



IPO Details	
<b>Opening Date</b>	September 29, 2023
<b>Closing Date</b>	October 04, 2023
<b>Stock Exchange</b>	NSE SME
<b>Lot Size</b>	2000 Shares
<b>Issue Price</b>	₹68 per share
<b>Issue Size</b>	Aggregating up to 49.98 Cr.
<b>Fresh Issue</b>	Aggregating up to 49.98 Cr.
<b>Application Amount (@ upper band for retail Investors)</b>	₹ 1,36,000

IPO Objective	
1.	Funding working capital requirements of the Company.
2.	Repayment / Prepayment, in part or full, of certain outstanding borrowings availed by the Company.
3.	General corporate purposes.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	1,53,16,877	88.74%
Public	19,42,794	11.26%

Promoter of the Company	
1.	Bhavani Jayaprakash

Competitive Strengths	
1.	Experienced Promoter & Professional Management Team.
2.	Focused on Infrastructure Projects.
3.	Industry experience with strong execution capabilities.
4.	Strong Financial Performance.

Company Background	
○	Vishnusurya Projects and Infra Limited was incorporated in the year 1996 and has its registered office in Chennai, Tamil-Nadu.
○	The company is engaged in mining of rough stones and manufacturing of aggregates & Manufacture-sand by using Crushing Plants and Sand washing plants.
○	In addition to mining activities, the Company is engaged in EPC Projects (construction and infrastructure) delivered across all key sectors such as water, transportation, rail, resource, and institutional development.
○	Company has executed and delivered multiple real estate projects in the past, such as construction of villas, multi storied apartments, specific contracts like compound wall, renovation works, site formation, etc.
○	Company is also engaged in buying, selling and providing integrated solutions for Drones as a Service for surveillance, mapping and surveying purposes.
○	As on August 31 <sup>st</sup> , 2023, the company had 285 employees on its payroll.

Market Capitalization (In Cr.)		
	Pre-Issue	Post-Issue
	₹117	₹167

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	
<b>Total Assets</b>	9,594.71	11,849.38	12,105.28	
<b>Net Assets</b>	3,573.72	4,155.88	5,952.39	
<b>Total Borrowings</b>	1,472.32	3,489.49	3,625.24	
<b>Total Revenue</b>	6,339.33	9,603.62	13,326.05	
<b>Profit After Tax</b>	229.19	2,158.97	1,736.62	

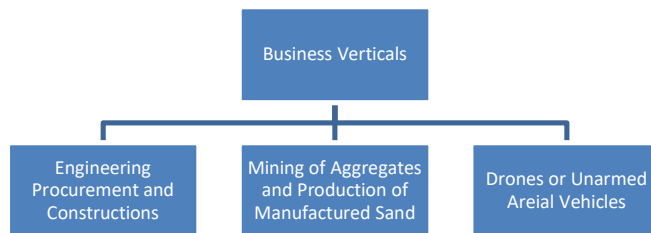
Tentative Timeline	
<b>Opening Date</b>	September 29, 2023
<b>Closing Date</b>	October 04, 2023
<b>Basis of Allotment</b>	October 09, 2023
<b>Initiation of Refunds</b>	October 10, 2023
<b>Credit of Shares to Demat</b>	October 11, 2023
<b>Listing Date</b>	October 12, 2023



## Company Background and Analysis

Incorporated in 1996, Vishnusurya Projects and Infra Limited has good track record of existence in the industry. Company is engaged in mining of rough stones and manufacturing of aggregates & Manufacture-sand by using Crushing Plants and Sand washing plants. In addition to mining activities, company is engaged in EPC Projects (construction and infrastructure) delivered across all key sectors such as water, transportation, rail, resource, and institutional development. Company executed and delivered multiple real estate projects in past such as construction of villas, multi storied apartments, specific contracts like compound wall, renovation works, site formation, etc. and design and construction of various infrastructure projects for the government, autonomous and private bodies in state of Tamil Nadu. Company is also engaged in buying, selling and providing integrated solutions for Drones as a Service for surveillance, mapping and surveying purposes.

Company's business operations are broadly divided into the following categories:



The following table sets forth certain information on the Revenue from Operations contributed by Company's business segments, for the periods indicated:

(Rs. In Lacs)

Particulars	Mar-23		Mar-22		Mar-21	
	Amt	(%)	Amt	(%)	Amt	(%)
Sale of Products - Construction Aggregates	7,484.75	56.54	4,244.16	55.51	3,402.67	53.82
Sale of Services - Construction and EPC	3,599.54	27.19	1,534.17	20.07	2,821.31	44.63
Sale of Flats	-	0.00	380.33	4.97	97.85	1.55
Other Operating Revenues	2,152.82	16.26	1,487.28	19.45	-	0.00
<b>Total</b>	<b>13,237.11</b>	<b>100.00</b>	<b>7,645.94</b>	<b>100.00</b>	<b>6,321.83</b>	<b>100.00</b>

Company has executed 17 projects in the recent years, out of which 10 (Ten) are civil construction projects, 1 (One) is of road construction and 6 (Six) are infrastructure related projects with an aggregate value of Rs. 13,619.06 Lacs.

Some of the major projects carried on by the company were as follows:

- Construction of Compound Wall between Thiruvallikeni and Thirumailai Railway Stations;
- Construction of Staff Quarters / T-Type Quarters at Egmore, Chennai for Southern Railways;
- Construction of Office Building of Institute of Dairy Research Centre, Almatti, at Koduvalli, Tiruvallur District for the Public Works Department (PWD);
- Construction of Retaining Wall for Bridge at Perambur for Corporation of Chennai;

Company, from time to time, enters into certain joint venture agreements for the purposes of bidding and execution of projects. These are business joint ventures and not incorporated companies. While company



executes a majority of its projects on its own, company forms project-specific joint ventures and consortiums with other infrastructure and construction companies.

As on August 31, 2023, Company along with its JV's has been awarded total 5 projects aggregating to ₹23,550 Lacs of which ₹7,397 Lacs worth works have been executed and the remaining ₹16,153 lacs are part of its order book.

To conclude, Company has executed a diverse range of construction and infrastructure projects in sectors such as roads and highway construction, railways, waterways, sewerage operation, building construction, etc. and successfully completed key projects across diverse market segments and have diversified exposures across property, civil, infrastructure, mining, and aggregates sectors.

## **Business Strategies**

### **1. Maintain focus on infrastructure projects.**

Company intends to capitalize on experience and continue to selectively pursue larger construction roads and infrastructure projects, both independently and in partnership with other players. Company intends to continue focusing on efficient project execution by adopting industry best practices and advanced technologies to deliver quality projects to the satisfaction of clients.

### **2. Expansion of geographical footprint.**

Company gradually intends to expand its business operations to other regions of Tamil Nadu. Company plans to diversify and expand its presence in other Indian states for the growth of business.

### **3. Enter into joint venture arrangements with other infrastructure companies to bid and execute large value projects.**

Company intends to bid and execute larger projects of various authorities by entering into partnerships with various other players in the roads, bridges and water supply projects segment of the infrastructure industry in the near future.

### **4. Leverage core competencies with enhanced in-house integration.**

Over the years, company seeks to focus on enhancing its in-house competencies by expanding into various functional aspects of projects thereby eliminating dependency on third parties.

### **5. Diversification of business activities.**

Company has been actively involved in diversifying business activities. Company has entered into mining activities by way of acquiring lands wherein potential minerals and stones are rich in storage and which can be converted into Manufactured Sand or can be sold as Aggregates.

### **6. Strategic location of Mines and crusher Plant.**

The Company owns mines and crusher plants at two strategic locations in Tamil Nadu viz Arupukottai which caters to Madurai, Thirunelveli, Thuthukudi, Ramanathapuram and neighboring districts and in Vandavasi which caters to Chennai and Suburbs. As Mines and crusher Plant are strategically located, they are able to maintain a competitive price.



## Competitive Scenario and Peer Mapping

### Competition

The infrastructure sector, including for BOQ and EPC contracts, is competitive and highly fragmented. Company competes against various domestic engineering, construction and infrastructure companies for infrastructure projects. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. There is barrier to entry in the industry as it is a capital-intensive business, whereas, the bargain power of the customers is relatively high.

### Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below –

Particulars	Vishnusurya Projects and Infra Limited	Rachana Infrastructure Limited	Sonu Infratech Limited	A B Infrabuild Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	4%	5%	3%	-4%
EBITDA Margin	13%	7%	14%	6%
Return on Capital Employed	13%	9%	16%	13%
Return on Equity	6%	12%	15%	-8%
EPS (INR)	12.62	8.94	2.54	-1.76

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below –

Particulars	Vishnusurya Projects and Infra Limited	Rachana Infrastructure Limited	Sonu Infratech Limited	A B Infrabuild Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	28%	3%	3%	1%
EBITDA Margin	21%	18%	15%	8%
Return on Capital Employed	18%	14%	12%	13%
Return on Equity	52%	6%	16%	3%
EPS (INR)	24.95	1.40	3.21	0.68

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below –

Particulars	Vishnusurya Projects and Infra Limited	Rachana Infrastructure Limited	Sonu Infratech Limited	A B Infrabuild Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	13%	4%	4%	6%
EBITDA Margin	24%	16%	17%	10%
Return on Capital Employed	30%	9%	18%	27%
Return on Equity	29%	3%	12%	21%
EPS (INR)	25.30	1.22	3.65	5.95



**Industry Overview**

Exhibit 1: Growth in infrastructure related activities.

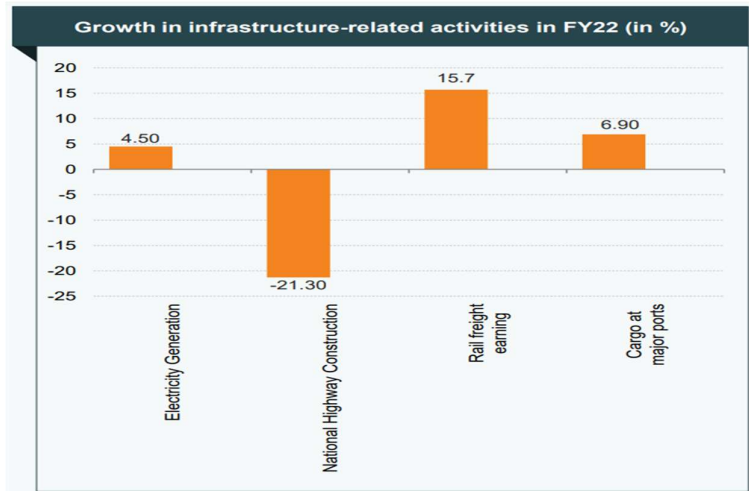
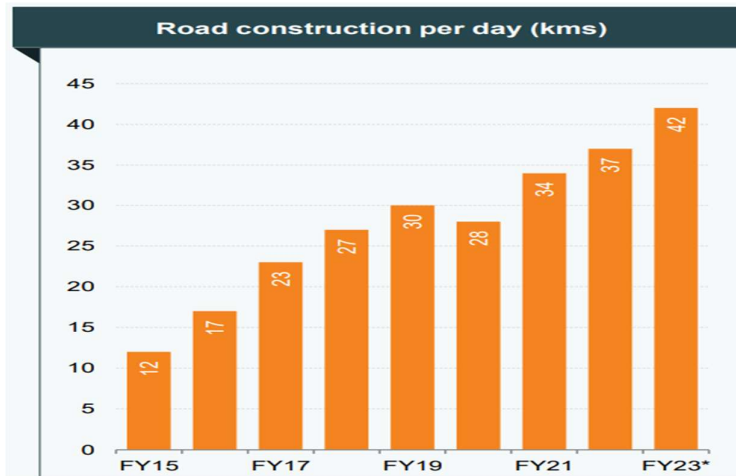
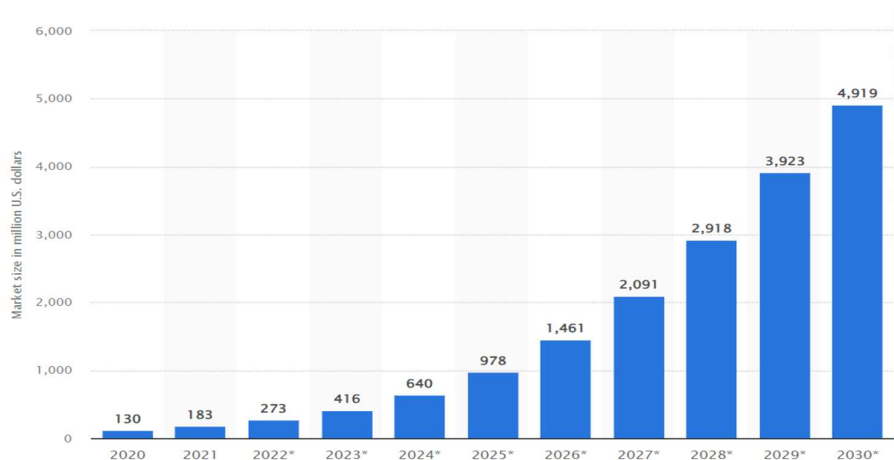


Exhibit 2: Road construction per day (kms).



(Source: ibef.org)

Exhibit 2: Size of drone service market in India for 2020 and 2021, with a forecast until 2030. (in million U.S. dollars)



(Source: statista.com)



## **India Infrastructure Industry**

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress. Infrastructure is a key enabler in helping India become a US\$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical. The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US\$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

In order to meet India's, aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline ("NIP") combined with other initiatives such as 'Make in India' and the production-linked incentives ("PLI") scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

## **India's drone industry: A flight to transformation**

Unmanned Aerial Vehicles (UAVs), commonly referred as drones, are being used by several countries to tackle issues like disease control, vacuuming up ocean waste and even delivering pizza. The remote access and safety provided by drones is driving a steady growth in its usage across various sectors.

Even India, which is gradually developing its technological advancements in fields of EVs, digitization, artificial intelligence etc, is gradually discovering the usage of drones in various sectors. Initially used in defence, photography and recording videos, drones are now being engaged in food delivery, surveillance, geographical mapping, disaster management, search and rescue, and the list goes on.

Currently, India accounts for 22.5% of total global drone imports. Although most drones are employed for military activities, commercial drones are also getting popular. With a total value of over US\$ 900 million, the commercial end-use drone sector is predicted to exceed the military industry. By 2025, India is forecasted to be the world's third-largest drone market. The Government of India is planning to make India a Global Drone Hub by 2030, and expects total turnover of the drone manufacturing industry to increase from ₹ 60-80 crore to ₹ 900 crore by FY 2024.

(Source: prospectus)



### Key Managerial Personnel

**Bhavani Jayaprakash**, aged 50 years, is a Non – Executive Director cum Chairperson of the Company. She holds a Bachelor of Science (B.Sc.) Degree in Botany from University of Madras in the year 1985, a Master of Science (M.Sc) Degree in Botany from University of Madras in the year 1987, a Master of Philosophy (M.Phil) Degree in Botany from University of Madras in the year 1989 and a Bachelor of General Laws (General LL.B) Degree from the University of Madras in the year 1990. She began her entrepreneurial journey in the year 1992 when she co-founded a real estate company, Agni Estates and Foundations Private Limited. As a co-founder she headed the department of strategy and land acquisition.

**A. C. Thangam**, aged 49 years, is an Executive Director and heads the Mining Division of the Company. He has completed his high school education from Government High School, Valavallan. He is a dynamic, energetic and enterprising professional, who has proved himself climbing ladders of leadership right from a plant operation executive to independently handling the whole mining division of the Company. He possesses 19 years of expertise in mining, mining related machineries and operation and maintenance of rough stone crusher.

**Sanal Kumar V**, aged 36 years, is an Executive Director and CEO of the Company. He holds the professional degree of Chartered Accountant from the Institute of Chartered Accountants of India. His primary responsibility focuses on aligning operations, across functions and integrating it with the company's legacy of excellence.

**Ritesh Nair**, aged 50 years, is an Independent Director of the Company. He holds a Degree in Bachelor of Commerce from the University of Madras, Bachelor of Law from Shri Venkateswara University, Training and Examination on Six Sigma belt conducted by MSME Development Institution, Chennai and Masters of Business Administration from Sikkim Manipal University. He has a career spanning more than 26 years in the banking and financial services industry.

**Maya Swaminathan Sinha**, aged 64 years, is a Women Independent Director of the Company. She holds a degree in B A (Honors) Economics and Mathematics from Lady Shri Ram College, Delhi University and holds a Master's Degree from the Delhi School of Economics, Delhi University, with a specialization in Economics, Monetary Finance and Public Economics. After a career spanning over 28 years as a bureaucrat, she took Voluntary Retirement and commenced her journey as an entrepreneur in 2010.

**Ramana Kumar B**, aged 54 years, is as an Independent Director of the Company. He holds a Bachelor of Commerce Degree from University of Madras, Master of Commerce degree from university of Madras, Bachelor of Law degree from university of Bangalore and CA Degree issued by the Institute of Chartered Accountants of India.

**S Neelakantan**, aged 56 years, is a Non-Executive Director of the Company. S. Neelakantan is a graduate in Commerce from the Madras University and a Fellow Member of the Institute of Chartered accountants of India (ICAI), who commenced professional practice in the year 1990, as a sole proprietor firm.

To conclude, the promoter of the company has a good experience in the industry that company operates in, the remaining directors have good knowledge and experience in the different industry and in the fields which will help in the growth of the business.



## Financial Snapshot

<b>Profit and Loss Statement</b>			<b>(In Lacs.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Revenue from Operations	6,321.84	7,645.94	13,237.11
Other Income	17.49	1,957.68	88.94
<b>Total Income</b>	<b>6,339.33</b>	<b>9,603.62</b>	<b>13,326.05</b>
<b>Expenses</b>			
Direct Cost	4,171.51	3,827.08	6,527.86
Purchases of stock-in-trade	409.89	-	154.58
Changes in inventories	-327.92	327.92	-433.80
Employee benefits expense	610.50	895.65	913.61
Finance costs	333.27	240.45	414.42
Depreciation and Amortization expense	181.72	354.08	673.02
Other expenses	639.32	999.63	2,844.93
<b>Total Expenses</b>	<b>6,018.29</b>	<b>6,644.81</b>	<b>11,094.62</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>818.54</b>	<b>1,595.66</b>	<b>3,229.93</b>
<b>EBITDA Margin</b>	<b>13%</b>	<b>21%</b>	<b>24%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>321.04</b>	<b>2,958.81</b>	<b>2,231.43</b>
Less: Exceptional Items	-	-	-
<b>Profit/(Loss) before tax</b>	<b>321.04</b>	<b>2,958.81</b>	<b>2,231.43</b>
<b>Tax Expense</b>			
Current Year	95.00	791.00	635.00
Earlier Year	-	-	-120.40
Deferred tax	-3.15	8.84	-19.79
Total Tax Expense	91.85	799.84	494.81
<b>Profit/(Loss) for the year</b>	<b>229.19</b>	<b>2,158.97</b>	<b>1,736.62</b>
<b>Net Profit Margin</b>	<b>4%</b>	<b>22%</b>	<b>13%</b>

<b>Balance Sheet</b>			<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	495.40	495.40	908.40
(b) Reserves and surplus	3,078.32	3,660.48	5,043.99
<b>Total Equity</b>	<b>3,573.72</b>	<b>4,155.88</b>	<b>5,952.39</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	1,151.70	2,630.91	2,442.65
(b) Other Non-current Liabilities	184.50	76.57	54.50
(c) Long-term provisions	-	12.44	26.26
<b>Total Non-current liabilities</b>	<b>1,336.20</b>	<b>2,719.92</b>	<b>2,523.41</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	320.62	858.58	1,182.59
(b) Trade payables			
(i) Due to MSME	158.70	18.43	1,113.48
(ii) Due to Others	317.14	547.56	260.49
(c) Other current liabilities	3,696.20	2,718.21	738.52
(d) Short-term provisions	192.13	830.80	334.40
<b>Total Current liabilities</b>	<b>4,684.79</b>	<b>4,973.58</b>	<b>3,629.48</b>
<b>Total Liabilities</b>	<b>6,020.99</b>	<b>7,693.50</b>	<b>6,152.89</b>
<b>Total Equity and Liabilities</b>	<b>9,594.71</b>	<b>11,849.38</b>	<b>12,105.28</b>





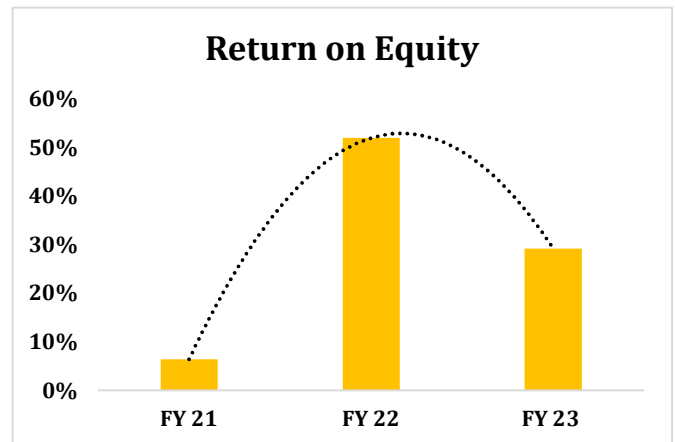
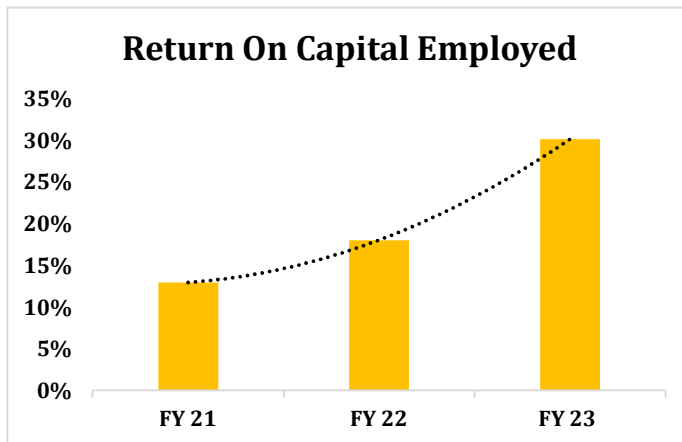
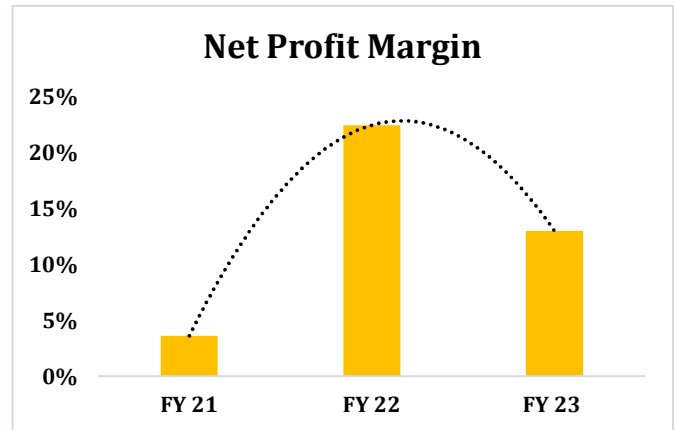
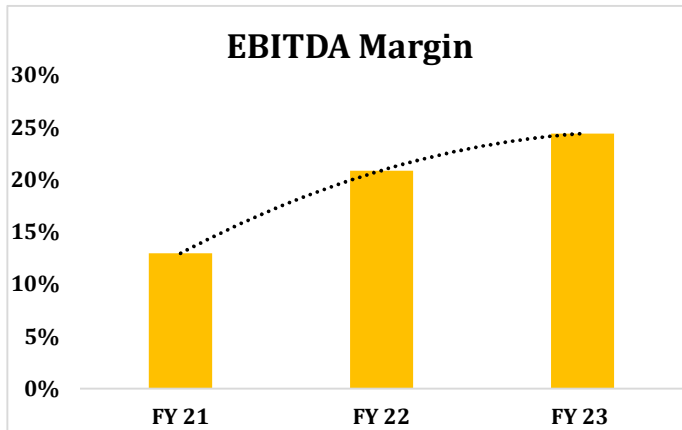
<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment				
(i) Tangible Assets	2,142.51	4,185.39		4,692.29
(ii) Capital Work-In-Progress	-	150.41		61.01
(b) Non-current investments	2,324.75	744.94		481.72
(c) Deferred tax assets (net)	31.01	22.17		41.96
(d) Long-term loans and advances	364.59	271.03		172.66
(e) Other Non-Current Assets	-	266.09		47.38
<b>Total Non-Current assets</b>	<b>4,862.86</b>	<b>5,640.03</b>		<b>5,497.02</b>
<b>2. Current assets</b>				
(a) Inventories	327.92	-		433.80
(a) Trade receivables	554.55	876.54		1,740.87
(b) Cash and cash equivalents	191.16	235.62		287.18
(d) Short-term loans and advances	3,614.23	5,058.68		3,731.44
(e) Other Current Assets	44.00	38.54		414.98
<b>Total Current assets</b>	<b>4,731.86</b>	<b>6,209.38</b>		<b>6,608.27</b>
<b>Total Assets</b>	<b>9,594.72</b>	<b>11,849.41</b>		<b>12,105.29</b>

<b>Cash Flow Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	
Net Cash Flow from Operating Activities	2,169.57	-1,089.99	1,072.31	
Net Cash Flow from Investing Activities	-290.72	-671.64	-1,133.01	
Net Cash Flow from Financing Activities	-1,773.03	1,776.72	-75.59	

<b>Ratio Sheet</b>			
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Per Share Data</b>			
Diluted EPS	12.62	24.95	25.3
BV per share	14.52	16.89	24.19
<b>Operating Ratios</b>			
EBITDA Margins	13%	21%	24%
PAT Margins	4%	22%	13%
Inventory days	18.93	-	11.96
Debtor days	32.02	41.84	48.00
Creditor days	27.47	27.02	37.89
<b>Return Ratios</b>			
RoCE	13%	18%	30%
RoE	6%	52%	29%
<b>Valuation Ratios (x)</b>			
EV/EBITDA	5.93	4.64	2.88
Market Cap / Sales	2.65	2.19	1.26
P/E	5.39	2.73	2.69
Price to Book Value	4.68	4.03	2.81
<b>Solvency Ratios</b>			
Debt / Equity	0.41	0.84	0.61
Current Ratio	1.01	1.25	1.82
Quick Ratio	0.94	1.25	1.70
Asset Turnover	0.66	0.65	1.09
Interest Coverage Ratio	1.91	5.16	6.17



## Financial Charts



## Key Risk Factors

1. There are 31 outstanding legal proceedings involving the Company amounting to Rs. 789.86 Lacs. Any adverse decision in such proceeding may have a material adverse effect on the business, results of operations and financial condition.
2. Company has had negative cash flow from operating activity in fiscal year 2022.
3. Company has contingent liabilities and commitments amounting to Rs. 4,312.69 Lacs, which if materialised, could affect company's financial position.



### **Track Record of Lead Manager**

The lead manager to the issue is Khandwala Securities Limited.

As per offer document the lead manager to this issue does not have any past record of listing. This will be Khandwala Securities Limited first mandate.



## **Recommendation**

The company has experienced decent growth with respect to the various financial indicators as well as decent improvement in the balance sheet position in the last three Fiscals, i.e., company has seen an increase in its net worth. Whereas, the decrease in net profit and its margin in fiscal 2023 when compared with fiscal 2022 is due to sudden increase in other income i.e., sale of land (extraordinary event).

The management outlook of the company is good, along with proper bifurcation of the roles and responsibilities of its top management.

The P/E on an annualised and Post IPO basis is around 2.88 times which seems to be fairly priced looking at the performance and size of the company.

The Company experienced considerable growth over the past three years and has expanded its operations and service portfolio. Also, the company has an order book of Rs. 16,153 Lacs, which will help company sustain its growth. Looking at the growth prospect and at given P/E one can **APPLY** for the IPO.



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