



IPO NOTE

VISHNU PRAKASH R PUNGLIA LIMITED



Rating:

SUBSCRIBE

(For Listing Gain & Long Term)



ISSUE OFFER

Issue Opens on	AUG 24, 2023
Issue Close on	AUG 28, 2023
Total IPO size (cr)	308.88
Fresh issue (cr)	308.88
Offer For Sale (cr)	NIL
Price Band (INR)	94-99
Market Lot	150
Face Value (INR)	10
Retail Allocation	35%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NIB Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
93,444,000	124,644,000

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	31-08-2023
Refunds/Unblocking ASBA Fund	01-09-2023
Credit of equity shares to DP A/c	04-09-2023
Trading commences	05-09-2023

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

OBJECTS OF THE ISSUE

- Funding capital expenditure requirements.
- Funding working capital requirements of the company.
- General corporate purposes.

OUTLOOK & VALUATION

Vishnu Prakash R Punglia Limited (VPRPL) is a well-known construction company that is primarily engaged in infrastructure projects for the central and state governments. The company is focused on water supply projects and is benefiting from various government initiatives. VPRPL has a track record of successfully completing projects and has achieved notable growth through a robust order book. The company also has an in-house integrated model that helps it to successfully implement its projects.

However, as VPRPL is in the construction industry, it faces stiff competition and high working capital requirements. There is also the risk of project implementation delays and cost overruns. VPRPL has also reported negative cash flow in recent years.

Despite these challenges, the IPO is coming at a fair valuation (P/E) of 9.5x. Our overall outlook on the infrastructure sector is bullish, and we recommend applying for this IPO.



KEY MANAGERIAL PERSONNEL

01

Vishnu Prakash Punglia

Chairman and Whole-time Director of the Company. He has been associated with the Company since its inception. He has an experience of more than thirty-eight years in the construction and EPC business and is instrumental in making strategic decisions of the Company.

02

Manohar Lal Punglia

Managing Director of the Company. He has been associated with the Company since its inception. Upon completion of his secondary education, he joined his uncle, Mr. Vishnu Prakash Punglia, to provide assistance in his business. He has an experience of more than three decades in the construction and EPC business.

03

Sanjay Kumar Punglia

Chief Executive Officer and Whole-time Director of the Company. He has been associated with the Company since its inception. He has an experience of over eighteen years in the EPC business. He leads the in-house design team, is actively involved in continuous value engineering using the latest specifications and methodologies and takes care of the procurement function.

04

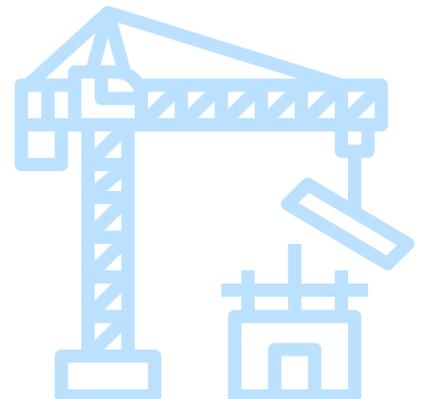
Sarfaraz Ahmed

Chief Financial Officer of the Company. He has over a decade of experience in finance and accounting roles. He has been associated with the Company since incorporation as a financial advisor and joined as a permanent employee of the Company on March 01, 2023.

05

Neha Matnani

Company Secretary and Compliance. She has been associated with the Company since June 06, 2022. She holds a Bachelor Degree in Accounting (Hons) from Jai Narayan Vyas University Jodhpur Rajasthan. She is an associate member of the Institute of Company Secretaries of India.



COMPANY PROFILE

- VPRP has been accredited with various registrations as a contractor with various departments and agencies viz. Jodhpur Development Authority, Jodhpur (Class AA), Rajasthan, Public Health Engineering Department, Rajasthan, (Class AA), Water Resources Department, Rajasthan (Class AA), roads and Building Department, Gujarat (Class AA), South Western Command, Military Engineering Services (MES), Jaipur (Class 'S'), Rajasthan, Public Works Department, Chhattisgarh (Class A), Public Works Department, Rajasthan (Class AA), Public Works Department, Madhya Pradesh, Bhopal (Civil works).
- They have design and engineering, procurement, project management, and quality management teams along with a fleet of 499 construction equipment and vehicles.
- The scope of their services includes detailed engineering of the project, procurement of key materials, and project execution at the sites with overall project management up to the commissioning of these projects. In addition, they also undertake the operation and maintenance of projects in accordance with their contractual arrangements.
- The Company has not undertaken any sub-contracting assignments till now. They undertake assignments independently or whenever required, through their joint ventures.

COMPETITIVE STRENGTHS

- A focused player in Water Supply Projects.
- Visible growth through robust order book across segments.
- Established relationships with marquee client base.
- Track record of successfully completed projects.
- In-house integrated model.
- Committed Promoters, Board and management team.

KEY STRATEGIES

- Geographical diversification.
- Continued focus on their Water Supply Projects (WSP) business.
- Pursuing other segments.
- Focus on high-value contracts and investment in the latest equipment.
- Increase competitiveness through quality execution, cost reduction, and continuous training of manpower.
- Leverage core competencies with enhanced in-house integration.

KEY CONCERNS

- The Company's projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect their business.
- The Company derives a significant portion of its revenue from the execution of water supply projects (WSPs).
- This business is working capital intensive involving relatively long implementation periods. they require substantial financing for their business operations.
- The company has reported certain negative cash flows from its operating activity, investing activity, and financing activity.
- A significant portion of their revenues is concentrated from a limited number of clients.
- The company operates in the construction industry where there are low entry barriers (high Competition).



COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

NAME OF THE COMPANY	EPS (BASIC)	NAV	P/E	TOTAL INCOME (MN)	RoNW (%)
Vishnu Prakash R Punglia Limited	10.41	36.11	-	11,714.64	38.31
PEER GROUP					
PNC Infratech Ltd	25.67	167.03	13.48	80,367.12	16.64
H.G. Infra Engineering Ltd	75.68	294.90	12.56	46,402.38	29.38
NCC Limited	9.77	98.22	16.24	157,010.00	10.98
Rail Vikas Nigam Ltd	6.81	35.13	18.22	212,780.40	20.70
ITD Cementation India Ltd	7.23	72.04	25.62	51,195.33	10.53

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	934.44	281.48	281.48
Other Equity	2,210.63	1,305.42	854.66
Net Worth	3,145.07	1,586.90	1,136.14
Total Borrowings	602.97	418.62	190.56
Revenue from Operations	11,684.04	7,856.13	4,857.31
EBITDA	1,596.43	886.41	473.21
Profit Before Tax	1,224.39	603.81	256.78
Net Profit for the year	906.43	448.47	189.82



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