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INITIAL PUBLIC OFFER OF EQUITY SHARES ON THE MAIN BOARD OF THE STOCK EXCHANGES IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").



(Please scan the QR to view the RHP)

VISHNU PRAKASH R PUNGLIA LIMITED

Our Company was originally formed as a partnership firm under the Partnership Act, 1932 in the name of M/s Vishnu Prakash Pungalia, pursuant to a deed of partnership dated August 14, 1986. Further, vide deed of partnership dated April 02, 1999, the name of the partnership firm was changed to M/s. Vishnu Prakash R. Pungalia, with introduction of new partners. Further, vide deed of partnership dated June 01, 2001, the name of the partnership firm was changed from Vishnu Prakash R. Pungalia to M/s. Shree Ji Construction Co. Further, vide deed of partnership dated March 01, 2002, the name of the partnership firm was changed from M/s. Shree Ji Construction Co., to M/s. Vishnu Prakash R Pungalia. The constitution of the firm was changed on May 10, 2003 with the admission of new partner. The constitution of the firm was further changed with the admission of new partners with effect from October 10, 2003. The constitution of the firm was further changed on November 02, 2003 due to the demise of a partner. The constitution of the firm was further changed with the admission of new partners and retirement of certain existing partners with effect from June 01, 2004 and the final certificate of registration was issued by the Office of the Registrar of Firms, Jodhpur, Rajasthan on June 04, 2004. The said partnership was thereafter converted to a public limited company with the name 'Vishnu Prakash R Punglia Limited', pursuant to a deed for joint stock company dated April 01, 2013 ("Deed") and following the procedure specified under Part IX of the Companies Act, 1956. A certificate of incorporation reflecting the legal status of our Company was granted by the Registrar of Companies ("RoC"), Maharashtra, Mumbai dated May 13, 2013. Pursuant to the said Deed, Vishnu Prakash Punglia, Ram Jeevan Punglia, Manohar Lal Punglia, Vijay Punglia, Kamal Kishor Pungalia, Anil Punglia, Pushpa Devi Pungalia, Pushpa Pungalia, Sanjay Kumar Punglia and Ajay Pungalia, partners of M/s. Vishnu Prakash R Pungalia, agreed to subscribe to the share capital of our Company in proportion to the capital contributed by them in the partnership firm. For details of change in name and registered office of our Company please see "History and Certain Corporate Matters" on page 264 of the Red Herring Prospectus dated August 17, 2023 ("RHP" or "Red Herring Prospectus").

Registered Office: Unit No. 3, 5th Floor, B-wing, Trade Star Premises Co-operative Society Limited, Village Kondvita, Mathuradas Vasanji Road, Near Chakala Metro Station, Andheri (East), Mumbai – 400059, Maharashtra, India; **Tel:** +91 22 40164020
Corporate Office: B-31/32, Second Floor, Industrial Estate, New Power House Road, Jodhpur- 342003, Rajasthan, India; **Tel:** +91 291 243 4396; **Contact Person:** Neha Matnani, Company Secretary and Compliance Officer; **Tel:** +91 8058053700; **Email:** compliance@vprp.co.in
Website: <https://www.vprp.co.in>; **Corporate Identity Number:** U45203MH2013PLC243252

OUR PROMOTERS: VISHNU PRAKASH PUNGLIA, MANOHAR LAL PUNGLIA, SANJAY KUMAR PUNGLIA, KAMAL KISHOR PUNGALIA AND AJAY PUNGALIA

INITIAL PUBLIC OFFERING OF UPTO 31,200,000* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VISHNU PRAKASH R PUNGLIA LIMITED ("OUR COMPANY" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [•] MILLION ("THE ISSUE").
THIS ISSUE INCLUDES A RESERVATION OF UP TO 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION (CONSTITUTING UP TO [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [•]% OF THE ISSUE PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•]% AND [•]%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

We are 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. Our 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.

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Net Issue • Non-Institutional Portion: Not less than 15% of the Net Issue

Retail Portion: Not less than 35% of the Net Issue • Employee Reservation Portion up to 300,000 Equity Shares aggregating up to ₹ 2.7 million

PRICE BAND: ₹ 94 TO ₹ 99 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 9.4 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 9.9 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE TO EARNING RATIO AT THE FLOOR PRICE IS 9.03 TIMES AND AT THE CAP PRICE IS 9.51 TIMES BASED ON DILUTED EPS

AS PER RESTATED FINANCIAL INFORMATION FOR THE FISCAL ENDED 2023

BIDS CAN BE MADE FOR A MINIMUM OF 150 EQUITY SHARES AND IN MULTIPLES OF 150 EQUITY SHARES THEREAFTER

A DISCOUNT OF ₹ 9 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated August 18, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Issue Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Issue Price' section on page 154-166 of the RHP.

RISKS TO INVESTORS:

- 1) Our revenue is concentrated from projects undertaken with Government entities. For FY 2023, 2022 and 2021, our revenue from Government entities constitute 99.01%, 99.38% and 99.74% of the total revenue from operations. If there is any change in Government policies or focus and/or if we are unable to recover payments in a timely manner, it would adversely affect our business and result of operations.
- 2) Our free operating cash flow to debt ratio as on March 31, 2023 and March 31, 2022 is negative. Further increase in debt without sustained free cash flows may adversely impact our financial condition and growth of our Company.
- 3) Our business is concentrated in the state of Rajasthan. As of July 15, 2023, our ongoing projects in Rajasthan state constitute ₹ 23,381.83 million (61.54%) of our pending Order Book and our Revenue from Rajasthan State in FY 2023 constitute ₹ 7,812.43 Million (66.86%). Any adverse impact in this region may adversely affect our business, results of operations and financial condition.
- 4) A significant portion of the projects executed by us are in the Water Supply Projects ("WSPs") segment. For FY 2023, 2022 and 2021, our revenue from WSPs constitute 85.39%, 85.80% and 79.04% of the total revenue from operations.
- 5) Our business is working capital intensive. Growth in Revenue requires substantial increase in our working capital requirements. Our Revenue has grown by 48.73% from ₹ 7,856.13 million in FY 2022 to ₹ 11,684.04 million in FY 2023. Accordingly, our working capital has also increased by 65.41% from ₹ 2518.42 million in FY 2022 to ₹ 4165.81 million in FY 2023.
- 6) We are dependent on our sub-contractors to perform various portions of the contracts awarded to us. The total sub-contracting charges constitute 47.24% of the Revenue from Operations for Financial year ended March 31, 2023. Such dependency exposes us to certain risks such as availability and performance of our sub-contractors.
- 7) The Price/Earnings ratio based on diluted EPS for Fiscal 2023 for our Company at upper end of the price band is 9.51 times and Price/Earnings ratio of the average industry peer group is 17.22 times.
- 8) Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operation, and prospects.
- 9) Weighted average cost of acquisition of all shares transacted in the (i) last three (3) years, (ii) last one (1) year and (iii) last eighteen (18) months preceding the date of this Red Herring Prospectus

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: lowest price – highest price (in ₹)
Last one (1) year preceding the date of the RHP	71.67*	1.38	Nil - ₹ 215
Last eighteen (18) months preceding the date of the RHP	71.67*	1.38	Nil - ₹ 215
Last three (3) years preceding the date of the RHP	71.67*	1.38	Nil - ₹ 215

*Adjusted for bonus shares allotted.

10) Weighted average cost of acquisition, floor price and cap price

Type of Transactions	WACA (in ₹)	Floor Price (₹ 94)	Cap Price (₹ 99)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	71.67 [#]	1.31 times	1.38 times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction(excluding gifts)**, during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N/A [^]	N/A	N/A

[#] Adjusted for bonus shares allotted in the ratio of two Equity Shares for every one Equity Share held pursuant to board resolution dated February 14, 2023. [^] There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last eighteen (18) months prior to the date of the Red Herring Prospectus. ^{**} There were transactions in Equity Shares on account of transmission of shares between members of promoter and promoter group, which have not been considered as these transactions were for nil consideration.

11) The two BRLMs associated with the Issue have handled 5 public issues in the past three Fiscal years, out of which none of the Issues closed below the Issue Price on the listing date.

Name of the BRLM	Total Issues	Issues closed below IPO price on listing date
Choice Capital Advisors Private Limited*	Nil	Not Applicable
Pantomath Capital Advisors Private Limited*	5	Nil
Common Issues of above BRLMs	Nil	Not Applicable
Total	5	Nil

*Issues handled where there were no common BRLMs

