

Vikran Engineering Ltd.

IPO Note



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Emerging participant in the infrastructure market

Vikran Engineering Ltd (VEL) founded in 2008, is a rapidly growing Engineering, Procurement, and Construction (EPC) company headquartered in Thane, Maharashtra. The company specializes in turnkey infrastructure projects across power transmission (up to 765 kV), substations (AIS/GIS up to 400 kV), water supply, and railway electrification sectors. With a presence in over 17 Indian states, Vikran has completed 44 projects and is currently executing 34 more. Its clientele includes prominent government and public sector entities such as NTPC Limited, Uttar Pradesh Water Supply and Sanitation Mission, Andhra Pradesh Central Power Distribution Corporation Limited, MP Power Transmission Company Ltd, and South Bihar Power Distribution Company Ltd. The company has reported a revenue of ₹243.2 crore and a net profit of ₹27.89 crore in FY2024, reflecting a 19% CAGR in sales and over 80% CAGR in net profit over the past five years.

Strengths:

- Diversified project portfolio across power, water and railway sectors
- Strong track record with 44 completed and 34 ongoing projects in 17 states.
- Established relationships with major government and public sector clients.
- Robust financial growth with significant CAGR in sales and net profit over five years.
- Successful capital raising of over INR 100 cr. in pre-IPO funding rounds.

Risks:

- High dependence on government contracts, subject to policy and budgetary changes.
- Working capital-intensive operations may affect liquidity during project execution.
- Exposure to regulatory and environmental compliance risks in infrastructure projects.
- Potential delays in project execution due to unforeseen site conditions or approvals.
- Concentration risk if a significant portion of revenue is derived from a few large clients

VEL As of June 30, 2025, it has successfully completed 45 projects across 14 states with a total executed contract value of Rs. 1919.92 cr. As of June 30, 2025, it has 44 ongoing projects across 16 states, aggregating orders of Rs. 5120.21 cr. of which Order Book of Rs. 2442.44 cr.

Key Consolidated Financial Data (INR in Cr, unless specified)

Year	Revenue (INR)	EBIDTA (INR)	Net Profit (INR)	EBIDTA Margin (%)	EPS	EV/EBIDTA	P/BV	ROE	ROCE	P/E
FY23	524.3	80.0	42.8	15.3	5.4	11.4	5.9	32.7	21.2	18.0
FY24	785.9	134.2	74.8	17.1	9.4	6.7	2.7	25.7	20.0	10.3
FY25	922.0	160.0	83.0	17.4	9.8	6.1	1.7	17.3	15.3	9.9

Source: Ventura Research & Company update

Industry	Infrastructure
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Scrip Details

Listing	NSE & BSE
Open Date	Aug 26, 2025
Close Date	Aug 29, 2025
Price Band	INR 92 – 97
Face Value	INR 1.00
Market Lot	148 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 772.00
Issue Size (Shares)	7,95,87,627
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh.	18,35,81,130
Post Issue sh.	25,79,11,026
Post Issue Market Cap (cr)	2501.74

Shareholding (%)	Pre (%)	Post (%)
Promoter	81.78	58.21
Public	18.22	41.79
TOTAL	100	100

Issue Structure and Offer Details

Vikran Engineering IPO is a book build issue of INR 772.00 crores. The issue is a combination of fresh issue of 7.43 crore shares aggregating to INR 721.00 crores and offer for sale of 0.53 crore shares aggregating to INR 51.00 crores.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 97

Source: Company Reports

Objects of the Issue

The Company proposes utilizing Net Proceeds towards the following objects:

- 1. Funding working capital requirements of the company-INR 541 cr.**
- 2. General Corporate purposes.**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	524.3	785.9	922.0	Adjusted EPS (INR)	5.4	9.4	9.8
YoY Growth (%)	10.6	49.9	17.3	Adjusted Cash EPS (INR)	5.8	9.9	10.3
Raw Material Cost	266.5	385.0	500.0	Adjusted BVPS (INR)	16.5	36.6	56.5
RM Cost to Sales (%)	50.8	49.0	54.2	Adjusted CFO per share (INR)	0.7	(8.4)	(16.2)
Employee Cost	40.5	59.0	102.0	CFO Yield (%)	0.7	(8.6)	(16.7)
Employee Cost to Sales (%)	7.7	7.5	11.1	Adjusted FCF per share (INR)	3.4	(5.6)	(13.3)
Other Expenses	137.3	207.8	160.0	FCF Yield (%)	3.5	(5.8)	(13.7)
Other Exp to Sales (%)	26.2	26.4	17.4	Solvency Ratio (X)			
EBITDA	80.0	134.2	160.0	Total Debt to Equity	1.2	0.6	0.6
Margin (%)	15.3	17.1	17.4	Net Debt to Equity	1.1	0.5	0.5
YoY Growth (%)	217.0	67.7	19.2	Net Debt to EBITDA	1.7	1.0	1.3
Depreciation & Amortization	3.7	4.1	4.0	Return Ratios (%)			
EBIT	76.3	130.2	156.0	Return on Equity	32.7	25.7	17.3
Margin (%)	14.6	16.6	16.9	Return on Capital Employed	21.2	20.0	15.3
YoY Growth (%)	235.5	70.6	19.8	Return on Invested Capital	28.2	30.7	23.8
Other Income	4.9	5.5	5.0	Working Capital Ratios			
Bill discounting & other charges	28.5	32.9	46.0	Payable Days (Nos)	204	138	189
Fin Charges Coverage (X)	2.7	4.0	3.4	Inventory Days (Nos)	25	24	24
Exceptional Item	1.3	0.0	0.0	Receivable Days (Nos)	258	215	251
PBT	54.0	102.7	115.0	Net Working Capital Days (Nos)	78	101	86
Margin (%)	10.3	13.1	12.5	Net Working Capital to Sales (%)	21.4	27.7	23.5
YoY Growth (%)	476.9	90.3	11.9	Valuation (X)			
Tax Expense	11.1	27.9	32.0	P/E	18.0	10.3	9.9
Tax Rate (%)	20.6	27.2	27.8	P/BV	5.9	2.7	1.7
PAT	42.8	74.8	83.0	EV/EBITDA	11.4	6.7	6.1
Margin (%)	8.2	9.5	9.0	EV/Sales	1.7	1.2	1.1
YoY Growth (%)	550.0	74.7	10.9	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	54.0	102.7	115.0
Net Profit	42.8	74.8	77.8	Adjustments	(104.9)	(36.0)	(55.0)
Margin (%)	8.2	9.5	8.4	Change in Working Capital	67.6	(105.3)	0.7
YoY Growth (%)	550.0	74.7	4.0	Less: Tax Paid	(11.1)	(27.9)	(32.0)
Balance Sheet				Cash Flow from Operations	5.6	(66.5)	(129.0)
Share Capital	0.3	0.3	0.3	Net Capital Expenditure	(0.9)	(2.0)	(9.2)
Total Reserves	130.8	290.9	449.7	Change in Investments	(13.4)	(13.9)	(24.2)
Shareholders Fund	131.1	291.3	450.0	Cash Flow from Investing	(14.3)	(15.9)	(33.5)
Long Term Borrowings	36.5	10.7	272.0	Change in Borrowings	38.3	37.7	193.8
Deferred Tax Assets / Liabilities	(5.9)	(8.8)	8.8	Less: Finance Cost	(28.5)	(32.9)	(46.0)
Other Long Term Liabilities	0.7	0.4	0.0	Proceeds from Equity	0.0	81.5	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	19.6	33.7	5.0	Dividend Paid	(1.0)	(3.9)	(7.8)
Total Liabilities	182.1	327.3	735.8	Cash flow from Financing	8.8	82.4	140.0
Net Block	11.9	9.8	47.0	Net Cash Flow	(0.0)	(0.0)	(22.5)
Capital Work in Progress	0.0	0.0	9.0	Forex Effect	0.0	0.0	0.0
Intangible assets under developmer	0.0	0.0	0.2	Opening Balance of Cash	0.1	0.1	0.1
Non Current Investments	0.0	0.0	2.0	Closing Balance of Cash	0.1	0.1	(22.4)
Long Term Loans & Advances	28.7	42.8	2.0				
Other Non Current Assets	49.0	30.7	2.0				
Net Current Assets	92.5	244.0	673.6				
Total Assets	182.1	327.3	735.8				

Source: Company Reports

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