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Issue Offer

Fresh Issue of 6,582,000 equity shares aggregating up to INR 612.1 mn

Issue Summary

Price Band (INR)	91-93
Face Value (INR)	10
Implied Market Cap (INR mn.)	2322.2
Market Lot	1200
Issue Opens on	July 23 ,2024
Issue Close on	July 25 , 2024
No. of share pre-issue	18,387,700
No. of share post issue	24,969,700
Listing	BSE – SME

Issue Break-up (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

Registrar

Maashitla Securities Private Limited

Book Running Lead Managers

Share India Capital Pvt Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	92.37%	68.02%
Public & Others	7.63%	31.98%

Objects of the issue

- Capital Expenditure
- To meet Working Capital Requirements
- General Corporate Purpose.
- Issue related expenses

VVIP Infratech Limited is one of the infrastructure company in India. They are Civil and Electrical contractor with over two decades of expertise, the company specializes in the execution and construction of various infrastructure facilities including Sewer Treatment Plants water tanks, sector development works, electrical distribution, and sub-stations up to 33 kVA, Jal Jeewan Mission work etc. Company has a team of seasoned engineers and technicians dedicated to delivering top-notch services. With the experienced team they have constructed two 56 MLD STPs using Sequential Batch Reactor technology in the year 2013. The company focuses on quality work, on-time delivery, and competitive pricing. It is well-positioned to play key role in the development of India's infrastructure sector, particularly in the area of STPs

Investment Rationale

Strategic Emphasis on Water Management Projects : The company maintains a significant and strategic focus on Water Management Projects, which encompass a range of initiatives aimed at ensuring sustainable water usage, conservation, and infrastructure development. This includes implementing advanced technologies and innovative solutions for water purification, distribution, and waste management. By prioritizing water management, the company addresses critical issues such as water scarcity, quality, and accessibility, positioning itself as a leader in providing comprehensive solutions that support environmental sustainability and meet the growing demands of communities and industries. This core focus not only enhances the company's portfolio but also contributes to long-term ecological balance and economic growth.

Market Expansion Initiatives : The company has ambitious future expansion plans, which include extending its operations to the states of Odisha and Uttar Pradesh. This strategic move aims to tap into the growing markets in these regions, leveraging the company's expertise and robust portfolio to establish a strong presence. In Odisha, the focus will be on enhancing the local infrastructure and meeting the increasing demand for sustainable solutions. Similarly, in Uttar Pradesh, the expansion will involve collaboration with local stakeholders to implement advanced technologies and innovative practices. These initiatives are designed to drive regional development, create new business opportunities, and reinforce the company's commitment to growth and sustainability.

Government Endorsements and Licensing Credentials : Company is recognized for its exceptional standards and capabilities in the construction industry. The company holds an esteemed "AA" Class Government Approved Contractor status in Gujarat, signifying its adherence to the highest levels of quality and regulatory compliance. This prestigious designation reflects company proficiency in managing and executing large-scale projects with precision and excellence. Additionally, company is authorized under the Civil/Electrical Contractor License from the Karnataka State Public Works Department, further underscoring its versatility and competence in handling diverse engineering and construction tasks across different regions. This dual certification not only highlights company extensive expertise but also its commitment to maintaining rigorous industry standards and delivering superior results in all its undertakings.

Impressive Project Portfolio and Growth Trajectory : Company boasts a robust track record, underscored by a series of successful project completions and ongoing ventures. To date, the company has completed 30 significant projects, collectively valued at INR 10,486.43 Lakhs. These projects span various domains, showcasing VL Infra's versatility and expertise in delivering high-quality outcomes across diverse sectors. Currently, VL Infra is managing 14 ongoing projects, further reinforcing its dynamic and active presence in the industry. These ongoing initiatives contribute to a substantial order book, amounting to INR 32,755.44 Lakhs, reflecting the company's strong market position and its ability to secure and execute large-scale contracts.

Valuation and View : VL Infra is a distinguished construction company recognized for its exceptional standards and diverse project portfolio. It holds prestigious government approvals and licenses, reflecting its proficiency and compliance with high-quality standards. The company emphasizes water management projects, integrating advanced technologies for sustainable water usage and infrastructure development. With a robust track record, VL Infra has completed 30 projects and is currently managing 14 ongoing projects, contributing to a significant order book. Looking ahead, the company plans to expand into Odisha and Uttar Pradesh, aiming to enhance local infrastructure and drive regional development through strategic initiatives and innovative practices. At the upper band of INR 93 , the issue is valued at a P\E of 11.21x based on FY24 EPS of INR 8.3. We are recommending "Subscribe" for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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