

Vikran Engineering Ltd.

‘SUBSCRIBE’

26-08-2025 TO 29-08-2025

Industry: Engineering, Procurement, and Construction (EPC)

Price Band: ₹92 to ₹97

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹2,410Cr – ₹2,502Cr

Key Data

Issue Size (₹ Cr)	₹772.00
Fresh (₹ Cr)	₹721.00
OFS (₹ Cr)	₹51.00
No of shares offered (total issue)	7,95,87,627
Face Value (₹ /share)	1
Bid Lot	148 Shares

Indicative Timetable

IPO Open Date	Tue, Aug 26, 2025
IPO Close Date	Fri, Aug 29, 2025
Tentative Allotment	Mon, Sep 1, 2025
Initiation of Refunds	Tue, Sep 2, 2025
Credit of Shares to Demat	Tue, Sep 2, 2025
Tentative Listing Date	Wed, Sep 3, 2025
Cut-off time for UPI mandate confirmation	5 PM on August 29, 2025

Shareholding (No. of shares)

Pre-Issue	18,35,81,130
Post-Issue	25,79,11,026

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	81.78%	18.22%
Post-Issue	56.17%	43.83%

Other Details

BRLMs: Pantomath Capital Advisors Private Limited, Systematix Corporate Services Limited
Registrar: Bigshare Services Private Limited
Listing: BSE & NSE

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About the company

Vikran Engineering Limited is a fast-growing EPC firm based in Thane, Maharashtra, specializing in turnkey infrastructure projects across power transmission, water supply, and railway electrification. Since 2008, the company has completed over 45 projects across 17 states, serving major clients like NTPC and state power utilities. With a robust order book exceeding ₹2044 Cr, Vikran Engineering is known for its technical expertise, regulatory compliance, and reliable execution.

Investment Rationales

Strong Revenue and Profit Growth: The company shows impressive growth in both revenue (32.17% CAGR) and profits, with a rising EBITDA margin.

Healthy Order Book: A large order book, over two times its annual revenue, provides excellent future revenue visibility and stability.

Improving Profitability Margins: Both EBITDA and PAT margins have shown a steady upward trend, indicating better operational efficiency and stronger earnings.

High Asset Utilization: The company's very high fixed assets turnover ratio suggests an efficient and asset-light business model.

Strengthening Financial Position: A low and declining Debt to Equity Ratio indicates reduced financial risk and a more secure balance sheet.

Risk

Decline in order book since FY23: Current projects awarded are at ₹709 Cr in FY25, compared to ₹2,172 Cr in FY 23.

Negative Cash flow from Operating activities: Cash outflow from operating activities of ₹129 Cr in FY25 and ₹66 Cr in FY24. Although the company has managed to keep itself PAT positive throughout consistently.

Our views

Vikran Engineering Limited is a compelling investment opportunity in India's booming infrastructure sector. As a fast-growing Engineering, Procurement, and Construction (EPC) company, it has built a diverse portfolio with a strong focus on high-potential verticals like power and water infrastructure.

The company's financial performance demonstrates exceptional growth, with revenue from operations growing at a CAGR of 28.74% from Fiscal 2022 to Fiscal 2024 and an impressive PAT CAGR of 236.94% over the same period. Its robust and well-diversified order book provides excellent visibility for future earnings. The IPO proceeds will be strategically used for working capital requirements to support its rapid growth trajectory.

With a proven track record of successfully executing projects for prominent government and public sector clients, and a business model that capitalizes on a high-growth sector, Vikran Engineering Limited is well-positioned for long-term scalability. We recommend a ‘SUBSCRIBE’ rating for long term investors.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	In ₹ Cr	524.31	785.95	915.85
EBITDA	In ₹ Cr	79.71	133.30	160.24
EBITDA Margin	%	15.20%	16.96%	17.50%
PAT	In ₹ Cr	42.84	74.83	77.82
PAT Margin	%	8.10%	9.46%	8.44%
ROE	%	32.67%	25.69%	16.63%
ROCE	%	28.04%	30.43%	23.34%
Net Worth	In ₹ Cr	131.14	291.28	467.87
Revenue CAGR	%	32.17%		
EBITDA CAGR	%	41.78%		
PAT CAGR	%	34.78%		
Debt to Equity Ratio	in times	1.18	0.63	0.58
Fixed Assets Turnover Ratio	in times	57.38	91.00	101.27
Inventory Turnover Ratio	in times	10.70	12.80	11.64
Order Book	In ₹ Cr	2045.79	2114.80	2044.32
Order Book to Revenue from Operations	%	390.19%	269.08%	223.22%

Source: Company RHP

Vikram Engineering Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
Vikram Engineering Ltd.	4.35	4.35	25.49		16.63		
Bajel Projects Limited	1.34	1.34	57.63	158.75	2.32	3.72	Consolidated
Kalpataru Projects International Limited	35.53	35.53	378.8	34.68	8.77	3.26	Consolidated
Techno Electric & Engineering Company Limited	37.19	37.19	321.55	40.17	11.31	4.65	Consolidated
Spml Infra Limited	7.61	7.61	107.43	36.79	6.22	2.61	Consolidated
Kec International Limited	21.8	21.8	200.88	35.71	10.67	3.89	Consolidated
Transrail Lighting Limited	25.72	25.72	140.11	30.73	17.36	5.64	Consolidated

Notes:

Basic/diluted earnings per share refers to the basic/diluted earnings per share sourced from the financial statements of the respective peer group companies for the financial year ended March 31, 2025.

Price/earnings ratio for the peer group has been computed based on the closing market price of equity shares on stock exchanges as on August 14, 2025, divided by the earnings per share for financial year ended March 31, 2025.

Return on Net Worth is calculated as Net profit for the period / year as a percentage of Net worth.

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