

August 3, 2023

IPO Note

## IPO NOTE

### Issue Details

**Price Band: ₹ 94 to ₹ 99**  
**Employee Discount: Rs. 9/Share**  
**Issue Opens on: August 24, 2023**  
**Issue Closes on: August 28, 2023**  
**Lot Size: 150 Shares & in Multiples thereafter**

### Issue Highlights

**Issue Size :** ₹ 308.88 Cr.  
**No of Shares :** 31,200,000  
**Face Value :** ₹ 10

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	308.88
Offer for Sale	-
<b>Total</b>	<b>308.88</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	153.09
HNI	15	45.93
Retail	35	107.16
Employee	-	2.7
<b>Total</b>	<b>100</b>	<b>308.88</b>

### Listing

**BSE & NSE**

### Lead Managers

- Choice Capital Advisors Private Limited  
 - Pantomath Capital Advisors Private Limited

### Registrar

**Link Intime India Pvt. Ltd.**

### ANALYST

**Krishna Rana**

[krishna.rana@sushilfinance.com](mailto:krishna.rana@sushilfinance.com)

+91 22 4093 6081

### SALES

**Manan Divan**

[manan.divan@sushilfinance.com](mailto:manan.divan@sushilfinance.com)

+91 22 4093 6091 / +919819819979

## COMPANY OVERVIEW

Vishnu Prakash R Punglia Limited (VPRPL) is an ISO 9001:2015 certified integrated engineering, procurement and construction ("EPC") company with experience in design and construction of various infrastructure projects for the Central and State Government, autonomous bodies, and private bodies across 9 States and 1 Union territory in India. Their principal business operations are broadly divided into four categories: (i) Water Supply Projects ("WSP"); (ii) Railway Projects; (iii) Road Projects and (iv) Irrigation Network Projects.

They have 499 equipment and vehicle fleet. Their in-house teams deliver projects from design to completion.

VPRPL undertake projects on EPC basis, with or without operation and maintenance services ("O&M"). In addition, they also undertake operation and maintenance of projects in accordance with their contractual arrangements.

The Company has not undertaken any sub-contracting assignments till date. They undertake assignments independently or whenever required, through joint ventures. While they execute majority of the projects themselves, they also form project-specific joint ventures and consortiums with other infrastructure and construction entities.

As on July 15, 2023, VPRPL has 51 on-going projects with total work awarded amounting to ₹6,183.58 crore, of which ₹2,384.05 crore worth of work has been executed and the remaining work amounting to ₹3,799.53 crore constitutes the Order Book.

## HIGHLIGHTS

1. Focused player in Water Supply Projects.
2. Visible growth through robust order book across segments.
3. Established relationships with marquee client base.
4. Track record of successfully completed projects.
5. In-house integrated

## OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of up to 31,200,000 Equity Shares.

1. Funding capital expenditure requirements for the purchase of equipment/ machineries (₹ 62.17 Cr.)
2. Funding the working capital requirements of the Company (₹ 150 Cr.)
3. General corporate purposes

## OUR VIEW

Vishnu Prakash R Punglia Limited(VPRPL) it's a certified integrated engineering, procurement, and construction ("EPC") company with experience in design and construction of various infrastructure projects for the Central and State Government, autonomous bodies, and private bodies. Additionally, the company also undertakes the operation and maintenance of projects following its contractual arrangements.

On financial front, the company's revenue from operations has grown at a CAGR of 55.10% from FY 20-21 to FY 22-23. The EBITDA margin and PAT margin improved from 9.7% to 13.63% and 3.89% to 7.74% from FY21 to FY23 respectively. The company generated an ROE and ROCE of 38.31% and 33.72% respectively for FY23. The company is asking for a multiple of 9.51x based on the FY23 EPS on the upper end of the price band and is priced at P/BV of 2.74 based on NAV of ₹ 36.11. Company's debt to equity ratio has also improved from 0.98 to 0.80 from FY21 to FY23.

Compared to peers, highest and lowest level of P/E are 12.56x of H.G. Infra Engineering Ltd. and 25.62x of ITD Cementation India Ltd. and Industry average is 17.22x. the issue seems priced attractively.

The company has a strong customer standing and track record of successfully completed projects. As of July 15, 2023, the total Order Book was ₹ 37,995.28 million, entirely comprising of projects awarded by governmental authorities. The company is planning to bid for higher value projects, however in order to do that the company will require a higher working capital. The company is however highly concentrated in Rajasthan with revenue forming 66.86% of Total revenue for FY23. The company has ₹ 844.72 million as unsecured loans which are repayable on demand. Sudden recall may disrupt their operations.

Keeping in mind all positive and negative factors investors can look for long term investment.

### Brief Financials

PARTICULARS	₹ in Million		
	FY '23	FY '22	FY '21
Total Income	11,714.64	7,873.87	4,876.73
Total Expenditure	10,490.25	7,270.06	4,619.95
EBITDA	1,596.43	886.41	473.21
Profit before Tax	1,224.39	603.81	256.78
Profit after Tax	906.43	448.47	189.82
E.P.S. (Diluted)	10.41	5.31	2.25
P/E (x) (Diluted)	9.51		
RONW (%)	38.31	32.94	18.24

### PRICE CHART (@ ₹ 99) (Retail Category)

LOT SIZE	Amount
150	14,850
300	29,700
450	44,550
600	59,400
750	74,250
900	89,100
1,050	103,950
1,200	118,800
1,350	133,650
1,500	148,500
1,650	163,350
1,800	178,200
1,950	193,050

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Between ₹ 2 to ₹ 10 Lakhs (Minimum Shares)	2,100	207,900
Between ₹ 2 to ₹ 10 Lakhs (Maximum Shares)	10,050	994,950
Above ₹ 10 Lakhs	10,200	1,009,800

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	31/08/2023
Initiation of refunds/unblocking ASBA Fund	01/09/2023
Credit of Equity Shares to demat accounts of Allottees	04/09/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	05/09/2023

For more details, Please refer RHP,

[https://www.sebi.gov.in/filings/public-issues/aug-2023/vishnu-prakash-r-punglia-limited-rhp\\_75462.html](https://www.sebi.gov.in/filings/public-issues/aug-2023/vishnu-prakash-r-punglia-limited-rhp_75462.html)

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