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IPO Note
7th September 2026

Pranav Constructions Ltd

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Rating: Subscribe

Issue Offer

Total issue size: Fresh Issue – INR 3,156 Mn (25.45 Mn Shares) OFS – INR 354 Mn (2.86 Mn shares)

Issue Summary	
Price Band (INR)	118-124
Face Value (INR)	10
Implied Market Cap (INR mn)	13,965.22
Market Lot	120
Issue Opens on	7 September, 2026
Issue Close on	9 September, 2026
Pre-issue shares	8,71,71,170
Post-issue shares	11,26,22,782
Listing	NSE and BSE

Issue Break-up (%)	
QIB Portion	≥ 40
Retail Portion	≤ 45
NII Portion	≤ 15

Book Running Lead Managers
Centrum Broking Limited
PNB Investment Services Limited

Registrar
KFin Technologies Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	63.35%	46.49%
Public & Others	36.65%	53.51%

Objects of the Offer	**Exp. Amt (INR Mn.)**
Funding Redevelopment Expenses	1,457.18
Repayment / pre-payment of certain borrowings	915.00
Future project acquisition and general corporate purposes	≤ 35% of gross proceeds

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Pranav Constructions Limited is a Mumbai-based real estate developer specialising in pure-play Redevelopment of Co-operative Housing Societies in the Western Suburbs of the MCGM Region. Incorporated in 2003 and having commenced Redevelopment in 2012, it builds Economical (up to INR 15 mn), Mid and Mass (INR 15-30 mn) and Aspirational (INR 30-70 mn) homes. As of March 31, 2026 its portfolio comprised 65 Redevelopment Projects - 28 Completed (1.42 mn sq ft of Total Developable Area), 20 Under-construction (1.63 mn sq ft) and 17 Upcoming (1.96 mn sq ft). It runs an integrated in-house model across all project stages with 198 employees, and is led by Promoters Pranav Kiran Ashar and Ravi Ramalingam.

Investment Rationale:

Market leader in Mumbai Redevelopment with a structural demand tailwind: The company is the leading developer by supply of units and by number of completed and under-construction MCGM-Redevelopment projects in the Western Suburbs, with 1,864 units across 34 projects launched between CY17 and Q1 CY26 against 4-11 for other developers. It ranked 1st in the MCGM Region for combined supply in projects launched between CY21 and Q1 CY26, with ~11% share in Malad. With land scarcity capping greenfield supply, redevelopment made up 62% (104,859 units) of under-construction supply launched in the MCGM Region over CY17-Q1 CY26, of which MCGM-Redevelopment is the largest pool at 66%.

Capital-efficient asset-light model with high entry barriers: Rather than acquiring land, the company signs Redevelopment agreements with Co-operative Housing Societies, lowering the upfront outlay and title-clearance lead time. Across three recently launched projects initial capital investment was only 9.00-13.42% of total sales value, and the average construction cycle was 26 months as of March 31, 2026. This supported Total Debt/Equity of 1.08x in FY26 (1.18x in FY24), RoE of 33.78% and RoCE of 24.34%. Entry barriers are high, as societies insist on a proven delivery record.

Strong execution record and improving sales velocity: It has delivered 28 Completed Redevelopment Projects and, as of March 31, 2026, had not sought a RERA extension on any project. Sales velocity improved to 64.37% of saleable inventory sold within six months of launch in FY26 versus 37.35% in FY25, and 77.05% within one year. Unsold inventory was only 75 units, or 12.28% of the 611 units available for sale across the 20 Under-construction Projects. It procured 38 projects (3.15 mn sq ft) between April 2021 and March 2026 and had 41 bids outstanding.

Consistent financial performance with margin expansion: Revenue from operations grew at a ~30.5% CAGR from INR 4,474.83 mn in FY24 to INR 7,615.96 mn in FY26, up 42.19% in FY25 and 19.70% in FY26. EBITDA rose from INR 597.27 mn to INR 1,308.34 mn, with margin expanding 383 bps to 17.18%, and PAT from INR 396.17 mn to INR 713.24 mn. EPS improved to INR 8.18 from INR 4.66 and NAV per share stood at INR 28.30.

Valuation & Outlook: Pranav Constructions is well positioned to sustain growth, supported by a structurally favourable redevelopment opportunity in Mumbai and an expanding project pipeline. As of March 31, 2026, the company had 20 under-construction projects aggregating 1.63 Mn sq ft of Total Developable Area and 17 upcoming projects spanning 1.96 Mn sq ft, providing meaningful medium-term execution visibility. Further, 41 bids across key MCGM locations indicate a healthy opportunity set for incremental project additions. We see the asset-light redevelopment model as a key earnings and return driver, as limited upfront land acquisition requirements enable capital to be recycled across multiple projects while reducing interest burden. Importantly, the redevelopment market remains structurally attractive, with 62% of under-construction supply in MCGM represented by redevelopment projects. Going ahead, expansion into Khar, Matunga, Sion, Chembur and Grant Road could diversify the company's geographic footprint. Strong sales velocity, 77.05% of inventory sold within one year for projects launched in FY26 also supports cash-flow visibility. **At the upper price band of INR 124, the issue is priced at a P/B of 5.66x based on the post-IPO BVPS of INR 21.90 We recommend a “Subscribe" rating for the issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	4,474.83	6,362.72	7,615.96
Growth (%) YoY	-	*42.19%*	*19.70%*
EBITDA	597.27	985.38	1,308.34
Margins (%)	*13.35%*	*15.49%*	*17.18%*
PAT/(Loss)	396.17	622.54	713.24
Margins (%)	*8.85%*	*9.78%*	*9.37%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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