

Vishal Nirmiti IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 29 September 2026

- The company is a civil engineering, manufacturing, and construction entity.
- Primarily, it is engaged in the business of manufacturing and dealing of pre-stressed concrete sleepers for railways.
- The company posted growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the issue appears aggressively priced.
- Well-informed/cash surplus investors may park funds for long term.

About the Company

Vishal Nirmiti Ltd. (VNL) is a civil engineering, manufacturing and construction company, primarily engaged in the business of manufacturing and dealing of Pre-Stressed Concrete (PSC) sleepers for railways, pre cast and prestressed concrete products for various applications and are also into fabrication and erection of Mild Steel Pipes (MS Pipes), MS Liner, and Penstock Pipes for Pumped Storage Project (PSP). It provides engineering, procurement, infrastructure and construction services for railway infrastructure and various civil engineering, irrigation and infrastructure development projects across sectors such as railways, renewable power and industrial sectors. VNL's business is divided into two segments, namely, (a) Manufacturing segment and (b) Services segment.

The Company has received certain ISO certification for quality purposes such as (a) ISO 9001:2015 certification for Quality Management System for manufacture and supply of PSC sleepers for Bankhedhi Unit, Madhya Pradesh; (b) ISO 9001: 2015 certification for Quality Management System for manufacture and supply of PSC sleepers for Kandrori Unit, Himachal Pradesh; (c) ISO 9001: 2015 certification for Quality Management System for manufacture and supply of broad gauge prestressed mono-block concrete sleepers (pre-tensioned type) for Mohol Unit, Maharashtra; (d) ISO 9001:2015 certification for Quality Management System for manufacture of Mild Steel Pipes & specials, structural fabrication like pile liners, storage tanks, vessels for the Company's Raigad, Maharashtra Manufacturing Unit and Corporate Office; (e) ISO 9001:2015 certification for Quality Management System for manufacture and supply of Mild Steel Pipes by L-Saw & H-Saw (Spiral) method for the Company's Kukshi, Madhya Pradesh Manufacturing Unit; and (f) ISO 45001:2018 certification for Occupational Health & Safety Management System for manufacture and supply of Mild Steel Pipes by L-Saw & H-Saw (Spiral) method for Kukshi, Madhya Pradesh Manufacturing Unit.

VNL is currently present in the states of Maharashtra, Madhya Pradesh, Gujarat, Himachal Pradesh, Odisha, Delhi, Punjab and Karnataka wherein it has units either owned by it, or leased or allotted or licensed for job work purposes catering to its clients and business requirement. Its expertise is onsite

MS Pipes fabrication for especially large diameter pipes done on location for minimizing logistics and transportation costs through an automatic longitudinal submerged arc welding process.

Along with fabrication, the company executes anti corrosive/protective coatings for MS Pipes viz, sand blasting, painting, cement mortar lining & guniting, etc. Its primary product is hot-rolled MS Pipes of circular shape up-to a maximum size of 7,500 diameter for circular section. The thickness may vary from 3 mm to 36 mm. Its products have multiple applications for their end use in various industries such as general infrastructure and engineering, hydro power projects, lift irrigation and water supply projects of various different sizes, as per client requirement. As of June 30, 2026, it had 420 employees on its payroll, and additional 805 contract workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 8090909 equity shares worth Rs. 178.00 cr. at the upper cap. The IPO consists of fresh equity shares worth Rs. 1450cr. (approx. 6590909 equity shares at the upper cap), and an Offer for Sale (OFS) of 1500000 equity shares (worth Rs. 33.00 cr. at the upper cap). The company has announced a price band of Rs. 208 – Rs. 220 per equity shares of Rs. 10 each. The issue opens for subscription on September 30, 2026, and will close on or before October 05, 2026. The minimum application to be made is for 68 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 30.66% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 19.00 cr. for repayment/prepayment of certain borrowings, Rs. 75.00 cr. for working capital, and the rest for general corporate purposes.

The company has allocated not more than 1% for QIBs, not less than 29% for HNIs and not less than 70% for Retail investors.

The sole Book Running Lead Manager (BRLM) to this issue is Saffron Capital Advisors Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Prabhat Financial Services Ltd. is a syndicate member.

Having issued/converted initial equity shares at par value, the company has issued bonus shares in the ratio of 10 for 1 in September 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, Rs. 0.83, Rs. 3.03, Rs. 6.13, Rs. 6.29, Rs. 11.92, Rs. 12.55, and Rs. 31.82 per share.

Post-IPO, its current paid-up equity capital of Rs. 19.80 cr. (19800000 equity shares) will stand enhanced to Rs. 26.39 cr. (26390909 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 580.60 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 247.93 cr. / Rs. 3.45 cr. (FY24), Rs. 324.86 cr. / Rs. 23.64 cr. (FY25), and Rs.

344.13 cr. / Rs. 24.98 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Improved bottom lines for FY25 and FY26 raise concern and its sustainability going forward.

Its contingent liabilities stood at Rs. 21.87 cr. as of March 31, 2026., and year-on-year surge in trade receivables to Rs. 63.21 cr. as of March 31, 2026 against Rs. 37.18 cr. for FY24.

For the last three fiscals, the company has posted an average EPS of Rs. 10.58 and an average RoNW of 34.39 %. The issue is priced at a P/BV of 5.04 based on its NAV of Rs. 43.61 as of March 31, 2026, and at a P/BV of 2.51 based on its post-IPO NAV of Rs. 87.66 per share at the upper cap.

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 23.26. Based on FY25 earnings, the P/E stands at 24.55. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 1.42% (FY24), 7.42% (FY25), 7.37% (FY26), and RoCE margins of 14.60%, 30.32%, 28.02%, 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 September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown GPT Infra, Indian Hume Pipes, as its listed peers. They are currently trading at a P/E of 14.9, and 19.5 (as of September 29, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 2nd mandate from Saffron Capital Advisors in the last three fiscals. The only listing took place for Tolins Tyres opened with a premium of 0.044 % on the date of listing.

Conclusion / Investment Strategy

VNL is a civil engineering, manufacturing, and construction entity. Primarily, it is engaged in the business of manufacturing and dealing of pre-stressed concrete sleepers for railways. The company posted growth in its top and bottom lines for the reported periods. Boosted profits for FY25 and FY26 raise eyebrows and concern over its sustainability. Based on its recent average financial data, the issue appears aggressively priced. Well-informed/cash surplus investors may park funds for 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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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