



All About



VISHNU PRAKASH R PUNGLIA LTD.

Engineer Contractor & Designer

Sector - Infrastructures



Issue Opens - Aug 24, 2023 to Aug 28, 2023

Price Band
₹94 to ₹99

Face Value
₹10

Lot Size
150 Shares

Issue Size
₹308.88 Cr

Issue Type
Book Built

Research@ganeshstock.com

Important Events



Issue Size

31,200,000 shares ₹308.88 Cr

Fresh Issue

31,200,000 shares ₹308.88 Cr

Offer for Sale

N/A

Basis of Allotment

31 August 2023

Initiation of Refunds

1 September 2023

Credit of Shares to Demat

4 September 2023

VPRPL IPO Listing Date

5 September 2023

Promoters

- Vishnu Prakash R Punglia (Chairmen & Whole-time Director)
- Sarfaraz Ahmed (Chief financial officer)
- Manohar Lal Punglia (Managing Director)

Promoters collectively hold 67.81% (Post Issue) of the Equity Share.

About the Company



Vishnu Prakash R Punglia Ltd. is an ISO certified integrated engineering, procurement and construction ("EPC") company with a wealth of experience in the design and construction of various infrastructure projects. for central and state governments, autonomous agencies and private organizations. in nine states and one union territory in India. The company's main business activities are divided into four categories, namely Water Supply Project (WSP), Railway Project, Road Project, and irrigation network projects. Among all activities, the company has become a target audience in WSP, also accounts for a significant portion of the backlog and revenue share. Company has a management team from design and engineering, to procurement, project management, and quality management to reduce reliance on third parties for critical materials and services needed for the project. Thanks to such a large team, the company always executes projects independently and has never done any subcontracting projects. The company's human resources and equipment team as well as technical capacity have enables the company to undertake a wide range of turnkey projects.

Product Portfolio

One of the well-known EPC (Engineering, Procurement, and building) firms involved in the development and building of water delivery projects is Vishnu Prakash R Punglia Ltd. Central and state governments, commercial companies, and independent organizations make up a sizable portion of its clients.

They can design and build pipeline projects, overhead tanks, reservoirs, and water treatment facilities, among other things. The company is getting ready for an IPO in order to take use of its position and industry experience to seize fresh market opportunities through new, future ventures.



Objects of the offer

Vishnu Prakash R Punglia Limited plans to utilize the raised capital from IPO to:

- Fund working capital requirements
- Fund working capital expenditure requirements for purchasing machinery and equipment
- Fund general corporate purposes

Track Record Of Financial Performance

(₹ in million, unless stated otherwise)

Metrics	Financial Year Ended March 31, 2023	Financial Year Ended March 31, 2022	Financial Year Ended March 31, 2021
Financial			
Revenue from Operations ⁽¹⁾	11,684.04	7,856.13	4,857.31
Total Income ⁽²⁾	11,714.64	7,873.87	4,876.73
EBITDA ⁽³⁾	1,596.43	886.41	473.21
EBITDA Margin ⁽⁴⁾ (in %)	13.63	11.26	9.70
Net Profit for the Year / Period ⁽⁵⁾	906.43	448.47	189.82
Net Profit Margin ⁽⁶⁾ (in %)	7.74	5.70	3.89
Return on Net Worth ⁽⁷⁾ (in %)	38.31	32.94	18.24
Return on Capital Employed ⁽⁸⁾ (in %)	33.72	29.94	19.40
Debt-Equity Ratio ⁽⁹⁾	0.80	1.11	0.98
Interest Coverage Ratio ⁽¹⁰⁾	5.05	3.51	2.46
Days Working Capital ⁽¹¹⁾	71	54	54

As certified by M/s. Banshi Jain & Associates, Chartered Accountants pursuant to their certificate dated August 17, 2023.

(Source: RHP of the company)

Strengths



- Promising net profit and operating revenue on a year-over-year basis.
- Has worked on WSP projects for 36 years.
- As a result of its contractor registrations, the business has won numerous awards across the country.
- An internal integrated model lessens the reliance on third parties for crucial resources.
- Already has a presence in nine states and one UT, and plans to expand into new geographical areas.

Risks

- Centred mainly in Rajasthan.
- A large business is focused on WSP which creates business concentration risk.
- Negative operating cash flow to debt ratio.
- A high level of unsecured loans.
- Negative cash flow in the past which can repeat.
- Higher working capital requirements.
- Its revenue is tied and concentrated on projects with government entities, which are usually favourable to clients, i.e. government entities and agencies. This can impact the profitability of the business.

Valuation and Outlook

The issue's price range, in terms of valuation, is INR 94-99 per share. A P/E ratio of 9.51x is based on a price range above INR 99 and FY22 EPS of INR 10.41.

The Vishnu Prakash R Punglia Limited According to DRHP peers company is listed whose PE Multiple is shown in this table.

S.No.	Company	PE Ratio
1.	PNC Infratech LTD	12.59
2.	H.G. Infra Engineering Ltd	13.57
3.	NCC LTD	13.61
4.	RVNL	13.21
5.	ITD Cementation India LTD	26.62

As a result of government initiatives and a sizable order book of RS. 3,799.53 Cr as of July 15, 2023, we think VPRPL is well-positioned within the Indian infrastructure sector. The company has a track record of successfully completing Water Supply Projects (WSPs) and has over 36 years of experience. It has seen notable expansion across all market categories. The majority of the company's projects are obtained through competitive bidding from federal, state, and local authorities. With the exception of a few joint venture initiatives, the company has so far worked on projects independently. By utilizing its expertise, management team, and technical and financial skills, the organization has demonstrated sustained growth. the issue is valued at a P/E of 9.51x based on FY2023 earnings which we feel is fairly valued.

We, therefore, recommend a “**Subscribe**” rating for the issue.