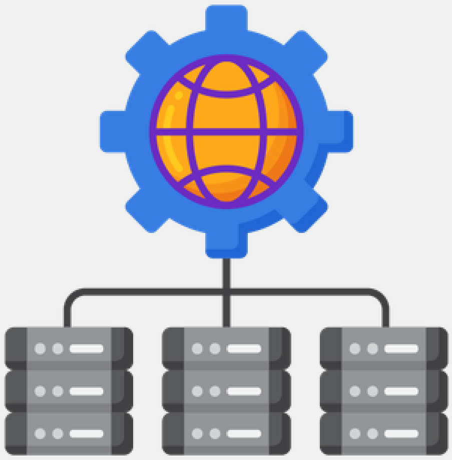
IPO DETAILS

ANNU PROJECTS LIMITED

#IPOlogy



ISSUE OPEN
25/08/2026

ISSUE CLOSE
28/08/2026

Min. Lot Size
151 Shares

Issue Price Band
₹94 - ₹99

Issue Size

Fresh Issue:
1.77 Cr Eq Shares
(₹175.06 Cr)

OFS:
NIL

Face Value
₹10

Industry
EPC – Infrastructure

Listing at
NSE, BSE

Rating
Avoid

APPLY NOW

ANNU PROJECTS LIMITED

Rationale

Considering the FY26 EPS of Rs 5.04 on a post issue basis, the company is set to list at a P/E of approximately ~20x with a market cap of Rs 648 Cr whereas its peers namely Likhitha Infrastructure Ltd, Bondada Engineering Ltd, EMS Ltd and Suyog Telematics Ltd are trading at P/E ratio of approximately ~25x, ~15x, ~32x, ~15x respectively.

We assign an 'Avoid' rating to this IPO, as the company has weak cash conversion, with negative operating cash flows in FY25 and FY26, along with high client concentration, with its top five clients contributing 84% of revenue, increasing its exposure to customer concentration risk and potentially impacting business stability.

Objectives of the issue

Funding capital expenditure requirements of their company for purchase of machinery or equipment;

Funding working capital requirements of the company; and

General corporate purposes

Company Overview

Established in 2003, they are 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.

The company operates across four key verticals: telecom infrastructure, sewerage infrastructure, gas pipelines and railway signalling. It undertakes OFC network and telecom infrastructure projects for PSUs and private players, while its sewerage business includes pipelines, treatment plants, pumping stations and drainage systems. The company also undertakes MDPE gas pipeline and household connection projects and is expanding into railway signalling, with its first project carrying an order book value of ₹11 crore.

The company's revenue is predominantly generated through sewerage infrastructure (53%) and telecom infrastructure (42%), with gas pipeline contributing 4% and other business segments accounting for 2% of revenue from operations.

Over the last 21 Fiscals (as on June 30, 2026), the company has completed 362 projects. As on June 30, 2026, the company has 23 ongoing projects with a total contract value of ₹1,959 crore, comprising 4 telecom infrastructure projects worth ₹1,482 crore, 14 sewerage infrastructure projects worth ₹452 crore, 4 gas pipeline projects worth ₹13 crore, and 1 railway signalling project worth ₹13 crore.

As on June 30, 2026, they owned a fleet of more than 558 machine and equipment (such as horizontal directional drilling machine, excavators, splicing machine, digitrak machine, OTDR machine, HDPE pipe welding machine etc).

Competitive Bidding & Subcontracting

They are awarded contracts through a transparent competitive bidding process undertaken by the Central Government or State Government. Additionally, they also execute projects as sub-contractors from various private parties.

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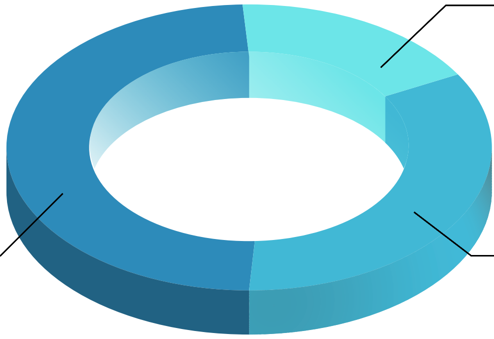
Issue Details

Issue Break-Up

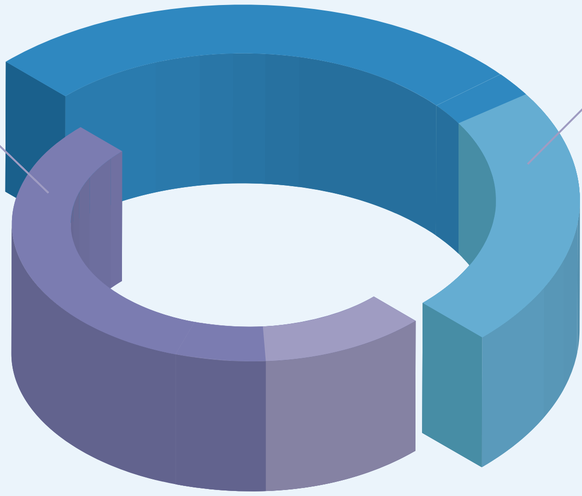


QIB:10%
₹18 Cr.

NIB: 50%
₹88 Cr.

RETAIL: 40%
₹70 Cr.

Shareholding Pattern



Pre-Issue

89%
Promoters & Promoter's Group

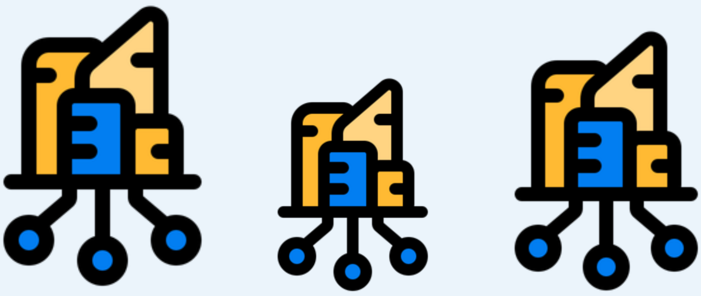
11%
Public

Post-Issue

65%
Promoters & Promoter's Group

35%
Public

Capital Structure (in ₹ Cr.)



70 Cr
Authorised Equity Share Capital

48 Cr
Paid-Up Capital (Pre-Offer)

65 Cr
Paid-Up Capital (Post-Offer)

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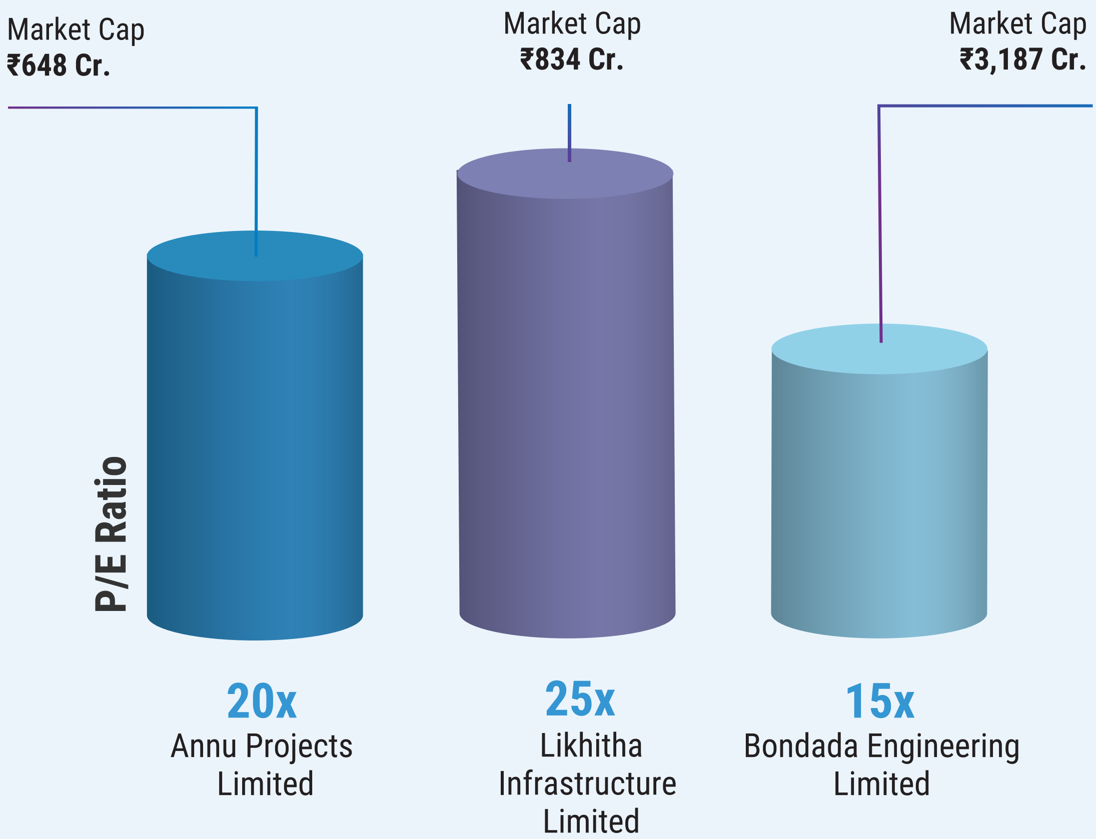
Valuations and Peer Comparison



Market Cap data of listed securities as on Aug 24, 2026

Financial Snapshot (in ₹ Cr.)

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Business Insights

Competitive Strengths

- Established expertise in engineering, procurement and commissioning projects with special focus on underground and overhead utilities infrastructure.
- Project management with integrated execution capabilities.
- Strong order book.
- Strong and consistent financial performance.
- Experienced leadership and strong management team.
- Experienced Promoter and senior management team.

Business Strategy

- Strengthening their presence and expand into new geographies across India.
- Leveraging core competencies in project execution and expand into other verticals within the infrastructure development spaces.
- Continue to focus on efficient cost management in relation to project execution.
- Build a highly skilled and motivated workforce by enhancing their base of mechanised equipment.

Risks

- They derived more than 90.00% of their revenue from operations from telecom infrastructure and sewerage infrastructure verticals during Fiscals 2026, 2025 and 2024, respectively. Any slowdown in telecom sector, sewerage sector or decrease in demand of any services provided by them could materially and adversely impact their business.
- They are dependent on and derived 57.09%, 64.99% and 60.88% of revenue from operations, during Fiscals 2026, 2025 and 2024, respectively, from government sector entities based on competitive bidding that exposes them to risks inherent in doing business with them, which may adversely affect their business, results of operations and financial condition. Also, their business depends on number of projects awarded to them. In case, they fail to secure awards of new projects, it will impact their business, results of operations and financials.
- Their company has fluctuating cash flow from operating, investing and financing activities. Any long recurrence of fluctuating cash flows will impact their financials.

Promoters and Management Details

Sanjay Kumar Sarraf - Chairman and Managing Director
Krishna Ranjan - Whole-time Director
Rajan - Whole-Time Director