IPO RESEARCH REPORT

PRANAV CONSTRUCTIONS LIMITED

Mumbai's Redevelopment Specialist — Building on Four Decades of Western Suburbs Legacy

IPO OPEN: 07 Sep 2026 | IPO CLOSE: 09 Sep 2026 | LISTING: 15 Sep 2026 (BSE & NSE)

RECOMMENDATION	PRICE BAND	GMP (INDICATIVE)
SUBSCRIBE	**₹118 – ₹124** Lot: 120 shares	**₹40 – ₹44** ≈ 32–35% premium

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Pranav Constructions Limited ("the Company") is a Mumbai-headquartered real estate developer specialising in society redevelopment across the Municipal Corporation of Greater Mumbai (MCGM) region, with a concentrated presence in the Western Suburbs. Incorporated in 2003 and active in redevelopment since 2012, the Company has built a 65-project portfolio spanning completed, ongoing and upcoming residential, commercial and infrastructure developments. This report presents Ganesh StockInvest's independent assessment of the Company's ₹351.03 crore initial public offering (IPO), covering the issue structure, financials, valuation, industry context, risk factors and our final investment recommendation.

1. IPO AT A GLANCE

Issue Details

Particulars	Details
Company Name	Pranav Constructions Limited
Issue Type	Book-Built Issue (Mainboard — BSE & NSE)
Issue Size	₹351.03 crore (2,83,08,480 equity shares)
Fresh Issue	₹315.60 crore (~2.55 crore equity shares)
Offer for Sale (OFS)	₹35.43 crore (28,56,869 equity shares) by BioUrja India Infra Pvt. Ltd.
Price Band	₹118 to ₹124 per equity share
Face Value	₹10 per equity share
Lot Size	120 equity shares
Minimum Retail Investment	₹14,880 (1 lot at upper price band)
Maximum Retail Investment	₹1,93,440 (13 lots)
IPO Open Date	Monday, 07 September 2026
IPO Close Date	Wednesday, 09 September 2026
Basis of Allotment	Thursday, 10 September 2026
Refund / Demat Credit	Friday, 11 September 2026
Tentative Listing Date	Tuesday, 15 September 2026 (BSE, NSE)
Post-Issue Market Cap (upper band)	≈ ₹1,396.52 crore
Book Running Lead Managers	Centrum Capital Limited; PNB Investment Services Limited
Registrar to the Issue	KFin Technologies Limited
Payment Mode	ASBA / UPI

Quota Allocation

Investor Category	% of Issue	Shares Reserved
Qualified Institutional Buyers (QIB)	40%	1,13,23,392
Non-Institutional Investors (NII)	15%	42,46,272
Retail Individual Investors (RII)	45%	1,27,38,816

Note: sNII (small non-institutional investors) must apply for a minimum of 1,680 shares (₹2,08,320 at the upper band), while bNII (big non-institutional investors) must apply for a minimum of 8,160 shares (₹10,11,840 at the upper band).

2. COMPANY OVERVIEW

History & Background

Pranav Constructions Limited was originally incorporated as 'Pranav Constructions Private Limited' on 31 July 2003 and was converted into a public limited company on 29 July 2024. Since commencing dedicated redevelopment operations in 2012, the Company has built a specialised, integrated business model focused exclusively on society (cooperative housing) redevelopment — a segment distinct from conventional greenfield real estate development.

Business Model

The Company operates a pure-play redevelopment model, undertaking projects across residential (economical, mid, mass and aspirational housing), commercial and infrastructure segments. Under this model, the Company negotiates with existing cooperative housing society members, manages statutory and regulatory approvals, funds alternate accommodation and hardship compensation for existing residents, and constructs new towers on the same plot — typically availing additional Floor Space Index (FSI) to monetise incremental saleable area. This asset-light approach reduces upfront land-acquisition costs relative to greenfield development, though it introduces tenant-negotiation, litigation and approval-timeline risks unique to the redevelopment format.

Geographic Footprint & Facilities

Operations are concentrated in the MCGM region, with a predominant focus on Mumbai's Western Suburbs. This geography accounted for 99.70%, 99.69% and 99.50% of revenue from operations in FY26, FY25 and FY24 respectively — reflecting deep local market expertise but limited geographic diversification.

Promoters

The Company is promoted by Mr. Pranav Kiran Ashar (approximately 22 years of domain experience) and Mr. Ravi Ramalingam (approximately 17 years of domain experience). The promoters' long-standing presence in Mumbai's redevelopment ecosystem underpins the Company's relationships with cooperative housing societies, contractors and regulatory bodies.

3. ORDER BOOK / KEY OPERATING METRICS

As of 31 March 2026, Pranav Constructions had a portfolio of 65 redevelopment projects across various stages, representing a total developable area of approximately 5.01 million square feet. The table below summarises the key operating metrics investors should track.

65 Total Redevelopment Projects	**28** Completed Projects	**20** Projects Under Construction	**17** Upcoming Projects
5.01 mn sq ft Total Developable Area	**77.05%** FY26 Inventory Sold Within 12 Months	**64.37%** FY26 Inventory Sold Within 6 Months	**99.70%** FY26 Revenue from MCGM Region

The Company's historical average sales velocity stands at 48.60% of available inventory sold within the first six months of launch and 68.27% within the first twelve months. FY26 performance (64.37% and 77.05% respectively) is running meaningfully ahead of the historical average, indicating strengthening demand absorption in its Western Suburbs micro-markets.

4. FINANCIAL PERFORMANCE

3-Year Consolidated Financial Summary (Restated)

Particulars	FY24	FY25	FY26	FY24–26 CAGR
Revenue from Operations (₹ Cr)	447.48	636.27	761.60	30.3%
Total Income (₹ Cr)	449.75	638.24	763.93	30.2%
EBITDA (₹ Cr)	59.73	98.54	130.83	48.1%

Particulars	FY24	FY25	FY26	FY24–26 CAGR
EBITDA Margin (%)	13.28%	15.49%	17.18%	—
Profit After Tax (₹ Cr)	39.62	62.25	71.32	34.2%
PAT Margin (%)	8.81%	9.78%	9.37%	—
Return on Net Worth (RoNW) (%)	64.93%	47.17%	33.78%	—
Return on Capital Employed (ROCE) (%)	—	24.83%	24.34%	—
Debt-to-Equity Ratio (x)	—	1.15	1.08	—

Analyst Notes

- Revenue grew at a strong ~30% CAGR over FY24–FY26, with FY25 alone contributing a sharp 42.2% jump on the back of project completions, moderating to a still-healthy 19.7% growth in FY26.
- EBITDA more than doubled over the period (₹59.73 Cr → ₹130.83 Cr), with margin expansion from 13.3% to 17.2% reflecting improving operating leverage and cost discipline as the project mix matured.
- RoNW has declined steadily from 64.93% (FY24) to 33.78% (FY26). This is a mechanical consequence of a rapidly expanding equity base (retained earnings plus pre-IPO capital infusion) rather than a deterioration in underlying profitability — PAT has grown throughout the period. However, the trend bears monitoring, especially post-IPO when the equity base expands further with fresh issue proceeds.
- Total borrowings rose sharply from ₹99.33 Cr to ₹258.44 Cr (~160% increase) over FY24–FY26, broadly in line with the scaling of the balance sheet and project pipeline, but debt-funded working capital needs for redevelopment (alternate accommodation, statutory approvals) should be tracked against future cash flow generation. The Debt-to-Equity ratio has nonetheless improved marginally from 1.15x to 1.08x.
- *Some third-party data aggregators report divergent historical figures (e.g., FY23–FY25 total income/PAT series showing FY25 profit dipping to ₹28.13 Cr due to an extraordinary item of ₹16.97 Cr, before a sharp 9M-FY26 profit of ₹38.69 Cr). We flag this as a data-consistency caveat: figures in this report are based on the majority-consistent restated consolidated numbers reported across primary IPO-tracking sources (RHP-sourced). Investors are strongly advised to cross-check restated financials directly against the RHP before applying.*

5. VALUATION ANALYSIS

Metric	Value
P/E (Post-Issue, upper band, FY26 annualised)	~19.6x
P/E (Trailing FY26)	~15.2x
P/BV (upper band, NAV ₹28.33/share)	~2.4x – 4.4x (basis-dependent — see note)
Market Cap / Pre-Sales	~2.2x
Post-Issue Market Cap	₹1,396.52 crore
NAV per Share (post-issue)	₹28.33

Note on P/BV: available data sources report meaningfully different P/BV multiples (~2.4x versus ~4.4x) depending on whether pre- or post-issue net worth and share count are used in the calculation. We present both to avoid over-precision; investors should refer to the RHP's post-issue net worth for the definitive figure.

Peer Comparison

At the upper price band, Pranav Constructions is valued at approximately 15.2x–19.6x P/E depending on the earnings base used (trailing vs. annualised FY26), which compares favourably against listed large-cap and mid-cap real estate peers such as Godrej Properties, Macrotech Developers (Lodha) and Kalpataru — reportedly 40–70% cheaper on a P/E basis. The Company's RoNW, even after its declining trend, remains above most peers in the comparison set. The valuation discount partly reflects Pranav Constructions' smaller scale, single-city concentration and narrower project-type diversification relative to larger, multi-city developers.

6. USE OF FRESH ISSUE PROCEEDS

Object of the Issue	Amount (₹ Cr)	% of Fresh Issue
Funding redevelopment expenses (statutory approvals, additional FSI acquisition, alternate accommodation & hardship compensation)	145.72	46.2%
Repayment / pre-payment (in full or part) of certain borrowings	91.50	29.0%
Funding acquisition of future redevelopment projects & general corporate purposes	78.38	24.8%
Total Fresh Issue	315.60	100.0%

Nearly 46% of fresh issue proceeds are earmarked directly for redevelopment project execution — statutory approvals, FSI acquisition and resident compensation — which should support the visible pipeline of 20 under-construction and 17 upcoming projects. A further 29% is directed toward debt repayment, which should help offset the sharp rise in borrowings seen over FY24–FY26 and support balance sheet health post-listing.

7. INDUSTRY OVERVIEW & TAILWINDS

Mumbai's real estate market faces a structural land-scarcity problem: the city has one of the highest population densities in the world, and greenfield land parcels within city limits are virtually exhausted. This has made redevelopment — reconstructing ageing, structurally compromised cooperative housing societies into modern, higher-FSI towers — one of the primary avenues for new residential and commercial supply in the MCGM region.

- Ageing building stock: A large proportion of Mumbai's housing stock, particularly in the Western Suburbs, is over 30 years old and either eligible for or in urgent need of redevelopment, creating a long runway of addressable projects.
- Regulatory support: Maharashtra government policies around enhanced FSI, cluster redevelopment schemes and faster approval mechanisms for redevelopment (versus greenfield development) continue to make the segment more viable for organised developers.
- Structural housing shortage: Persistent demand-supply mismatch in Mumbai's dense urban core supports pricing power and healthy sales velocity for well-executed redevelopment projects.
- Premiumisation of Western Suburbs micro-markets: Localities such as Andheri, Borivali, Kandivali and adjoining corridors have seen sustained residential demand and price appreciation, benefiting developers with an established local presence.
- Consolidation opportunity: Redevelopment requires specialised expertise in resident negotiation, litigation management and phased execution — a high entry barrier that favours experienced, established players over new entrants.

8. KEY STRENGTHS

- Specialised, asset-light redevelopment model with lower land-acquisition capital intensity than greenfield developers.
- Deep, concentrated expertise in Mumbai's Western Suburbs built over more than a decade (since 2012).
- Strong, consistent revenue and profit growth — Revenue and PAT CAGR of ~30–34% over FY24–FY26.
- Expanding EBITDA margins (13.3% → 17.2%) reflecting improving operating leverage.
- Healthy and diversified project pipeline — 65 projects across completed, under-construction and upcoming stages, spanning ~5.01 million sq ft.

- Above-average sales velocity — FY26 inventory sold at 77.05% within 12 months of launch, ahead of the Company's own historical average.
- Reasonable IPO valuation relative to large-cap real estate peers (Godrej Properties, Macrotech/Lodha, Kalpataru) on a P/E basis.
- Experienced promoter team with a combined ~39 years of domain experience in Mumbai real estate.
- Integrated, in-house management of multiple redevelopment stages (approvals, resident relations, construction coordination) supporting execution control.
- High entry barriers in the redevelopment segment (resident-negotiation expertise, regulatory relationships) that protect incumbents from new-entrant competition.

9. KEY RISKS & CONCERNS

Risk Factor	Description	Severity
Geographic Concentration	Approximately 99.7% of FY26 revenue is derived from the MCGM region (Western Suburbs). Any localised regulatory, demand or pricing disruption would disproportionately impact the Company.	HIGH
Rising Leverage	Total borrowings grew ~160% over FY24–FY26 (₹99.33 Cr → ₹258.44 Cr). Continued debt-funded growth without matching cash flow generation could pressure the balance sheet.	HIGH
Regulatory & Approval Delays	Redevelopment projects are inherently exposed to delays in statutory and municipal approvals, which can extend project timelines and increase costs.	MEDIUM
Declining RoNW Trend	Return on Net Worth has fallen from 64.93% (FY24) to 33.78% (FY26) as the equity base has expanded; further dilution is expected post-IPO.	MEDIUM
Contractor & Supplier Dependence	The Company does not have long-term supply agreements; top 10 suppliers and top 10 contractors account for a majority of material purchases and construction payments respectively, creating counterparty concentration risk.	MEDIUM
Real Estate Market Cyclicality	Sector performance is sensitive to interest rate cycles, input cost inflation and broader macroeconomic conditions affecting homebuyer sentiment.	MEDIUM
Redevelopment-Specific Execution Risk	Tenant negotiation, litigation and resident relocation are unique risks to the redevelopment format that greenfield developers do not face.	MEDIUM
Promoter & Track Record Risk	While promoters are experienced (22 and 17 years respectively), the Company's public-market track record is short, having converted to a public limited company only in July 2024.	LOW

10. IPO TIMELINE & HOW TO APPLY

Key Dates

Event	Date
IPO Opens	Monday, 07 September 2026
IPO Closes	Wednesday, 09 September 2026

Event	Date
Basis of Allotment Finalised	Thursday, 10 September 2026
Refunds Initiated	Friday, 11 September 2026
Shares Credited to Demat Account	Friday, 11 September 2026
Tentative Listing Date	Tuesday, 15 September 2026

How to Apply — ASBA / UPI

- Retail investors can apply for a minimum of 1 lot (120 shares = ₹14,880 at the upper band) and up to a maximum of 13 lots (1,560 shares = ₹1,93,440).
- sNII investors must apply for a minimum of 1,680 shares (₹2,08,320), and bNII investors for a minimum of 8,160 shares (₹10,11,840), both in multiples of the lot size thereafter.
- ASBA (Applications Supported by Blocked Amount): Apply through your bank's net banking IPO facility. Funds remain blocked in your account until allotment; only the allotted amount is debited.
- UPI Mode: Apply through your broker's trading platform (e.g., via Zerodha, Upstox, HDFC Securities, etc.). You will receive a UPI mandate request on your linked UPI app — approve it within the stipulated time window to confirm your bid.
- Ensure your PAN, demat account and bank account details are linked and active before applying. Applications with mismatched details are liable to be rejected.
- Allotment status can be checked on the registrar KFin Technologies Limited's website using PAN, application number or demat account details, or via the BSE/NSE IPO allotment pages.

11. GMP & INVESTOR SENTIMENT

Metric	Value
Latest GMP (as of 08 Sep 2026)	₹40 per share (~32% premium to upper band)
GMP Range During Bidding Window	₹15 – ₹44 per share
Indicative Listing Price (upper band + GMP)	₹164 – ₹168 per share
Subscription Status (cumulative, Day 2)	~3.82x overall

GMP (Grey Market Premium) is an unofficial, non-exchange-published indicator of market sentiment collected from informal grey market sources. It is highly volatile, can swing sharply right up to listing, and is not a reliable predictor of actual listing price or post-listing performance. Investors should not base their subscription decision solely on GMP.

Investor sentiment has been broadly positive, with the issue witnessing healthy cumulative subscription (~3.82x as of the latest update) driven by strong retail and HNI interest. Multiple brokerages, including Swastika Investmart, have issued 'Subscribe' recommendations citing the Company's asset-light model, superior return profile, improving balance sheet and reasonable relative valuation versus listed peers.

12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: SUBSCRIBE

Suitable for long-term investors and listing-gain seekers with a moderate-to-high risk appetite

Investment Rationale

- Consistent, high-quality earnings growth: Revenue and PAT have grown at a ~30-34% CAGR over FY24–FY26, with expanding EBITDA margins signalling improving operating efficiency rather than one-off gains.
- Attractive relative valuation: At ~15.2x–19.6x P/E (basis-dependent), the issue is priced at a meaningful discount to larger listed peers such as Godrej Properties, Macrotech Developers and Kalpataru, despite a superior return profile on several metrics.
- Structural sector tailwind: Mumbai's redevelopment theme is underpinned by genuine land scarcity and an ageing building stock, providing a long visible runway for well-positioned incumbents.
- Healthy, growing project pipeline: 65 projects across all execution stages, with FY26 sales velocity running ahead of historical averages, supports revenue visibility for the next several years.
- Use of proceeds is growth- and balance-sheet-positive: Roughly 75% of fresh issue proceeds are directed toward project execution and debt reduction rather than promoter/investor exit, aligning company and shareholder interests.

Caution Factors

- Extreme geographic concentration (~99.7% of revenue from one region) makes the Company vulnerable to localised regulatory or demand shocks.
- Rising leverage (borrowings up ~160% over two years) and a declining RoNW trend warrant continued monitoring in subsequent quarters.
- GMP-implied listing gains are indicative only and can compress sharply between the report date and actual listing.
- Short public-market track record, having converted to a public limited company only in July 2024.

Target Investor Types

- Long-term investors seeking exposure to Mumbai's structural redevelopment theme with a 2–3 year-plus holding horizon.
- Listing-gain-oriented investors, given healthy GMP and strong cumulative subscription, though position sizing should account for GMP volatility.
- HNI/NII investors comfortable with single-geography, mid-cap real estate risk as part of a diversified portfolio.
- Conservative retail investors are advised to apply with prudent position sizing given the geographic concentration and leverage-related risk factors flagged above.

13. DISCLAIMER

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