

Annu Projects IPO

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- The company is providing EPC services for telecom, Sewerage, electrical, Railway and other infra segment.
- The company posted growth in its top and bottom lines for the reported periods.
- As of June 30, 2026, its order book stood at Rs. 1959.35 Cr.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Annu Projects Ltd. (APL) is engaged in the design, development, implementation, operations and maintenance of essential overhead and underground utilities infrastructure across telecom infrastructure, sewerage infrastructure vertical, gas pipeline vertical and railway signalling vertical. We are one of the diversified companies in the EPC sector, involved in fields ranging from fiber optics to sewerage projects and also undertakes gas pipeline projects (Source: CARE Report). Over the years we have gained expertise in laying the overhead and underground utilities infrastructure, and have laid (i) more than 26,200 kms of optical fibre cable(s) ("OFC(s)") network and maintenance of more than 62,800 km of OFC networks in telecom infrastructure; (ii) more than 298 kms of sewerage pipes, construction and maintenance of sewerage treatment plant, construction of pumping stations, laying of house service connections in the sewerage infrastructure vertical; and (iii) more than 537 kms of MDPE laying of 20 mm to 125 mm diameter, 38,300 number of Galvanized Iron Pipes ("GI") for domestic gas connections in the gas pipeline vertical across 4 (four) states in India, namely; Bihar, Uttar Pradesh, Odisha, and Jharkhand. Further, except for gas pipeline vertical, we also undertake the operations and maintenance of the projects developed by us or others for a specific contractual period.

The company has four verticals of business – 1. Telecom infrastructure, 2. Sewerage Infrastructure, 3. Gas Pipeline, and 4. Railway Signalling. Sewerage segment has lion share (52.67%), followed by telecom infra (41.50%) and gas pipeline has just around 4% revenue share and the rest by other services. As of June 30, 2026, its order book stood at Rs.1959.35 cr. for 23 projects. As of the said date, it had 469 employees on its payroll and additional 250 contractual workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 17683000 equity shares (worth Rs. 175.06 cr. at the upper cap). The company has announced a price band of Rs. 94 – Rs. 99 per equity shares of Rs. 10 each. The issue opens for subscription on August 25, 2026, and will close on August 28, 2026. The minimum application to be made is for 151 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 27% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 115.00 cr. for working capital, Rs. 15.41 cr. for capex on procurement of machinery and equipment, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Mefcom Capital Markets Ltd., while KFin Technologies Ltd. is the registrar to the issue. Mefcom Securities Ltd., is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares in the price range of Rs. 25 – Rs. 890 per share between March 2007, and October 2024. It has also issued bonus shares in the ratio of 5 for 1 in December 2012, 15 for 1 in September 2024. The average cost of acquisition of shares by the promoters is Rs. 1.53, and Rs. 1.55 per share.

Post-IPO, its current paid-up equity capital of Rs. 47.81 cr. (47809670 equity shares) will stand enhanced to Rs. 65.49 cr. (65492670 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 648.38 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 155.42 cr. / Rs. 17.39 cr. (FY24), Rs. 182.35 cr. / Rs. 21.10 cr. (FY25), and Rs. 244.59 cr. / Rs. 33.03 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. However, surging Trade Receivables, year-on-year as well as its contingent liabilities of Rs. 100.87 cr. as of March 31, 2026, raise alarm.

For the last three fiscals, the company has posted an average EPS of Rs. 5.68 and an average RoNW of 20.60 %. The issue is priced at a P/BV of 3.05 based on its NAV of Rs. 32.48 as of March 31, 2026, but its post-IPONAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 19.64. Based on FY25 earnings, the P/E stands at 30.74. The issue appears fully priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 11.29% (FY24), 11.72% (FY25), 13.69% (FY26), and RoCE margins of 29.95%, 20.59%, 22.66%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in May 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Likhitha Infra, Bondada Engg., EMS Ltd., Suyog Telematics, as its listed peers. They are currently trading at a P/E of 24.8, 14.7, 32.1, and 14.8 (as of Aug. 21, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 2nd mandate from Mefcom Capital Markets in the last three fiscals, The only issue listed so far opened with a premium of 28.31% on the date of listing.

Conclusion / Investment Strategy

APL is providing EPC services for telecom, Sewerage, electrical, Railway and other infra segment. The company posted growth in its top and bottom lines for the reported periods. As of June 30, 2026, its order book stood at Rs. 1959.35 cr. Based on its recent average financial data; the issue appears fully priced. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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