



IPO Note

Mayasheel Ventures Limited

Recommendation: **NEUTRAL!**

Company Background –

- **Incorporation:** Mayasheel Ventures was incorporated as a partnership firm, on May 01, 2008. The registered office is in Ghaziabad, Uttar Pradesh.
- **Business Activity:** The company is in the activity of building roads, highways, flyovers and express ways for the government
- **Revenue Stream:** The company generates majority of the revenue from high-value government contracts
- **Human Resource:** The company has 294 permanent employees as of March 31st, 2025.

Objects of the Issue –

- Funding capital expenditure requirements for the purchase of new machinery and equipment
- Funding Working Capital requirements for the company
- General Corporate Purposes

Promoters' Name –

Amit Garg, Meenu Garg and Prabhat Rajpoot

Rationale for recommendation –

At ~16-17 × FY-25 earnings the stock is not expensive, but neither is it a bargain; current price fairly discounts the growth embedded in the ₹20,160.19 lakhs order book, leaving limited upside unless new wins or margin gains appear.

EBITDA is expanding, yet net-debt-to-equity sits near 1.6 × and operating cash flow has softened. Until working-capital drag eases and debt falls, the balance-sheet risk offsets the headline growth.

Over 90 % of revenue comes from just three North-East states. That single-pocket exposure raises the impact of any policy changes or changes in government to the company.

IPO Details

Opening Date	Jun 20, 2025
Closing Date	Jun 24, 2025
Allotment Date	Jun 25, 2025
Listing Date	Jun 27, 2025
Stock Exchange	NSE SME
Lot Size	3,000 Shares
Issue Price Per Share	₹44 to ₹47
Issue Size	27.28 Cr.
Fresh Issue	27.28 Cr.
Offer for Sale	-
Application Amt	₹ 1,41,000

INDUSTRY PE –Contract construction segment with an average PE of 111.63

KPI's	KPIs			(In Lakhs)
	FY23	FY24	FY25	Post Issue
Revenue	12,636.6	13,032.3	17,100.8	17,100.8
EBITDA	648.60	869.67	1567.59	1567.59
Net Profit	475.22	650.58	1172.06	1172.06
RoCE	6.35%	11.18%	23.18%	20.38%
ROE	26.31%	27.00%	40.64%	20.88%
P/E	14.83	10.83	6.50	8.84

Promoter Share Holding Pattern

Pre-Issue	Post Issue
91.97%	67.76%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	7.23	5.32
BVPS	17.75	25.45
P/E	6.5	8.84
P/BV	2.64	1.85
Mkt Cap (In Cr)	76.35	103.64

Lead Manager –

Narnolia Financial Services Limited

Registrar –

Maashilta Securities Private Limited

Business Overview –

Mayasheel Construction Ltd is a Ghaziabad-based infrastructure company primarily engaged in the construction of Roads and Highways for government clients such as the **National Highways and Infrastructure Development Corporation Ltd. (NHIDCL)** and other state authorities. The company holds a **“Class A” contractor license from the Uttar Pradesh Public Works Department (U.P.P.W.D.)**, qualifying it to undertake large-scale and technically complex civil infrastructure projects.

Mayasheel’s core business verticals are:

1. Construction-Works

This includes:

- Road and Highway Construction
- Bridges and Flyovers
- Road Drainage and Sewerage Systems

The company specializes in **EPC (Engineering, Procurement, and Construction)** and **BOQ (Bill of Quantities)** projects. In EPC mode, it handles end-to-end project execution, including designing, procurement, and construction. In BOQ-based projects, it executes construction as per client-defined specifications. Over the years, it has completed **65+ infrastructure projects**, including national highways, road widening, culverts, and flyovers.

2. Electrical-Works

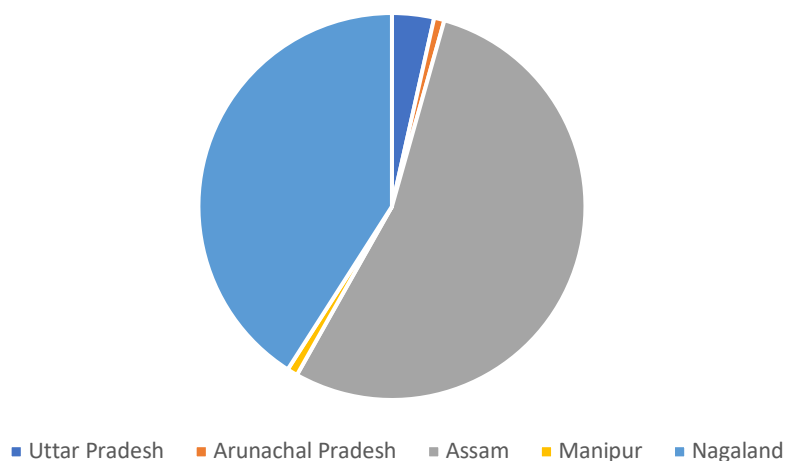
While this segment currently contributes minimally to revenues, Mayasheel has executed projects related to:

- Electrical Power Houses
- Transmission Lines
- Streetlight Installation
- Electronic Energy Metering

It is actively pursuing new opportunities in this space and has **four ongoing construction projects** with a remaining order book of Rs 20,160.19 lakhs as of FY25.

Geographical revenue-bifurcation

For the Year ended 31st March 2025



Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Construction	16903.2	13032.34	12636.63
Electrical	197.61	-	-
Total	17100.81	13032.34	12636.63

Competition -

Competitive Rivalry (High) - Many players, price-sensitive market, limited differentiation. Companies with strong order books and execution track record have an edge.

Threat of New Entrants (Moderate) - High capital and regulatory barriers, but local contracting still attracts new players.

Supplier Power (Low) - Raw materials like Bitumen, Aggregates, Steel and Cement have a fragmented supplier base.

Buyer Power (High) - Buyers are the government departments who have many choices and negotiation power.

Threat of Substitutes (Very Low) - Roads and Highways do not have any direct viable substitutes.

Geographical Competition (High) - It is a highly competitive industry with few regional gaps to fill.

Business Strategies -

1. Geographical Expansion

- The company has completed over 65 projects but is currently operational in select states.
- It aims to scale operations across India—especially in Assam and Nagaland—with current orders also coming from other states.
- By targeting new regions while maintaining service quality and minimal delays, the company seeks to strengthen its national footprint.

2. Focus on Core Segment: Roads & Highways

- A strategic emphasis is being placed on roads and highways construction, where the company has developed strong expertise.
- Specializing in this segment improves its competitive edge in securing government tenders.
- As of March 31, 2025, the company's ongoing road and highway construction projects total ₹20,160.19 lakhs.

3. Cost Efficiency and Technology Upgradation

- The company aims to improve margins through operational efficiencies, modern machinery, and better resource utilization.
- Investments have been made in modern construction equipment like tippers, pavers, batching plants, and crushers to reduce reliance on outdated tools.
- Skilled professionals have been hired in areas like project management and surveying to implement cost-effective construction methods.
- These efforts have already improved the company's EBITDA margins over the past three years (from 12.63% in FY22 to 13.28% in FY24).

4. Skilled Workforce Retention

- The company faces high attrition due to project-specific and site-based hiring patterns, which is common in the infrastructure sector.
- Despite this, it is working to reduce attrition by fostering an engaging work environment and offering on-site accommodations and health benefits.

Attrition has notably decreased from 50.56% in FY23 to 28.35% in FY25

Risk Factors -**1. Geographic Concentration Risk**

The company derives a large share of revenue (90%) from Northeastern states like Assam, Manipur, and Nagaland. Any regional instability, regulatory change, or natural disaster could significantly impact earnings. While they're expanding to states like Uttar Pradesh and Arunachal, concentration risk remains high.

3. Old Licenses & Insurance in Former Entity's Name

Several licenses and insurance policies remain in the name of the previous partnership firm ("Mayasheel Construction"), which could create compliance and legal complications unless updated promptly.

4. Working Capital Intensity

The road construction business demands heavy upfront working capital. Delays in receivables or inability to secure adequate funding could lead to execution bottlenecks and higher borrowing costs.

5. Pending Litigation

The company has one Civil proceeding and 2 tax proceedings against it for the amount of 268 Lakhs.

PEER ANALYSIS

Particulars	Mayasheel Ventures Limited			Rachana Infrastructure			AVP Infracon Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	3.76%	4.99%	6.85%	3.48%	3.86%	4.24%	9.97%	11.55%	11.22%
EBITDA Margin	5.13%	6.67%	9.17%	11.87%	10.21%	10.25%	20.28%	22.31%	21.28%
RoCE	6.35%	11.18%	23.18%	5.78%	6.79%	7.48%	34.03%	26.62%	37.02%
ROE	26.31%	27.00%	40.64%	2.52%	3.87%	4.20%	40.61%	19.34%	26.27%
EPS (INR)	3.17	4.34	7.23	1.32	1.95	2.21	6.40	8.68	13.25
P/E	14.83	10.83	6.50	329.09	20.69	15.93	0.00	8.93	10.31

The company is the cheapest in terms of its PE ratio, with it being 6.5, pre-issue. This is reflected in their ROE which is the highest of the 3 peers at an impressive 40%, which is very high for the segment of the industry the company operates in.

The company has lower than average NP margins and EBITDA margins when compared to its peers, which shows that the better cost management by the company is bringing the top-line to the company closer to the industry average.

INDUSTRY OVERVIEW -

India's infrastructure sector stands at the heart of the country's economic ambitions, driven by aggressive government policies, foreign investments, and rapid urbanization. The country's ongoing transformation into a \$5 trillion economy by FY27 and \$26 trillion economy by 2047 is strongly supported by expansive infrastructure development across transport, energy, housing, and digital systems.

Indian Roads & Highways Market

India's roads and highways market was valued at USD 152.16 billion in 2024 and is expected to grow at a CAGR of 9.63%, reaching USD 266.60 billion by 2030. Roads and highways play a vital role in trade, mobility, and urban planning. National highways—despite comprising only 2% of the total road network—carry over 40% of the traffic and are being rapidly modernized under government programs like Bharatmala Pariyojana, Gati Shakti, and the National Infrastructure Pipeline (NIP).

Key growth drivers include:

Rapid Urbanization: India's urban population is expected to hit 600 million by 2030, escalating the need for high-speed corridors, bypasses, and flyovers.

E-commerce & Logistics Boom: Efficient last-mile connectivity and logistics infrastructure (like dedicated freight corridors) are being developed to support platforms like Amazon, Flipkart, and Reliance JioMart.

Technology & Sustainability: Smart highways with ITMS, digital tolling (FASTag), and EV charging corridors are being prioritized.

Investment Push: Government and private capital, including InvITs and monetization pipelines, are fueling large-scale projects.

Regional Outlook: South India leads in infrastructure growth due to industrialization, port access (e.g., Chennai and Kochi), and proactive state-level participation in national schemes.

The Indian infrastructure industry is undergoing massive growth, with an 11.1% increase in capital investment in the FY25 interim budget to ₹11.11 lakh crore (3.4% of GDP). The sector includes roads, railways, power, digital networks, urban housing, and more.

NIP & Gati Shakti: The National Infrastructure Pipeline now includes 9,142 projects worth over \$1.9 trillion. Gati Shakti aims to break inter-ministerial silos and improve project execution.

Logistics Focus: India's logistics market is valued at \$317.26 billion (2024), expected to reach \$484.43 billion by 2029. The goal is to reduce logistics costs from 14% to 8% of GDP.

Metro & Urban Infra: India has the fifth-largest metro rail network globally and continues expanding in Tier-2 and Tier-3 cities.

CAPEX Surge: Railways, power, housing, and renewables are all receiving higher allocations. The Ministry of Road Transport received ₹2.87 lakh crore in FY26.

Despite the opportunities, several systemic challenges persist:

Land Acquisition: Still the single biggest bottleneck in project execution, especially in rural or ecologically sensitive zones.

Regulatory Delays: Multiplicity of approvals leads to time and cost overruns.

Private Sector Capacity: Many developers lack the scale or financial muscle for large PPP projects.

Environmental Compliance: Evolving standards and public scrutiny often slow down projects.

Financing Gaps: Long gestation periods and high capital requirements make it harder to attract sustained funding, despite asset monetization attempts.

India's infrastructure sector is positioned as a long-term structural growth story. With over 50% of NIP projects focused on transport—especially roads and highways—the sector is poised to benefit from continued public investment, increased private participation, and rising demand for efficient logistics and urban connectivity.

Government-backed policies, combined with global capital and technological upgrades, are expected to sustain growth and attract long-term investors. Roads and highways, in particular, remain a high-priority segment, bolstered by economic corridors, EV adoption, and digital tolling.

KEY MANAGEMENT -

Key Management Persons Name -	Amit Garg
Age	48
Designation and No. of experience	Managing Director and Promoter, He has over 15 years of hands-on experience in various aspects of the Road Construction industry.
Qualification	Bachelor of Commerce from University of Meerut
Other Directorships	-

Key Management Persons Name -	Meenu Garg
Age	48
Designation and No. of experience	Promoter and executive director, More than 12 years of experience in the field of trading of packaging materials
Qualification	Bachelor's degree in Arts from University of Delhi, she posses 15+ years of experience in Business Administration
Other Directorships	-

Key Management Persons Name -	Prabhat Rajpoot
Age	35
Designation and No. of experience	Non-Executive Director and promotor, He has 26 years of experience in the healthcare industry.
Qualification	MBA from Punjab Technical University, 7 years of experience in business management
Other Directorships	Malad Gymkhana Limited, Sunflower Laboratory Private Limited

Key Management Persons Name -	Rajpal Singh
Age	64
Designation and No. of experience	Independent Director with 35 years of experience in Civil Engineering
Qualification	Masters of Engineering from University of Roorkee

Key Management Persons Name -	Umesh Bansal
Age	30
Designation and No. of experience	Independent Director, He is having deep knowledge of Financial, Accounting, Auditing & Taxation and extensive experience of around 6 years
Qualification	Chartered Accountant

- The overall management of the company is **satisfactory**.
- The management and promoters have **experience** and sufficient but some unrelated qualifications for the industry the business operates in.
- Mahendra Kumar Sharma is the CFO, he has over 10 years of experience in Financial Management and has a Bachelor's in Commerce
- The company secretary is Neelam Rani and she has more than 3 years of experience in the secretarial department across multiple firms.

FINANCIAL SNAPSHOT**Statement of Profit & Loss****Amt in Lakhs**

Profit and Loss Statement Particulars	Standalone FY 2023	Standalone FY 2024	Standalone FY 2025
Revenue from Operations	12,636.63	13,032.34	17,100.81
Other Income	73.33	82.10	104.11
Total Income	12,709.96	13,114.44	17,204.92
Expenses			
Cost of materials consumed	6,573.64	6,660.78	8,361.85
Direct Expenses	4,240.63	4,398.55	5,759.17
Employee Benefit Expenses	134.56	148.63	286.95
Finance Cost	475.39	486.00	575.95
Depreciation and Amortization Expense	419.16	374.67	423.66
Other expenses	217.98	176.14	229.75
Selling, General and administrative expense			
Total Expenses	12,061.36	12,244.77	15,637.33
EBITDA	648.60	869.67	1,567.59
EBITDA Margin	0.05	0.07	0.09
Extraordinary Items		-0.76	-38.60
Profit/(Loss) before tax	648.60	870.43	1,528.99
Tax Expense			
Provision for tax	197.53	233.60	410.40
Provision for deferred tax	-24.15	-14.51	-14.87
Total Tax	173.38	219.09	395.53
Profit/(Loss) for the year	475.22	651.34	1,133.46
Net Profit Margin	0.04	0.05	0.07

Balance Sheet

Balance Sheet Particulars	Standalone FY 2023	Standalone FY 2024	Standalone FY 2025
EQUITY AND LIABILITIES			
Share Capital	1,806.08	2,409.19	1,624.5
Reserves and Surplus	-	-	1,259.46
Total Equity	1,806.08	2,409.19	2,883.96
NON-CURRENT LIABILITIES			
Long-term Borrowings	1805.06	2016.39	2050.62
Total Non-current liabilities	1,805.06	2,016.39	2,050.62
CURRENT LIABILITIES			
Short-term Borrowings	1518.1	1488.41	1355.05
(a) Total outstanding dues of MSME	239.19	401.09	244.8
(b) Total outstanding dues of creditors other than MSME	1663.54	1912.63	1898.42
Current portion of long term debt	680.55	720.44	1199.16
Other Current Liabilities	190.78	308.12	223.54
Short-term Provisions	-	-	54.18

Total Current liabilities	4,292.16	4,830.69	4,975.15
Total Liabilities	6,097.22	6,847.08	7,025.77
Total Equity and Liabilities	7,903.30	9,256.27	9,909.73

ASSETS**NON-CURRENT ASSETS**

Property, Plant and Equipment	1918.95	2013.66	2150.03
Capital Work in Progress	39.19	-	-
Non Current Investments	1081.41	789.6	902.14
Long-Term Loans and Advances	311.92	239.79	234.52
Deferred tax assets (net)	42.7	57.22	72.09
Other Non- current Assets	381.88	917.95	696.76
Total Non-Current assets	3,776.05	4,018.22	4,055.54

CURRENT ASSETS

Inventories	693.34	1164.21	2213.88
Trade Receivables	3046.86	1199.38	1656.99
Cash & Cash equivalents	39.58	649.06	385.14
Short Term Loans and Advances	308.3	1032.42	1514.84
Other Current Assets	39.16	1193.01	83.34
Total Current assets	4,127.24	5,238.08	5,854.19
Total Assets	7,903.29	9,256.30	9,909.73

Cash Flow Statement	Consolidated	Consolidated	Consolidated
Particulars	FY 2023	FY 2024	FY 2025
Net Cash Flow from Operating Activities	1,274.15	978.27	1,213.83
Net Cash Flow from Investing Activities	442.16	-56.09	-622.68
Net Cash Flow from Financing Activities	-1,690.02	-312.7	-855.07

Key Ratios**Ratio Sheet**

Particulars	FY 2023	FY 2024	FY 2025	Post Issue
Per Share Data				
Diluted EPS	3.17	4.34	7.23	5.32
BV per share*	-	-	17.75	25.45
Operating Ratios				
EBITDA Margins	5.13%	6.67%	9.17%	9.17%
PAT Margins	3.76%	4.99%	6.85%	6.85%
Inventory days	20.08	32.70	47.38	47.38
Debtor days	88.25	33.68	35.46	35.46
Creditor days	101.09	118.74	83.35	83.35
Return Ratios				
RoCE	6.35%	11.18%	23.18%	20.38%
RoE	26.31%	27.00%	40.64%	20.88%
Valuation Ratios (x)				
EV/EBITDA	7.85	6.05	3.77	5.51
Market Cap / Sales	-	-	0.446	0.61
P/E	14.83	10.83	6.50	8.84
Price to Book Value	-	-	2.647	1.85
Solvency Ratios				
Debt / Equity	1.84	1.45	1.18	0.61

Current Ratio	0.96	1.08	1.18	1.18
Quick Ratio	0.80	0.84	0.73	0.73
Asset Turnover	1.60	1.41	1.73	-
Interest Coverage Ratio	0.48	1.02	1.99	1.99

FINANCIAL ANALYSIS –

- **Sharp top-line rebound in FY-25 (31 %)** driven almost entirely by the core **construction segment (99 % of revenue)**.
- **Margin rebuild underway.** EBITDA margin has climbed 170 bp in two years to 13.5 %; PAT margin nearly doubled to 6.6 %. This is due to growth in the highway construction business, along with better cost management.
- **Leverage creeping up.** Debt/Equity has risen from 1.27 x → 1.59 x as the firm gears for equipment purchases & larger order book.
- **Working-capital stretch visible.** Current assets have ballooned (inventories + receivables up ~₹2.7 bn FY 24–25) while current liabilities rose more slowly.
- **Geography & customer concentration.** >95 % of revenue still comes from NHIDCL jobs in Assam/Manipur/Nagaland.
- **Cash-flow pattern volatile** - FY-25 operating cash flow slipped compared to FY-24 despite higher profit.

Financial trajectory is improving – revenue scale-up with modest margin expansion – but balance-sheet leverage and working-capital drag are the twin pressure points to monitor over the next 12 months. Sustaining >13 % EBITDA margin while bringing Debt/Equity closer to 1.2 × through faster receivable recovery will be key to de-risking the growth story ahead of the planned capacity additions.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Narnolia Financial Services Limited**

A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Narnolia Financial Services Limited

Company	Issue Amount (in Cr)	Issue Price (in INR)	Listing Date	Close Price on Listing (in INR)	Market Price (In INR)
Drone Destination Limited	44.20	65	Jul 21, 2023	102.10	111.35
Yudiz Solutions Limited	44.84	165	Aug 17, 2023	181.40	31.50
Cellecor Gadgets Limited	50.77	92	Sep 28, 2023	96.60	36.60
Inspire Films Limited	21.23	59	Oct 05, 2023	67.85	19.80
WomanCart Limited	9.56	86	Oct 27, 2023	122.85	229.50
Supreme Power Equipment Limited	46.67	65	Dec 29, 2023	102.90	186.85
Akanksha Power and Infrastructure Limited	27.49	55	Jan 03, 2024	65.10	110.50
Addictive Learning Technology Limited	60.16	140	Jan 30, 2024	294.50	136.50
Radiowalla Network Limited	14.25	76	Apr 05, 2024	126.15	64.00
Ztech India Limited	37.30	110	Jun 05, 2024	105.00	651.75
Aesthetik Engineers Limited	26.47	58	Aug 16, 2024	115.70	137.85
Share Samadhan Limited	24.06	74	Sep 16, 2024	74.87	79.20
Divyadhan Recycling Industries Limited	24.17	64	Oct 04, 2024	88.20	56.00
Pranik Logistics Limited	22.47	77	Oct 17, 2024	82.95	89.75
Usha Financial Services Limited	98.45	168	Oct 31, 2024	155.85	77.50
Sat Kartar Shopping Limited	3.80	81	Jan 17, 2025	161.55	218.75

Recommendation -

The company has built a sizeable order book of ~₹200,000 Lakhs (about 1.2 times FY-25 revenue), and is benefiting from sustained infrastructure spending. It has lifted its EBITDA margin from 12.8 % to 17 % over the last three fiscal years. Management's Class-A PWD licence and full suite of ISO certifications show execution capability and help the firm pre-qualify for high-value government work.

Net debt-to-equity remains elevated at roughly 1.6 ×; interest coverage has been coming down and operating cash flow turned soft in FY-25. Any delay in milestone payments could tighten liquidity quickly.

Receivable days are above 110 and inventories have multiplied, keeping the cash conversion cycle long.

More than 90 % of revenue is tied to NHIDCL road projects in just three North-East states. Policy changes, weather-related stoppages, or local unrest could have an outsized impact on the company.

Key assets, borrowings and insurance policies are still migrating from the former partnership name; until this is changed, for all the assets the company owns, the balance sheet cannot be considered scot-free.

Valuation is at roughly 16 – 17 × of FY-25 earnings, it is in the middle of the listed regional EPC peer range for its valuation. While not expensive, it is not cheap either and the company will have to execute and expand on their order efficiently, for investors to see further upside.

Due to all these reasons, we are giving a neutral rating and Investors can wait for post-listing performance for this IPO.

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