



Company Overview

Vishal Nirmiti Limited (VNL) is an infrastructure-focused company engaged primarily in the manufacturing of railway and industrial infrastructure products and the provision of engineering and sub-contracting services. Its products are used in railway construction, irrigation, hydro and pumped-storage projects, while its services involve on-site fabrication, construction and other job-work activities for large infrastructure companies. The company therefore derives revenue from both manufacturing and project-linked services, with manufacturing accounting for 75% and services for 25% of FY26 revenue. Within manufacturing, Pre-Stressed Concrete (PSC) railway sleepers are the core product, contributing 63% of total revenue in FY26. These are reinforced concrete blocks placed underneath railway tracks to support the rails, maintain track alignment and distribute the load of trains. The company generated 43% of revenue from sleepers supplied to government railway/ Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) contracts and another 21% from private-sector customers. Its second-largest manufactured product is Mild Steel (MS) Pipes, contributing 11% of revenue. These large steel pipes and liners are fabricated, coated against corrosion and erected for applications such as pumped-storage, lift-irrigation and hydro-power projects. Precast concrete products, including railway noise barriers and cable ducts used for protecting and routing railway infrastructure cables, contributed less than 1% of revenue. The services vertical contributed 25% of FY26 revenue, primarily through sub-contracting and job-work services, which accounted for 24%. VNL undertakes specific construction, fabrication, transportation or engineering activities on behalf of larger infrastructure companies rather than executing an entire project itself. The company also earns smaller amounts from wind-power generation, leasing of properties and scrap/other operating revenue, each contributing less than 1% of total revenue. Geographically, operations are spread across seven states, with Maharashtra and Madhya Pradesh being the two largest markets. Maharashtra contributed 36% of revenue, supported by PSC sleeper manufacturing in Mohol, MS pipe operations in Raigad and Phaltan, windmills in Sangli and Beed, and leasing activity in Solapur. Madhya Pradesh stood at 34%, primarily through PSC sleepers at Bankhedi and MS pipe/job-work activities at Gandhisagar and Kukshi. Gujarat contributed 18%, including PSC sleepers at Timba and precast products at Nadiad, while Himachal Pradesh contributed 11% through its PSC sleeper facility at Kandrori. Odisha contributed approximately 1%, while Punjab and Jharkhand together contributed less than 1%. This footprint gives the company exposure to multiple infrastructure projects and end markets, although revenue remains concentrated in Maharashtra, Madhya Pradesh and railway-related manufacturing.

Objects of the issue

The offer comprises a fresh issue of Rs. 145 crores and an offer for sale of Rs. 33 crores. The company proposes to utilise the net proceeds from the fresh issue towards:

- ⇒ Funding working capital requirements of the company;
- ⇒ Repayment and/ or pre-payment, in part or full, of term loans availed by our company; and
- ⇒ General corporate purposes

Investment Rationale

Established execution capabilities and strong customer relationships

Vishal Nirmiti Limited has built a specialised position in infrastructure manufacturing through around two decades of experience in PSC sleeper manufacturing, MS pipe fabrication and civil infrastructure job-work. The company has developed an integrated execution model covering manufacturing, fabrication and on-site installation across its key product categories. This allows it to maintain greater control over quality and execution timelines while reducing dependence on multiple external contractors. Its capabilities are particularly relevant in railway infrastructure, where it manufactures broad-gauge and standard-gauge PSC sleepers designed for heavy-load and high-speed railway networks. The company has executed orders for multiple divisions of Indian Railways and DFCCIL, providing evidence of its ability to participate in large institutional infrastructure contracts. The company has also developed long-standing relationships with both public and private infrastructure customers, including Indian Railways, Larsen & Toubro, Kalpataru Projects International, KEC International and ISC Projects. Importantly, these relationships have translated into a high level of repeat business, with 95% of FY26 revenue coming from repeat customers, broadly consistent with the previous two years. This repeat customer base provides continuity to the business and indicates that the company has established operating relationships within the infrastructure supply chain. Its combination of specialised manufacturing capabilities, experience in executing infrastructure-linked orders and established cus-

Issue Details

Offer Period	30th Sept 2026 - 05th Oct 2026
Price Band	Rs. 208 - Rs. 220
Bid Lot	68
Listing	BSE & NSE
Issue Size (no. of shares in crores)	0.8
Issue Size (Rs. in crores)	178
Face Value (Rs.)	10

Issue Structure

QIB	1%
NII	29%
Retail	70%

BRLM	Saffron Capital Advisors Pvt. Ltd.
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Registrar	MUFG Intme India Pvt..Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	73.42%	49.40%
Public	26.58%	50.60%
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

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customer relationships provides a platform for participating in large and recurring infrastructure requirements.

Strong order visibility and established customer franchise

Vishal Nirmiti Limited has a sizeable order pipeline that provides visibility for future execution. As of June 30, 2026, the company had an outstanding order book of Rs. 582 crores, spread across PSC sleepers, precast concrete products, MS pipe and liner infrastructure services and other manufacturing and pre-casting activities. Its ability to secure government contracts is also supported by a demonstrated track record in competitive tendering. In FY26, the company won 10 out of 14 bids submitted, reflecting a 71% bid-to-win ratio, compared with 61% in FY25. Alongside new order wins, the company has developed a strong customer franchise, with 95% of FY26 revenue coming from repeat customers. This combination of an established customer base and ongoing order wins provides a degree of continuity to its project pipeline and supports revenue visibility. The company also benefits from a diversified execution footprint, with manufacturing facilities and project sites spread across Maharashtra, Madhya Pradesh, Gujarat and Himachal Pradesh, alongside service activities in other states. This allows VNL to execute projects closer to customer locations and reduces the logistical burden associated with transporting bulky infrastructure products such as concrete sleepers and large-diameter steel pipes. Its presence across railway infrastructure, MS pipe and liner projects, precast concrete products and infrastructure services also allows the company to participate across different stages and applications of infrastructure development. The combination of geographical reach, multiple product capabilities and established execution infrastructure provides the company with flexibility to deploy its manufacturing capacity across projects as opportunities arise, while reducing dependence on a single manufacturing location or product application. .

Valuation

Vishal Nirmiti Limited is an infrastructure manufacturing and services company focused on PSC railway sleepers, MS pipes and liners, precast concrete products and infrastructure job-work. It operates across Maharashtra which contributed 36% of FY26 revenue, followed by Madhya Pradesh at 34%, Gujarat at 18% and Himachal Pradesh at 11%, while Odisha, Punjab and Jharkhand contributed less than 1% each. The product portfolio is led by PSC railway sleepers that accounted for 63% of FY26 revenue. MS pipes and liners at 11%, while precast products such as railway noise barriers and cable ducts contributed less than 1%. The services vertical contributed 25%, with wind-power generation, leasing and scrap sales contributing less than 1% each. The company plans to continue expanding its core PSC sleeper and MS pipe businesses, pursue additional railway and MS pipe orders and improve operating efficiency. The IPO is primarily intended to strengthen the balance sheet and support working capital rather than fund significant fixed-asset expansion. Financially, Revenue from Operations, EBITDA and PAT grew at 18%, 49% and 169% respectively, and EBITDA margin stood at 15% increasing from 10% over FY24-26. The improvement in profitability reflects operating leverage and the company's specialized manufacturing mix. The aggregate contract value for VNL stood at Rs. 1,139 crores with their outstanding order book value at Rs. 582 crores, providing visibility for future revenue execution. At the upper price band of Rs. 220 the issue is valued at 17.4x with FY26 diluted EPS of Rs. 12.6. compared with a peer average of 14x for. While VNL trades at a premium compared to its peers, GPT Infraprojects and Indian Hume Pipe, which trade at an average P/E of 14x, its EBITDA margin of 15% was higher than 14% for GPT Infraprojects and 11% for Indian Hume Pipe. **This stronger margin profile reflects its specialised manufacturing focus and relatively higher-margin product mix. Given the combination of stronger margins, specialised products and order visibility, we assign a "SUBSCRIBE" rating to the issue.**

Key Risks

- ⇒ PSC sleepers rely heavily on government and railway projects. Government-related revenue was 43% of FY26 revenue, down from 47% in FY25 and 58% in FY24. Changes in budgets, policies, tenders or project execution could affect business volumes.
- ⇒ Revenue is concentrated among a few customers. Indian Railways contributed 41% of FY26 revenue, while the top 5 customers accounted for 85% and the top 10 for 93%. Loss or delay in orders from major customers could materially affect financial performance.
- ⇒ The company depends on external suppliers for key inputs such as cement, steel wires, concrete and aggregates. The top 5 suppliers accounted for 47% of FY26 purchases and the top 10 for 66%, creating potential risks from supply disruptions or higher input costs.

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	243	319	339
Total revenue	243	319	339
Expenses			
Cost of material consumed	146	178	157
Purchase of stock-in-trade	0	1	0
Change in inventories of finished goods	-8	-29	3
Employee benefits expense	16	21	21
Other expenses	66	101	106
Total operating expenses	220	272	288
EBITDA	23	46	51
Depreciation & amortization expenses	9	7	8
EBIT	14	39	43
Other Income	5	6	5
Finance costs	14	14	15
PBT and exeptional items	5	31	34
Exeptional Items	0	0	0
PBT	5	31	34
Tax expenses	1	8	9
Comprehensive Profit	3	24	25
Diluted EPS	1.7	11.9	12.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	28	38	27
Cash flow from/(used in) investing activities	-25	-19	-11
Net cash flows (used in) / from financing activities	-10	-14	-22
Net increase/(decrease) in cash and cash equivalents	-7	5	-6
Cash and cash equivalents at the beginning of the period	-34	-41	-36
Cash and cash equivalents at the end of the period	-41	-36	-42

Note: Cash Position: Cash remains positive on the balance sheet despite negative net cash flow, primarily supported by the utilisation of cash credit facilities. The cash credit acts as a short-term funding source, allowing the company to maintain liquidity despite the cash outflow during the period.

Source: RHP, BP Equities Research

Balance Sheet (Rs. in crores)

Particulars (crores)	FY24	FY25	FY26
ASSETS			
Non-Current Assets			
Property, plant and equipment	50	63	79
Capital work-in-progress	0	4	6
Right of use assets	0	1	4
Investment property	6	19	19
Investments	0	0	0
Other financial assets	1	1	1
Non-current tax assets	2	2	2
Deferred tax assets (net)	1	0	0
Total Non-Current Assets	61	91	111
Current Assets			
Inventories	80	109	111
Trade receivables	37	47	63
Cash and cash equivalents	0	0	0
Other bank balances	9	8	8
Loans	31	18	7
Other financial assets	2	5	7
Current tax assets	0	0	0
Other current assets	19	17	26
Asset held for sale	2	1	1
Total Current Assets	181	206	224
Total Assets	242	297	335
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2	2	20
Other equity	37	60	67
Total Equity	39	62	87
Non-Current Liabilities			
Borrowings	44	44	38
Lease liabilities	0	1	3
Other non-current financial liabilities	1	1	1
Deferred tax liabilities (net)	0	0	1
Long term provisions	1	1	0
Total Non-Current Liabilities	46	47	44
Current Liabilities			
Borrowings	48	44	49
Lease liabilities	0	0	1
Trade Payables	59	75	82
Other current financial liabilities	3	3	4
Other current liabilities	45	59	64
Short term provisions	3	3	1
Current tax liabilities (net)	0	4	4
Total Current Liabilities	158	188	204
Total Equity and Liabilities	242	297	335

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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