

**Rating: Subscribe**

**Issue Offer**

**Fresh Issue of 7,43,29,897 shares up to INR 7,210 Mn and OFS of 52,57,732 shares by Promoters group taking the total issue size at INR 510 Mn**

**Issue Summary**

Price Band (INR)	92-97
Face Value (INR)	1
Implied Market Cap (INR mn)	25,017
Market Lot	148
Issue Opens on	Aug 26, 2025
Issue Close on	Aug 29, 2025
No. of share pre-issue	18,35,81,130
No. of share post issue	27,63,64,635
Listing	NSE / BSE

**Issue Break-up (%)**

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

**Book Running Lead Managers**

Pantomath Capital Advisors Private Limited  
Systematix Corporate Services Limited

**Registrar**

Bigshare Services Pvt Ltd

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	81.78%	50.59%
Public & Others	18.2%	49.41%

**Objects of the issue**

Funding working capital requirements

General Proceeds

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Vikran Engineering Limited, founded in 2008 and headquartered in Thane, Maharashtra, is a diversified engineering and infrastructure solutions company that leverages technical expertise, industry partnerships, and decades of promoter experience to deliver high-quality engineering, procurement, and construction (EPC) services. With a focus on reliability, innovation, and execution excellence, the company caters to industrial, power, and infrastructure projects, positioning itself as a trusted partner for large-scale development initiatives across India. Over the years, it has strengthened its capabilities through joint ventures and group companies, enabling it to undertake complex and large-scale assignments. Its commitment to sustainable practices and adherence to stringent quality standards further reinforce its credibility and long-term growth potential in the competitive infrastructure space.

**Investment Rationale**

**Strategic Expansion into High-Growth Sectors**

Vikran Engineering Limited plans to diversify its EPC portfolio by expanding into railways, metros, and solar sectors, leveraging its existing expertise. This includes undertaking turnkey solar PV projects up to 100MWp and balance of system projects up to 300MWp. The company is also actively bidding for water irrigation projects to capitalize on growing opportunities. With railway infrastructure investments expected to rise under schemes like Amrit Bharat and high-speed rail, this strategic move reduces dependency on existing verticals, targets higher-margin opportunities, and enhances long-term growth potential.

**Asset-Light Model Driving Cost Efficiency**

The company's asset-light business model, characterized by renting equipment rather than owning fixed assets, enhances cost efficiency and operational flexibility, resulting in high fixed asset turnover ratios (101.27 in Fiscal 2025, 91.00 in 2024, and 57.38 in 2023). This approach minimizes fixed costs, improves capital efficiency, and allows scalability without the burden of maintaining in-house assets.

**Pan-India Presence and Strong Supply Chain**

Operating in 22 states with 190 sites, the company has a robust national footprint. This presence enables tailored solutions for diverse regional markets. Long-term supplier relationships ensure reliable access to materials and equipment. An efficient supply chain optimizes costs and inventory management. This network enhances project execution and customer satisfaction. It strengthens the company's ability to handle large-scale, geographically dispersed projects.

**Capitalizing on Government Initiatives**

Vikran Engineering Limited leverages government programs like RDSS, National Solar Mission, and Swachh Bharat Mission to fuel growth. Its proven track record in DDUGJY, IPDS, and Saubhagya projects showcases its alignment with national infrastructure goals. The company is qualified to bid for AIBP irrigation projects, tapping into significant funding opportunities. Its work on a GIS substation for the Mumbai-Ahmedabad High-Speed Rail enhances its portfolio in emerging sectors.

**Valuation & Outlook:**

Vikran Engineering Limited presents a promising outlook as it gears up for its IPO, leveraging its established position as a fast-growing EPC player with a diversified order book of INR 7,009.25 million across power transmission, water infrastructure, and railway sectors. The company's strategic focus on capitalizing on government initiatives like the Revamped Distribution Sector Scheme and Jal Jeevan Mission, coupled with its asset-light model and pan-India presence, positions it well to benefit from India's infrastructure boom. At the upper band of INR 97, the issue is valued at a P/E ratio of 32.15x, based on PAT of FY25 EPS of INR 3. We are recommending a "subscribe" rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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