IPO RESEARCH REPORT

Runwal Enterprises Limited

Mumbai's #3 Real Estate Developer — 48 Years of Heritage, Township Expertise & Bold MMR Pipeline

IPO Open: Sep 25, 2026 **IPO Close:** Sep 29, 2026 **Listing:** Oct 5, 2026 (BSE & NSE)

OUR RECOMMENDATION	PRICE BAND	GMP (AS OF SEP 23, 2026)
SUBSCRIBE*	**₹290 – ₹305**	**₹18 (~6%)**
**Long-term only*	Lot: 49 shares | ₹14,945 min.	Est. listing ₹323 | Unofficial

This report is for informational purposes only. Not investment advice. Past performance is not indicative of future results. Please read the full disclaimer at the end of this report before making any investment decision.

1. IPO AT A GLANCE

Issue Details

Parameter	Details
Company Name	Runwal Enterprises Limited
Issue Type	Mainboard IPO (Book Built) — 100% Fresh Issue
Total Issue Size	₹499.83 crore (1,63,93,442 equity shares)
Fresh Issue	₹499.83 crore (entire issue — no OFS component)
Offer for Sale (OFS)	NIL — no promoter exit; all proceeds to company
Price Band	₹290 – ₹305 per share
Face Value	₹2 per share
Lot Size	49 shares (min. investment: ₹14,945 at upper band)
Max Retail Application	13 lots (637 shares | ₹1,94,285)
Post-Issue Market Cap (at ₹305)	~₹4,507.44 crore
IPO Open Date	Friday, September 25, 2026
IPO Close Date	Tuesday, September 29, 2026
Anchor Investor Date	Thursday, September 24, 2026 (one day before open)
Basis of Allotment	Wednesday, September 30, 2026
Credit to Demat / Refund	Before October 5, 2026
Listing Date	Monday, October 5, 2026 (BSE & NSE)
Book Running Lead Managers	ICICI Securities Ltd. | Jefferies India Pvt. Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Promoter (pre-issue)	Subodh Subhash Runwal — 87.16% stake (pre-issue); declining to ~84.61% post-issue

Investor Quota Allocation

Investor Category	Allocation %	Remarks
Qualified Institutional Buyers (QIB)	50%	Anchor investors may receive up to 60% of QIB portion
Non-Institutional Investors (NII / HNI)	15%	Min bid: 14 lots (₹2,07,270 at upper band)
Retail Individual Investors (RII)	35%	Min: 1 lot (₹14,945) | Max: 13 lots (₹1,94,285)

2. COMPANY OVERVIEW

History & Group Heritage

Runwal Enterprises Limited traces its roots to the Runwal Group, founded in 1978 by Subhash Runwal — one of Mumbai's most respected real estate names with nearly five decades of legacy in the MMR market. The current legal entity was incorporated on February 17, 2016, as Propel Developers Private Limited. It was subsequently renamed Runwal Apartments Private Limited in January 2021, then Runwal Enterprises Private Limited in January 2024, and finally converted to a public limited company on October 4, 2024, ahead of the IPO. The company is promoted by Subodh Subhash Runwal — son of the founder — who serves as Chairman and Managing Director with over 29 years of real estate experience. The DRHP was filed with SEBI on March 31, 2025, and the RHP followed in September 2026.

Business Model & Segments

Runwal Enterprises is a Mumbai-focused real estate developer operating across the full spectrum of property development, with residential projects at its core (93.93% of sales as of FY2026). The company has three distinct residential segments:

- **Affordable housing:** Concentrated in the Dombivli (Kalyan-Dombivli) micro-market, where Runwal holds dominant market positions — #1 in new launches (11.41% share) and #1 in residential sales (6.33% share). Flagship projects: Runwal Gardens and Runwal My City — large integrated townships spanning 250 acres with 100+ residential towers, schools, malls, and retail arcades.
- **Mid-income housing:** Mulund, Kanjurmarg, Bandra, Chembur, and Alibaug — strategically placed across eastern suburbs and emerging nodes. In eastern suburbs (Mulund, Vikhroli, Ghatkopar, Kanjurmarg, Powai, Bhandup) — Runwal is ranked #1 in sales (7.88% share) and #2 in new launches.
- **Luxury housing:** South Mumbai micro-market; niche presence to capture premium segment demand. Notable project: 7 Mahalaxmi — a luxury residential project executed as a 50% profit-share joint venture.

Beyond residential, the company develops non-residential properties as part of integrated townships: retail malls, commercial offices, and educational buildings. These create self-contained 'live-work-play' ecosystems that reinforce brand loyalty and support repeat buying.

Project Portfolio — As of March 31, 2026

Category	Count	Developable Area	Key Projects / Locations
Completed Projects	19	12.09 msf	Runwal Bliss, Runwal Centre, Runwal Elegante, Runwal Vivanta, Runwal Seagull
Ongoing Projects	28	19.88 msf	Runwal Gardens (Ph. 2+), Runwal My City, 7 Mahalaxmi, Runwal Pinnacle
Upcoming Projects	33	56.41 msf	Pipeline across Dombivli, Mulund, Chembur, Alibaug, South Mumbai
Total Pipeline (Ongoing + Upcoming)	61	76.29 msf	Represents 6–8 years of strong revenue visibility
Total Developable Area (All)	80	88.37 msf	Residential: 74.58 msf | Non-residential: 13.80 msf

Note: The upcoming project pipeline of 56.41 msf is notably large relative to the company's current scale — providing 6–8 years of forward project visibility. However, it also means a significant portion of value is dependent on execution of projects yet to begin construction.

Development Model

- **Greenfield / Land acquisition:** Direct purchase of land parcels, allowing full control over design, pricing, and execution. Higher capital intensity but maximum margin control.
- **Joint Development Agreements (JDAs):** Asset-light model where the landowner gets a share of developed units or revenue. Reduces upfront capital deployment. Becoming increasingly important for Runwal's growth strategy.
- **Urban Redevelopment / SRA:** Slum rehabilitation and legacy structure redevelopment — increasingly relevant in Mumbai where new land is scarce.

- **In-house execution:** End-to-end in-house capability across design, architecture, construction management, sales and marketing, billing, and procurement — enabling better quality control and faster execution.

Market Position (JLL Report cited in RHP)

Geography	Ranking	Market Share
Mumbai overall — New Launches	3rd	2.33% (Jan 2023 – Mar 2026)
Mumbai overall — Sales	3rd	2.46% (Jan 2023 – Mar 2026)
Eastern Suburbs — New Launches	2nd	2.89%
Eastern Suburbs — Sales	1st	7.88%
Kalyan-Dombivli — New Launches	1st	11.41%
Kalyan-Dombivli — Sales	2nd	6.33%

3. KEY OPERATING METRICS

₹1,850 Cr FY2026 Total Income (+76% YoY)	**₹185.76 Cr** FY2026 PAT (+234% YoY)	**₹349.81 Cr** FY2026 EBITDA	**18.90%** EBITDA Margin FY2026
₹2,353 Cr FY2026 Sales Value (+24% YoY)	**₹1,854 Cr** FY2026 Collections (+19% YoY)	**27.24%** RoNW FY2026	**88.37 msf** Total Developable Area
76.29 msf Ongoing + Upcoming Pipeline	**19** Completed Projects	**61** Ongoing + Upcoming Projects	**3.29x** Net D/E Ratio FY2026

4. FINANCIAL PERFORMANCE

Three-Year Financial Summary (Restated)

Metric	FY2024	FY2025	FY2026	Growth FY25→FY26
Total Income (₹ Cr)	707.72	1,050.71	1,850.79	+76.1%
Revenue from Operations (₹ Cr)	662.20	~1,008	1,798.95	+78.5%
EBITDA (₹ Cr)	201.73	180.11	349.81	+94.2%
EBITDA Margin (%)	~28.5%	~17.1%	~18.9%	Recovering
PAT (₹ Cr)	107.28 / 93.70*	55.65	185.76	+234%
PAT Margin (%)	~15%	~5.3%	~10.0%	Strong recovery
Net Worth (₹ Cr)	~435	~485	768.20	+58.4%
Total Borrowings (₹ Cr)	n.a.	n.a.	2,909.13	High
Net Debt (₹ Cr)	n.a.	2,250.66	2,778.11	Rising
Net D/E Ratio	3.62x	4.64x	3.29x	Improving
Sales Value (₹ Cr)	n.a.	1,899	2,353.51	+23.9%
Collections (₹ Cr)	n.a.	1,556	1,854.61	+19.2%
New Launches (msf)	n.a.	1.1	2.0	+81.8%
RoNW (%)	n.a.	n.a.	27.24%	Strong
Pre-IPO EPS (₹)	n.a.	n.a.	14.14	—
Post-IPO EPS (₹)	n.a.	n.a.	12.57	—

**PAT of ₹107.28 crore (restated standalone per some sources) vs ₹93.70 crore (consolidated per KOTAK/other sources) — slight difference due to consolidation methodology. Both are consistent with the FY2024 profit turnaround after FY2023 losses.*

Analyst Notes on Financials

- **Revenue trajectory is impressive:** Revenue has more than doubled from ₹662 crore (FY2024) to ₹1,799 crore (FY2026) — a 2-year CAGR of ~64.8%. This acceleration reflects project completion cycles and the ramp-up in both ongoing projects and presales conversions into recognised revenue.
- **PAT recovery from losses:** The company reported losses in FY2022 (₹50.99 crore) and FY2023 (₹6.74 crore), turned profitable in FY2024 (₹107 crore), then dipped in FY2025 (₹55.65 crore, likely reflecting project completion timing), before surging 234% to ₹185.76 crore in FY2026. This volatility is characteristic of real estate companies where revenue recognition is project-completion-linked.
- **EBITDA margin dip in FY2025 is concerning but likely temporary:** EBITDA margin compressed sharply from 28.5% (FY2024) to 17.1% (FY2025) before recovering to 18.9% (FY2026). The dip likely reflects high project-launch costs and construction spending in FY2025. Watch whether margins sustain at 18–20%+ as the pipeline matures.
- **Net debt is rising despite strong profits:** Net debt increased from ₹2,251 crore (FY2025) to ₹2,778 crore (FY2026) despite ₹185.76 crore in PAT. Negative operating cash flows for three consecutive years confirm that construction spending consistently exceeds inflows. The ₹325 crore from IPO proceeds for debt repayment will provide partial relief.
- **Contingent liabilities are elevated:** Contingent liabilities of ₹7,980.08 crore are substantially larger than the company's market cap of ~₹4,507 crore. These include guarantees, legal disputes, and construction commitments — a material contingency that investors must factor in.

- **Sales bookings and collections are strong:** FY2026 sales bookings of ₹2,353.51 crore (+23.9% YoY) and collections of ₹1,854.61 crore (+19.2% YoY) confirm healthy underlying demand and cash conversion from the presales pipeline. This is the most important operational metric for a real estate developer.

5. VALUATION ANALYSIS

Issue Valuation at ₹305 (Upper Price Band)

Metric	Value
Post-Issue Market Cap	~₹4,507.44 crore
Pre-IPO EPS (FY2026)	~₹14.14 per share
Post-IPO EPS (FY2026)	~₹12.57 per share
Post-Issue P/E Ratio	~24.26x (Flattrade basis) — other sources cite 95.61x using different EPS
Price-to-Book Value (P/B)	~4.97x (Flattrade basis) — other sources cite 9.37x using restated NAV of ₹32.55
Reported NAV per share (RHP)	~₹32.55 (restated)
EV/EBITDA (approx.)	~21x
RoNW	27.24% (FY2026)

Valuation Note: Two materially different P/E figures circulate in the market — ~24x and ~95x. The difference stems from different EPS computations: the 24x figure uses FY2026 PAT divided by post-issue shares, while the 95x figure uses a smaller earnings base or NAV-adjusted calculation. We use 24.26x as the primary reference for comparison with listed peers, while noting that the 9.37x P/B on the RHP's restated NAV of ₹32.55 also represents a meaningful premium.

Peer Comparison — Listed MMR Real Estate Developers

Company	P/E (approx.)	P/B (approx.)	Focus	Remarks
Runwal Enterprises (IPO)	24.26x	4.97x	MMR / Mumbai	Smaller, high-growth; D/E 3.29x
Oberoi Realty	~25–35x	~3–5x	Mumbai luxury	Premium brand; stronger RoE; low debt
Macrotech (Lodha)	~30–40x	~4–6x	MMR + Pune	Large-scale affordable + premium
Godrej Properties	~55–70x	~8–10x	Pan-India	Highest multiple; asset-light JDA leader
Prestige Estates	~25–35x	~4–6x	South India + expanding	Lower D/E; wider geography

Valuation Verdict: At 24.26x post-issue P/E, Runwal Enterprises is priced in line with Oberoi Realty and Prestige Estates but at a discount to Godrej Properties and Lodha. The 4.97x P/B is reasonable for a Mumbai developer. However, the critical difference is leverage: Runwal's net D/E of 3.29x is significantly higher than any of its listed peers (most carry 0.5x–1.5x D/E). This higher risk must be weighed against a lower or comparable P/E entry point. For an investor who believes in the Mumbai real estate cycle and is comfortable with developer leverage, the valuation is not exorbitant — but it is not cheap either, especially when contingent liabilities exceed market cap.

6. USE OF FRESH ISSUE PROCEEDS

Object	Amount (₹ Cr)	Beneficiary
Repayment of Company's own borrowings	₹100 crore	Runwal Enterprises Limited (standalone)
Investment in subsidiaries for debt repayment	₹225 crore	Susneh Infrapark Pvt. Ltd. + Runwal Residency Pvt. Ltd. + Evie Real Estate Pvt. Ltd.
Total debt repayment allocation	₹325 crore	~65% of net proceeds
Future real estate project acquisitions & general corporate purposes	Balance (~₹175 crore)	Runwal Enterprises Limited
Total Fresh Issue	₹499.83 crore	—

The debt-repayment focus (₹325 crore, 65% of proceeds) is the primary use of funds — similar to the Varmora Granito playbook. This will reduce net D/E from 3.29x toward ~2.7x post-IPO. Importantly, there is no OFS component — 100% of proceeds flow to the company, which is a genuine positive signal vs IPOs where promoters exit alongside the raise. The remaining ~₹175 crore for project acquisitions provides modest growth optionality.

7. INDUSTRY OVERVIEW & TAILWINDS

Mumbai Metropolitan Region (MMR) Real Estate Market

Parameter	Figure / Trend
MMR — Residential market rank	Largest in India by sales value and volume
India residential market growth (CY2023–CY2025)	~1.5x increase in sales value
Mumbai's share of national premium sales	Disproportionately high; luxury + affordable both growing
New supply absorption in MMR	Historically strong; consistent demand from Mumbai's urban population of 20 million+
Eastern suburbs (Runwal's stronghold)	Fastest growing micro-market in MMR; infrastructure expansion (Metro lines) is driving demand
Kalyan-Dombivli (Runwal #1 in launches)	Benefiting from KDMC infrastructure, Metro Line 5, and affordability gradient from central Mumbai
Infrastructure catalysts	Mumbai Metro expansion (Lines 2A, 2B, 5, 7, 9), Mumbai Trans Harbour Link (MTHL), Thane-Borivali tunnel — all creating new demand nodes

Key Structural Tailwinds

- **Mumbai's permanent housing scarcity:** Mumbai has one of the world's worst housing demand-supply gaps. As the country's financial capital, it continues to attract migrants, creating sustained demand across all ticket sizes.
- **MMR infrastructure acceleration:** Mumbai's metro network is expanding rapidly — Lines 2A, 2B, 7, 9 operational or near-operational; Line 3 (Colaba-Bandra-SEEPZ) fully operational. This is transforming affordable suburbs like Dombivli, Mulund, and Kanjurmarg into more accessible locations, directly boosting Runwal's core markets.
- **Redevelopment cycle is accelerating:** Mumbai has millions of old buildings approaching the end of their structural life. SRA (Slum Rehabilitation Authority) and redevelopment of old CHS (Co-operative Housing Societies) are creating inventory and revenue opportunities for established developers like Runwal with SRA experience.
- **Premiumisation of mid-income segment:** India's aspirational middle class is upgrading from 1 BHK to 2 and 3 BHK, raising average ticket sizes. Runwal's mid-income and semi-premium pipeline is well-positioned for this secular trend.
- **Township model as differentiation:** Large integrated townships (Runwal Gardens: 250 acres) are increasingly preferred by buyers who value ecosystem living. These projects command pricing premiums and enjoy strong repeat demand from families.
- **Real estate sector formalisation:** RERA (Real Estate Regulatory Authority) enforcement, GST compliance, and increased institutional capital have strengthened large, RERA-compliant developers like Runwal at the expense of small unorganised players.

8. KEY STRENGTHS

- **48-year legacy brand:** The Runwal Group's brand has been built since 1978 — translating to deep buyer trust, repeat customer relationships, and institutional lender confidence (ICICI Bank, Kotak Mahindra Bank, Piramal Capital).
- **Mumbai's #3 developer by launches & sales:** Ranked third in Mumbai overall and #1 in eastern suburbs — a genuine market leadership position in India's most competitive real estate market.
- **Massive pipeline: 76.29 msf (ongoing + upcoming):** This pipeline provides 6–8 years of revenue visibility assuming current execution pace, one of the largest pipelines per market cap among listed developers at IPO.
- **Outstanding FY2026 financial performance:** Revenue +76%, PAT +234%, EBITDA +94%, RoNW 27.24%, sales bookings +24% — a convincing financial turnaround after the FY2022/FY2023 losses.

- **100% fresh issue — no promoter exit:** Unlike many IPOs (including Moneyview, where promoters and PE funds partially exited), Runwal's IPO is entirely primary capital. Every rupee raised stays in the company. Promoter (Subodh Runwal) holds ~84.61% post-issue — maximum skin-in-the-game.
- **Township expertise is rare:** Integrated townships like Runwal Gardens (250 acres, 100+ towers) are infrastructure-like assets that create self-sustaining communities. Very few developers have the scale, land, and operational capability to execute these.
- **Eastern suburbs & Dombivli dominance:** #1 in both launches and sales in Kalyan-Dombivli and #1 in sales in eastern suburbs creates a local monopoly-like position that competitors cannot easily displace.
- **Rising collections vs presales:** FY2026 collections of ₹1,854.61 crore against sales of ₹2,353.51 crore implies a healthy conversion ratio and customer payment discipline — important for cash flow predictability.
- **Asset-light JDA expansion:** Increasing use of joint development agreements (JDAs) reduces land acquisition capital, lowers upfront risk, and accelerates project launches without proportional debt increase.

9. KEY RISKS & CONCERNS

Risk Factor	Description	Severity
High Net Leverage (D/E: 3.29x)	Net debt of ₹2,778 crore against equity of ~₹845 crore. Net D/E of 3.29x (improving from 4.64x in FY2025) remains significantly higher than listed peers (Oberoi Realty D/E ~0.1x; Lodha ~1.0x). Any rise in interest rates, project delays, or demand slowdown could strain debt servicing.	HIGH
Contingent Liabilities (₹7,980 Cr)	Contingent liabilities of ₹7,980.08 crore are 1.77x the company's post-issue market cap of ~₹4,507 crore and 2.9x net debt. These include construction commitments, legal disputes, guarantees, and other contingencies. Crystallisation of even a fraction would be material.	HIGH
Negative Operating Cash Flows	Operating cash flows have been negative for three consecutive years (FY2024, FY2025, FY2026). Real estate companies by nature consume cash during construction phases, but sustained negative OCF means the company is dependent on fresh borrowing, customer advances, and equity raises to fund operations.	HIGH
Valuation Complexity / P/E Divergence	Two P/E figures circulate — 24x (on FY2026 PAT) and ~95x (on a more conservative EPS computation). P/B of 4.97x–9.37x depending on methodology. Investors should be cautious when different sources show materially different multiples — the uncertainty makes fair value assessment difficult.	HIGH
Revenue Volatility (Project Completion-Linked)	Real estate revenue is recognised on completion of construction (POCM or completion method). PAT fell from ₹107 crore (FY2024) to ₹55.65 crore (FY2025) before recovering to ₹185.76 crore (FY2026). This lumpiness makes annual comparisons unreliable and can cause sharp P/E swings.	MEDIUM
Geographic Concentration — Mumbai Only	100% of projects are in Mumbai Metropolitan Region. Any regulatory changes in Maharashtra (FSI, development control rules, stamp duty), economic slowdown affecting Mumbai specifically, infrastructure delays, or natural disasters would directly affect all revenue streams simultaneously.	MEDIUM
Residential Concentration (93.93% of sales)	Near-total dependence on residential sales leaves the company exposed to housing demand cycles. Any slowdown in Mumbai home buying — due to interest rate hikes, employment shocks, or sentiment deterioration — directly impacts revenue with limited buffer from commercial or rental income.	MEDIUM
Execution Risk on 76.29 msf Pipeline	The upcoming + ongoing pipeline of 76.29 msf requires sustained construction, sales, and collections execution over 6–8 years. Delays in any major project (especially the 100+ tower Runwal Gardens / My City townships) could defer revenue recognition materially.	MEDIUM
Competition from Branded Developers	Runwal competes with Godrej Properties, Lodha, L&T Realty, Hiranandani, and Oberoi in overlapping micro-markets. These developers have larger balance sheets, lower debt, and comparable brand recall — making price differentiation and market share expansion challenging.	LOW
Unsold Inventory Risk	A significant portion of ongoing project inventory may be unsold. In a market demand slowdown, unsold units require carrying costs (interest, maintenance) and can force price cuts that erode margins.	LOW

Risk Factor	Description	Severity
Regulatory / RERA Risk	Real estate in Maharashtra is subject to RERA compliance, environmental clearances, FSI changes, and political/civic approvals. Any delays in approvals or RERA disputes can defer project timelines and revenue recognition.	**LOW**

10. IPO TIMELINE & HOW TO APPLY

Key IPO Timeline

Event	Date
Anchor Investor Bidding	Thursday, September 24, 2026
IPO Opens	Friday, September 25, 2026
IPO Closes	Tuesday, September 29, 2026
Basis of Allotment	Wednesday, September 30, 2026
Credit to Demat / Refund	Before October 5, 2026
Listing Date (BSE & NSE)	Monday, October 5, 2026

How to Apply

- **Via ASBA (bank net-banking):** Log in to your bank's net banking > IPO section > Search 'Runwal Enterprises IPO' > Enter lots (min 1 lot = 49 shares) at ₹305 > Submit. Funds blocked in account until allotment.
- **Via UPI (broker apps):** Use Zerodha, Upstox, Groww, Angel One, or any SEBI-registered broker > IPO tab > Select Runwal Enterprises > Enter bid details > Approve UPI mandate in your UPI app. Minimum 1 lot = 49 shares = ₹14,945.
- **Maximum retail:** 13 lots = 637 shares = ₹1,94,285 at upper band (₹305).
- **Allotment check:** From September 30, 2026 — MUFG Intime website (mufgintime.com) or BSE/NSE IPO allotment status with PAN or application number.

11. GMP & INVESTOR SENTIMENT

GMP Trend (Pre-Listing Informal Market)

Period	GMP (₹ per share)	Indicative Listing Price	Premium Over Issue
Initial tracking (before Sep 22)	~₹0	~₹305	~0%
September 22–23, 2026	~₹18	~₹323	~5.9%
Sep 23, 2026 (last recorded)	~₹18	~₹323	~5.9%

GMP Disclaimer: Grey Market Premium (GMP) is an informal, unregulated price indicator. It is not endorsed by SEBI, BSE, or NSE. GMP of ₹18 (~6%) is the latest recorded figure and can change rapidly before or after listing. Do not make investment decisions based solely on GMP.

Investor Sentiment Assessment

Runwal Enterprises has the lowest GMP of the three IPOs open this week (~6% vs Moneyview's ~21% and Varmora's ~10%). This muted grey market interest reflects investor uncertainty around the high leverage, valuation complexity, and the specific nature of real estate developer IPOs — which require longer holding horizons than most. However, a GMP above zero on a fresh-issue-only IPO with no promoter exit is a stable, if modest, signal.

- **Bull signals:** 100% fresh issue, no OFS, strong FY2026 financials (+76% revenue, +234% PAT), dominant #1 position in eastern suburbs and Dombivli, 76 msf pipeline, Mumbai infrastructure tailwinds.
- **Bear signals:** 3.29x net D/E, contingent liabilities 1.77x market cap, negative OCF, valuation confusion (24x vs 95x P/E), muted GMP, real estate sector illiquidity premium.

12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: SUBSCRIBE* (LONG-TERM ONLY)

**High leverage (3.29x D/E) & expensive valuation (24x P/E) warrant caution; best for 2–3 year horizon investors comfortable with MMR real estate cycle*

Investment Rationale

Runwal Enterprises is a fundamentally sound business with a heritage brand, a dominant position in Mumbai's eastern suburbs, and an unprecedented 76.29 msf pipeline that provides multi-year revenue visibility. The FY2026 financial turnaround is impressive: revenue +76%, PAT +234%, EBITDA +94%, and RoNW of 27.24%. The 100% fresh issue with no OFS and promoter holding ~84.61% post-IPO is one of the cleanest IPO structures we have reviewed this cycle — no PE exit, no promoter exit, all money into the company.

The strategic logic is compelling: Mumbai real estate is experiencing its strongest upcycle in a decade, supported by infrastructure investment (Metro expansion, MTHL), population growth, and urbanisation. Runwal's township model — with schools, malls, and retail built into residential projects — creates a differentiated product that commands a pricing premium and drives repeat buying. The company's dominance in Kalyan-Dombivli (#1 in new launches; being transformed by Metro Line 5) positions it perfectly for the next phase of affordable-to-mid-income demand expansion.

However, the case has meaningful caveats. Net D/E of 3.29x is the highest among listed MMR peers. Contingent liabilities of ₹7,980 crore — 1.77x the market cap — represent a real (even if partially off-balance-sheet) risk. Operating cash flows have been negative for three straight years. And real estate revenue recognition is lumpy: the same business that generated ₹185.76 crore PAT in FY2026 generated only ₹55.65 crore in FY2025. Investors need to be comfortable with this variability.

At 24.26x P/E (on FY2026 PAT), the valuation is in line with Oberoi Realty and Prestige Estates — reasonable, but not cheap. This is not a 'buy at any price' story. It is a 'buy with conviction if you believe in MMR real estate over 2–3 years and can tolerate leverage risk.'

Suitability by Investor Type

Investor Profile	Recommendation	Rationale
Long-term real estate sector believer (2–3 year horizon)	SUBSCRIBE	Pipeline of 76 msf, Mumbai growth story, and debt-reduction journey make a compelling 2–3 year hold
Conservative / income investor	AVOID	High D/E, negative OCF, lumpiness of profit — not suitable for stable-return seekers
Short-term / listing gains trader	AVOID	GMP of only ~6% offers inadequate risk-reward for listing-day profit; real estate IPOs rarely deliver quick listing premiums
HNI with MMR real estate expertise	CONSIDER (small allocation)	If you understand Mumbai developer cycle risk and can tolerate D/E, this is a quality long-term name
SIP / accumulate investor	CONSIDER post-listing	If stock corrects post-listing (real estate IPOs often do), accumulating at 18–20x P/E creates a better entry

Synthesis: Runwal Enterprises is the most nuanced of the three IPOs open this week. It is not as attractively valued as Moneyview (8.6x P/E) nor as high-risk as some highly leveraged real estate names. It sits in a middle ground — quality brand, strong pipeline, Mumbai tailwinds, but high leverage and modest GMP. We rate it SUBSCRIBE for long-term investors with a real estate view, while cautioning against short-term positioning.

13. DISCLAIMER

This report has been prepared by Ganesh StockInvest for informational and educational purposes only. Information is sourced from the company's Red Herring Prospectus (RHP), DRHP dated March 31, 2025, JLL Report cited in offer documents, Business Standard, and independent brokerage analyses. Ganesh StockInvest does not warrant the accuracy, completeness, or timeliness of the information.

This document does not constitute an offer, solicitation, or recommendation to buy or sell securities. Investing in real estate developer IPOs involves significant risks including project completion risk, concentration risk, leverage risk, regulatory risk, and real estate market cycle risk. The company has reported losses in prior years (FY2022 and FY2023) and negative operating cash flows for three consecutive years (FY2024–FY2026). Past financial performance, including the strong FY2026 turnaround, is not indicative of future results.

Contingent liabilities of ₹7,980.08 crore disclosed in the RHP represent potential future obligations. Investors are strongly advised to read the full RHP and consult with a SEBI-registered financial advisor before investing. This report is for private circulation only. GMP data is sourced from informal grey market participants and is not endorsed by SEBI, BSE, or NSE. Ganesh StockInvest, its directors, employees, and associates may or may not hold positions in the securities mentioned.

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