Adjusted CFO per share (INR)	3.9	2.8	10.4
Employee Cost	97.5	109.1	111.8	CFO Yield (%)	2.6	1.9	7.0
Employee Cost to Sales (%)	6.8	7.5	7.4	Adjusted FCF per share (INR)	(10.5)	(0.2)	10.2
Other Expenses	605.9	699.0	646.9	FCF Yield (%)	(7.1)	(0.2)	6.9
Other Exp to Sales (%)	42.2	48.3	42.8	Solvency Ratio (X)			
EBITDA	113.2	151.6	171.5	Total Debt to Equity	0.6	0.7	0.4
Margin (%)	7.9	10.5	11.3	Net Debt to Equity	0.4	0.5	0.3
YoY Growth (%)	(2.1)	33.9	13.1	Net Debt to EBITDA	2.8	2.6	1.4
Depreciation & Amortization	61.6	119.4	106.0	Return Ratios (%)			
EBIT	51.6	32.2	65.5	Return on Equity	6.4	4.8	7.7
Margin (%)	3.6	2.2	4.3	Return on Capital Employed	3.3	2.1	4.0
YoY Growth (%)	(13.3)	(37.5)	103.2	Return on Invested Capital	5.2	2.9	6.2
Other Income	37.1	46.6	50.1	Working Capital Ratios			
Finance Cost	29.1	42.5	39.4	Payable Days (Nos)	49	53	53
Fin Charges Coverage (X)	1.8	0.8	1.7	Inventory Days (Nos)	48	72	60
Exceptional Item	0.0	0.0	(0.8)	Receivable Days (Nos)	85	96	92
PBT	59.7	36.4	75.4	Net Working Capital Days (Nos)	84	116	99
Margin (%)	4.2	2.5	5.0	Net Working Capital to Sales (%)	23.0	31.7	27.1
YoY Growth (%)	(27.9)	(39.0)	107.2	Valuation (X)			
Tax Expense	18.1	6.9	21.5	P/E	75.7	94.9	53.9
Tax Rate (%)	30.3	18.9	28.6	P/BV	4.8	4.5	4.1
PAT	41.6	29.5	53.9	EV/EBITDA	32.3	24.6	20.9
Margin (%)	2.9	2.0	3.6	EV/Sales	2.5	2.6	2.4
YoY Growth (%)	(21.7)	(29.0)	82.5	Cash Flow Statement			
Min Int/Sh of Assoc	2.6	5.7	8.2	PBT	59.7	36.4	75.4
Net Profit	44.2	35.2	62.1	Adjustments	66.0	162.1	132.4
Margin (%)	3.1	2.4	4.1	Change in Working Capital	(19.2)	(128.4)	47.8
YoY Growth (%)	(13.3)	(20.2)	76.1	Less: Tax Paid	(18.1)	(6.9)	(21.5)
Balance Sheet				Cash Flow from Operations	88.3	63.2	234.1
Share Capital	57.5	40.3	40.3	Net Capital Expenditure	(346.7)	(102.9)	(31.6)
Total Reserves	645.8	702.9	769.9	Change in Investments	10.1	(17.1)	(14.3)
Shareholders Fund	703.4	743.2	810.2	Cash Flow from Investing	(336.6)	(119.9)	(46.0)
Long Term Borrowings	262.4	221.3	171.4	Change in Borrowings	144.1	89.1	(148.9)
Deferred Tax Assets / Liabilities	13.3	10.7	8.1	Less: Finance Cost	(29.1)	(42.5)	(39.4)
Other Long Term Liabilities	58.3	49.3	33.5	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	4.0	4.6	5.9	Dividend Paid	0.0	0.0	0.0
Total Liabilities	1,041.3	1,029.1	1,029.1	Cash flow from Financing	115.1	46.6	(188.3)
Net Block	752.5	705.6	617.5	Net Cash Flow	(133.2)	(10.1)	(0.2)
Capital Work in Progress	2.7	10.2	27.5	Forex Effect	0.0	0.0	0.0
Intangible assets under developmer	0.0	0.0	0.0	Opening Balance of Cash	225.4	92.2	82.1
Non Current Investments	32.2	33.5	52.9	Closing Balance of Cash	92.2	82.1	81.9
Long Term Loans & Advances	8.2	5.3	7.6				
Other Non Current Assets	4.2	1.6	3.7				
Net Current Assets	241.6	272.9	320.0				
Total Assets	1,041.3	1,029.1	1,029.1				

Source: Company Reports

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