

## IPO Details

IPO Date	August 26, 2025 to August 29, 2025
Face Value	₹1 per share
Price Band	₹92 to ₹97 per share
Lot Size	148 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	7,95,87,627 shares (aggregating up to ₹772.00 Cr)
Fresh Issue	7,43,29,896 shares (aggregating up to ₹721.00 Cr)
Offer for Sale	52,57,731 shares of ₹1 (aggregating up to ₹51.00 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	18,35,81,130 shares
Share Holding Post Issue	25,79,11,026 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max ) shares	148 Shares & 1924 shares
Retail (Min & Max ) application amount	₹14,356 & ₹1,86,628
S-HNI (Min shares & application amount)	2,072 shares & ₹2,00,984
S-HNI (Max shares & application amount)	10,212 shares & ₹9,90,564
B-HNI (Min shares & application amount)	10,360 shares & ₹10,04,920
Basis of Allotment	Mon, Sep 1, 2025
Initiation of Refunds	Tue, Sep 2, 2025
Credit of Shares to Demat	Tue, Sep 2, 2025
Listing Date	Wed, Sep 3, 2025
Cut-off time for UPI mandate confirmation	5 PM on August 29, 2025
Promoters	Rakesh Ashok Markhedkar, Avinash Markhedkar and Nakul Markhedkar
Registrar	<a href="#">Bigshare Services Pvt.Ltd.</a>

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link <https://ipo.adroitfinancial.com/> for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

## Company Profile

Vikran Engineering Ltd. is an Engineering, Procurement and Construction (EPC) company. They have a diversified project portfolio, with majority revenue from energy and water infrastructure verticals. Within the power sector, they have presence in both- power transmission and power distribution. In the water sector, their projects include underground water distribution and surface water extraction, overhead tanks, and distribution networks. The company also has experience in Solar EPC of ground mounted solar projects and smart metering. Also, as a part of railway projects they undertake 132 kV traction substation projects and underground EHV cabling projects.

They have completed 45 projects across 14 states with a total executed contract value of ₹ 19,199.17 million. They have 44 ongoing projects across 16 states, aggregating orders of ₹ 51,202.07 million, of which Order Book of ₹ 24,424.39 million. Their clients in the government sector include NTPC Limited, Power Grid Corporation of India Limited, South Bihar Power Distribution Co. Ltd., North Bihar Power Distribution Co. Ltd., Transmission Corporation of Telangana Limited, Madhya Pradesh Power Transmission Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, District Water and Sanitation Mission (PHED) and State Water and Sanitation Mission (SWSM).

Vikran Engineering Ltd.'s revenue grew by 16.52% and PAT grew by 3.98% in the Financial Year ending 2025.

## Objects of the issue

- ☐ The Company will utilize Rs.541 Crore for funding working capital requirements.
- ☐ The Company will allocate Rs.180 Crore for general corporate purposes.
- ☐ The Company will not receive Offer for Sale of Rs.51 Crore.

## Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	915.84	785.94	524.30
Other income	6.51	5.48	4.87
<b>Total Income</b>	<b>922.36</b>	<b>791.43</b>	<b>529.17</b>
<b>Expenses</b>			
- Cost of Materials Consumed	483.67	384.95	266.48
- Project related expense	160.42	167.76	96.17
- Employee benefits expense	67.62	58.96	40.52
- Finance costs	53.59	33.97	28.21
- Depreciation and amortization expense	2.97	4.05	3.69
- Other expenses	43.89	40.96	41.40
<b>Total expenses</b>	<b>812.17</b>	<b>690.68</b>	<b>476.50</b>
<b>EBITDA</b>	<b>160.23</b>	<b>133.29</b>	<b>79.6</b>
<b>EBITDA Margin (%)</b>	<b>17.49%</b>	<b>16.95%</b>	<b>15.19%</b>
<b>Profit before exceptional items and tax</b>	<b>110.18</b>	<b>100.75</b>	<b>52.67</b>
Exceptional items - gain (net)	-	-	1.30
<b>Profit/(Loss) before tax</b>	<b>110.18</b>	<b>100.75</b>	<b>53.97</b>
Tax expense	32.37	25.92	11.13
<b>Profit/(Loss) After Tax</b>	<b>77.81</b>	<b>74.83</b>	<b>42.84</b>
<b>PAT Margin (%)</b>	<b>8.43%</b>	<b>9.45%</b>	<b>8.09%</b>
<b>Basic EPS (in Rs.)</b>	<b>4.35</b>	<b>4.92</b>	<b>2.89</b>
<b>Key Metrics</b>	<b>Mar-25</b>	<b>Mar-24</b>	<b>Mar-23</b>
<b>Fixed Assets Turnover Ratio</b>	<b>101.27</b>	<b>91.00</b>	<b>57.38</b>
<b>Inventory Turnover Ratio</b>	<b>11.64</b>	<b>12.80</b>	<b>10.70</b>
<b>Order Book</b>	<b>2044.31</b>	<b>2114.80</b>	<b>2045.78</b>
<b>Order Book to Revenue from Operations(%)</b>	<b>223.22%</b>	<b>269.08%</b>	<b>390.19%</b>

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## Competitive Strengths

- **Fast-growing EPC company:** The Company is one of the fast-growing Indian Engineering, Procurement and Construction (EPC) company in terms of revenue growth over FY23-25, compared to the average industry growth estimates and the peer set considered. Their revenue from operations grew at a CAGR of 32.17% from ₹5,243.05 million in Fiscal 2023 to ₹9,158.47 million in Fiscal 2025.
- **Diversified Order Book across Business Verticals:** The Order Book of the Company has moved from ₹ 20,457.86 million as of March 31, 2023, to ₹ 21,148.02 million as of March 31, 2024 and to ₹ 20,443.18 million as of March 31, 2025. The diversification of the total order book is: Power Transmission and Distribution - 1237.42 Crore (60.53%), Water Infrastructure - 764.63 Crore (37.40%), Railways & Infra - 42.25 Crore (2.07%).
- **Pan India presence with Strong Supply Chain:** The Company has executed work across 22 states, of which they are currently executing projects in 16 states. With a pan-India presence supported by 190 sites and store locations they offer a range of EPC services that cater to the specific needs of their customers across the country. During the last three Fiscals, they had over 3,500 suppliers and service providers across many states.
- **Asset Light Model:** The Company follows an asset light model by executing more orders with relatively lower investment in fixed assets. They take equipments on rent from third party lessors of equipment across various states to meet their requirements of equipments as per project needs. This helps them reduce their fixed costs and makes the execution of the project's cost and logistics efficient. Their fixed asset turnover ratio as of Fiscals 2025, 2024, and 2023 was 101.27, 91.00, and 57.38, respectively.
- **In-house Technical and Engineering Capabilities:** The Company has a team of 12 designers and engineers with a total cumulative experience of over 93 years, who help them to offer customized solutions for their turnkey projects. They have a centralized project monitoring and control group ("CPMG") comprising 5 members, who oversee the project and review control mechanism periodically wherein they monitor the progress of the projects as per project milestones, budgetary financial control and schedule periodic meetings within various departments and management review meetings.

## Key Risk Factors

- **Legal Charges on Company:** Executive Director/Gati Shakti (Elect.) Railway Board has passed an Order dated July 26, 2024, in terms of which CORE/Vigilance has held that the Ministry of Railways should ban the Company for a period of two years for breaching code of integrity and involvement in illegal gratification. A departmental investigation was initiated by CORE/Vigilance based on an investigation by Central Bureau of Investigation (CBI) on the same matter.
- **Nature of Business:** The business of the Company is working capital intensive and hence, trade receivables, other current assets including contract assets and inventories form substantial part of current assets and net worth. For the Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023, the trade receivable, contract assets and inventories on an aggregate basis represent approximately 85.68%, 83.75%, and 84.24% of total assets respectively.
- **Dependency on Tenders:** The Company's business is driven by a diversified mix of tenders from government authorities, public sector undertakings, and private sectors, which account for approximately 61.73%, 18.41% and 19.86% of the revenue for Fiscal 2025. However, delays or a lack of tenders from government entities, along with adverse changes in government policies, could materially impact their business.
- **Substantial Decrease in Order Book:** The value of projects awarded during Fiscal 2025 has decreased as compared to the value of projects awarded during Fiscal 2023 from ₹ 21,712.25 million in Fiscal 2023 to ₹ 7,009.25 million in Fiscal 2025, with a reduction in government orders and a decrease in order values for water and railway infrastructure projects due to the decrease in the orders bids by them on account of reduction in the number of orders floated by the government during Fiscal 2024 and due to their strategic focus in selectively bidding for water and railway infrastructure projects during Fiscal 2025.

## Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Vikran Engineering Ltd.	NA	1	32.2*	3.01**	3.01**	16.63%	25.49
Peers:-							
Bajel Projects Ltd.	201.55	2	152.9	1.34	1.33	2.32%	57.63
Kalpataru Projects International Ltd.	1304	2	36.7	35.53	35.53	8.77%	378.80
Techno Electric & Engineering Company Ltd.	264	2	41.6	37.65	37.65	11.31%	321.55
SPML Infra Ltd.	279	2	42.6	7.83	6.54	6.22%	107.43
KEC International Ltd.	826	2	37.8	21.80	21.80	10.67%	200.88
Transrail Lighting Ltd.	780	2	29.8	26.33	26.17	17.36%	140.11

\*P/E Ratio calculated based on upper band price.

\*\* EPS calculated including fresh issue shares.

## Summary

Vikran Engineering is one of the fast-growing Indian Engineering, Procurement and Construction (EPC) company in terms of revenue. They undertakes the construction of high-voltage transmission lines up to 765 kV, substations up to 400 kV (both Air Insulated Substations (AIS) and Gas Insulated Substations (GIS)), and power distribution networks. The company has also executed 30,000 smart metering connections under this vertical.

In Water Segment, the company provides turnkey solutions for water infrastructure projects such as surface and underground drinking water projects.

The company is also involved in the railway infrastructure sector, particularly in railway electrification. The company has successfully completed projects involving overhead electrification and signaling systems, electrification projects OHE 25kV, 50 Hz AC railway electrification project, 220 kV underground EHV cable work and construction of 132 kV transmission line and 132 kV railway traction substations projects.

Most of the revenues comes from Power T&D segment(73%) followed by Water Segment(27%). Railways contributed very miniscule in FY25.

The company will be raising funds to meet its working capital needs, as they follow an asset light model, they require capital to fund the operations.

They have a strong order book of Rs 2000+ Cr (2x FY25 Revenues) which gives them growth visibility for the next 2 years. Given the government's focus on recycling the water and their push on power infrastructure, the company is well positioned to capitalize on future tenders.

The valuations seem fair at 32x PE, which is inline with peer companies.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment, considering its growth potential.

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