

ABOUT THE COMPANY: The Company is among the fastest-growing EPC players in India. It operates across power, water, and railway infrastructure, providing turnkey EPC services from design to commissioning. The portfolio includes high-voltage transmission lines, substations, smart metering, underground and surface water projects under Jal Jeevan Mission, and railway electrification works.

KEY BUSINESS INSIGHTS: The promoters of the company, the Markhedkar brothers bring more than 70 years of combined experience, and both of them have worked with some of the biggest Indian EPC companies like Larsen and Turbo and Bajaj Electricals. The company has been growing at a rapid pace and has achieved the milestone of bidding for and completing power projects up to 765kV within a span of 7 years, where other companies typically take up to 20 years to reach such scale. Vikran achieved this by delivering projects ahead of time. The company operates on an asset light model; majority of equipment's are leased. The company operates in more than 20 states and hence has diversity with regards to order book which makes it less susceptible to the regulatory risk by any one state government. The management claims the secret to high margin lies in the careful and well thought out project selection. The bid to win ratio for Vikran is 20% as of FY 25. The company is majorly dealing with various state governments as of FY 25.

VIEW:

The company has had a robust financial performance with revenue growing from 524 Cr to 916 Cr from FY 23 to FY 25 with a CAGR of 32% and PAT growing from 43 Cr to 78 Cr in the same time period with a CAGR of 35%. The company has established itself as one of the most reliable EPC players in the power segment. Further, experienced promoters tip the balance in its favour as they have more than three decades of experience in the EPC space with various organizations. The issue is fairly priced at 22X PE and 4X PB as compared to 61X PE and 4X PB average of its listed peers. However, ban on the company by Executive director of Gati Shakti and stretched working capital remains a concern. We recommend **SUBSCRIBE** the issue for investors with **high-risk** appetite.



ISSUE DETAILS

Price Band (in ₹ per share)	92-97
Issue size (in ₹ Crore)	772
Fresh Issue (in ₹ Crore)	721
Offer for Sale (in ₹ Crore)	51
Issue Open Date	26-08-2025
Issue Close Date	29-08-2025
Tentative Date of Allotment	01-09-2025
Tentative Date of Listing	03-09-2025
Total Number of Shares (in lakhs)	795.88
Face Value (in ₹)	1
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	148	14,356
Retail (Max)	13	1924	1,86,628
S-HNI (Min)	14	2072	2,00,984
S-HNI (Max)	69	10212	9,90,564
B-HNI (Min)	70	10360	10,04,920

BRLMs: Pantomath Capital Advisors Private Limited, Systematix Corporate Services Limited

PROMOTERS: Rakesh Ashok Markhedkar, Avinash Ashok Markhedkar, Nakul Markhedkar

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)	FY25	FY24	FY23
Share Capital	18.36**	0.33	0.29
Net Worth	467.87	291.28	131.14
Revenue from Operations	915.85	785.95	524.31
EBITDA	160.24	133.30	79.71
EBITDA Margin (%)	17.50	16.96	15.20
Profit/(Loss) After Tax	77.82	74.83	42.84
EPS (in Rs.)	4.35	4.92	2.89
Net Asset Value (in Rs.)	25.49	17.2	8.85
Total borrowings	272.94	183.39	154.93
P/E [#]	22	NA	NA
P/B [#]	4	NA	NA

** In August 2024, Stock Split from Face Value of Rs 10 to Rs 2 and Bonus of 50:1 issued to existing shareholders

OBJECTS OF THE OFFER

The Company proposes to utilize the net proceeds towards funding the following objects:

- Funding working capital requirements of the Company. (541.00 crores)
- General corporate purposes

FINANCIAL STATEMENTS

Profit & Loss Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	524.31	785.95	915.85
Other Income	4.87	5.49	6.52
Total Income	529.18	791.44	922.36
YoY Growth (%)	-	0.50	0.17
Cost of Materials Consumed	266.48	384.96	483.68
Project related expense	96.18	167.77	160.42
Employee Benefit Expenses	40.53	58.96	67.63
Other Expenses	41.40	40.97	43.89
EBIDTA	79.71	133.30	160.24
EBIDTA Margin (%)	0.15	0.17	0.17
Depreciation and amortisation expense	3.70	4.05	2.97
EBIT	80.89	134.73	163.78
EBIT Margin (%)	0.15	0.17	0.18
Finance cost	28.22	33.98	53.59
Profit before tax	53.98	100.76	110.19
Tax expenses	1.00		
Current tax	13.42	28.75	37.52
Tax pertaining to earlier period	-	-	0.78
Deferred tax	-2.28	-2.83	-5.93
Total tax expenses	11.14	25.93	32.37
Profit for the year	42.84	74.83	77.82
PAT Margin (%)	8.10%	9.46%	8.44%
Earnings per share			
Basic earnings per share (₹)	2.89	4.92	4.35

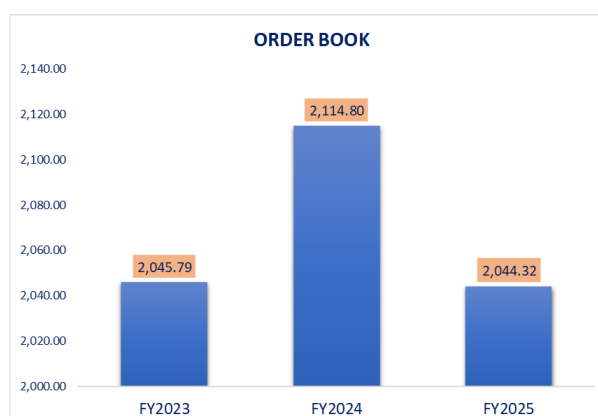
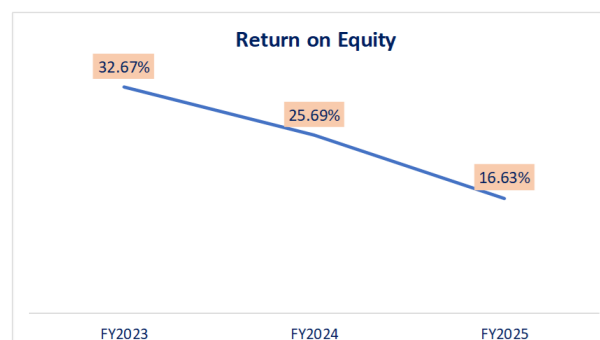
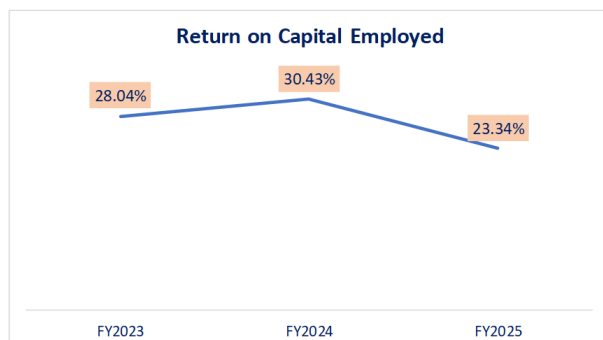
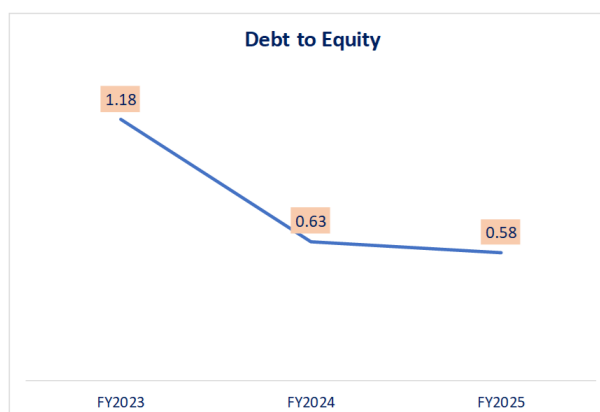
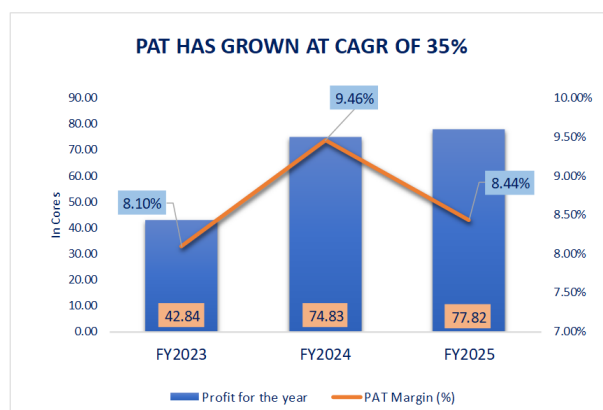
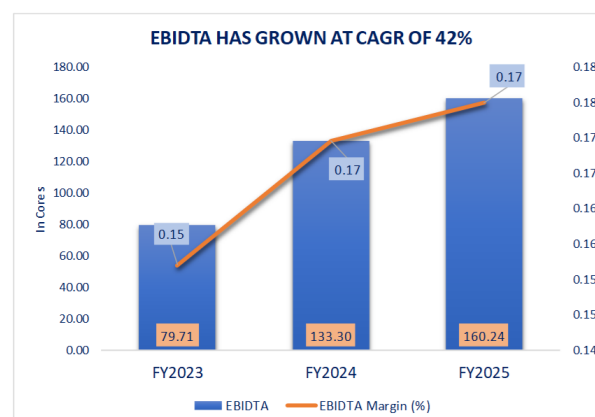
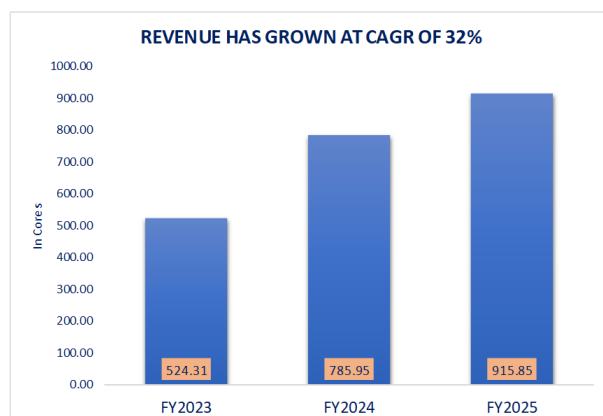
Cashflow Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
Cash generated from operating activities	12.05	-47.39	-106.48
Income tax paid (net of refunds)	-6.50	-19.09	-22.33
Tax asset/d acquired under schemes of amalgamation	0.00	0.00	-0.28
Net cash generated from operating activities	5.55	-66.48	-129.09
Net cash used in investing activities	-14.32	-15.94	-9.26
Net cash used in financing activities	8.75	82.37	140.61
Net increase/ (decrease) in cash and cash equivalents before effect of rate exchange	-0.02	-0.04	2.27
Balance as at beginning	0.14	0.12	0.08
C & CE acquired under schemes of amalgamation	0.00	0.00	0.15
Cash and cash equivalent as at year end	0.12	0.08	2.50

Balance Sheet

Particulars (In Crores)	FY2023	FY2024	FY2025
Assets			
Non-current assets			
Property, plant and equipment	9.14	8.64	9.04
Investment properties	0.99	0.92	0.93
Intangible assets	0.27	0.23	0.20
Right-of-use assets	1.86	1.49	1.50
Other financial assets	43.19	25.67	20.69
Deferred tax assets (net)	4.26	3.75	15.24
Non current tax assets (net)	3.29	3.88	1.85
Other non-current assets	17.04	18.67	11.90
Total non-current assets	80.03	63.25	61.35
Current assets			
Inventories	35.66	50.72	59.94
Investments	0.00	0.90	1.13
Trade receivables	369.91	463.90	634.33
Cash and cash equivalents	0.18	0.08	2.50
Bank balances other than above	1.63	49.87	49.68
Loans	1.29	0.00	2.03
Other financial assets	19.29	0.31	11.53
Contract assets	194.64	281.66	466.37
Other current assets	15.21	38.79	49.10
Total current assets	632.44	896.24	1292.18
Total assets	712.47	959.79	1354.68
Equity and Liabilities			
Equity			
Equity share capital	0.29	0.33	18.36
Other equity	130.85	290.95	449.52
Total equity	131.14	291.28	467.87
Non-current liabilities			
Borrowings	36.51	10.70	31.92
Lease liabilities	0.75	0.78	0.80
Provisions	2.12	28.71	3.59
Total non-current liabilities	39.37	13.89	36.31
Current liabilities			
Borrowings	118.42	172.69	241.03
Lease liabilities	0.95	0.94	0.72
Trade payables (MSME)	23.08	58.70	91.81
Trade payables (Others)	207.31	248.67	385.81
Other financial liabilities	120.45	157.65	206.75
Other current liabilities	5.94	5.60	78.68
Provisions	16.47	10.99	7.98
Current tax liabilities (net)	90.60	89.70	46.21
Total current liabilities	451.96	645.43	856.09
Total liabilities	491.33	659.32	892.40
Total equity and liabilities	712.47	959.79	1354.68

PERFORMANCE THROUGH CHARTS



INDUSTRY REVIEW

OVERVIEW OF EPC INDUSTRY IN INDIA

- Over the years, the infrastructure business has seen various contracting methods evolve. Traditional contracting models have been replaced by new approaches as projects have grown more complex. Gradually, the responsibility for project management has moved from the owner or developer to the contractor.
- This shift is evident in the move from owner-managed projects to Engineering, Procurement, and Construction (EPC) contracts. In EPC contracts, the contractor assumes the risks of time and cost overruns, along with the responsibilities for design, material procurement, and construction. These contracts also shield the owner/developer from currency and interest rate fluctuations.
- Unlike other contracts where procurement and design are separate processes, EPC contracts integrate them, reducing the overall project duration. Contract which requires heavy financial and technical requirement generally divided into smaller EPC projects.
- A typical EPC project covers design, civil works, equipment purchase and installation, and commissioning. Most of the EPC players provide integrated and customised solutions as per the client requirements through a consultative approach. Favourable government initiatives, increased infrastructure development in sectors such as roads, power, railways, irrigation etc have provided impetus to EPC contracts.

OVERVIEW OF POWER EPC IN INDIA

- A typical EPC project covers design, civil works, equipment purchase installation, and commissioning. However, the scope of an EPC work has been evolved over the years and now may also include O&M (Operation and Management) services. Most of the EPC players provide integrated and customised solutions as per the client requirements through a consultative approach.
- Type of Projects:
 - Generation: End-to-end EPC projects for setting of generation power plants or sections of projects which include but not limited to Flue Gas Desulphurization (FGD) Systems, Boilers, Turbine and Generator systems, steam generator and its auxiliaries.
 - Transmission and distribution (T&D): In T&D projects include but not limited to erection of various sub-stations such as transmission substation, distribution substation and converter substation, construction of transmission lines, underground and overhead distribution power line construction, smart metering
- Mode of Construction:
 - Turnkey projects: Under turnkey project structure, the contractor holds full responsibility of design and execution of the works, including EPC. Therefore, the contractor makes the facility ready to be used at the turn of a key. The project must be delivered at a pre-determined time and pre-determined cost and the contractor must adhere to project specifications. In case of deviations, the contractor is liable to pay monetary compensation.
 - Balance of plant: In case of balance of plant (BoP) structure, the entire project is broken into multiple packages with a major chunk contracted through EPC route and the rest through BoP. For coal based thermal plants, main plant equipment BTG (Boiler-Turbine-Generator) can be sourced singularly and BoP comprising of all Mechanical, Electrical, Instrumentation & Control systems and equipment as well as entire civil works along with system engineering and plant interfacing can be procured from various manufacturers.

COMPETITIVE STRENGTHS OF THE COMPANY**DIVERSIFIED ORDER BOOK**

- The company's Order Book 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 Order Book is diversified across business verticals including power transmission and distribution, water infrastructure, and railway infrastructure. Further, the company has presence in all the power transmission and distribution segments, which helps its Order Book to remain diversified within the power sector as well.
- The company has developed pre qualifications in government projects for power transmission lines upto 400 kV, Substations upto 765 kV and power distribution projects of 33 kV and 11 kV, distribution substations and distribution lines. Additionally, the company is also qualified for bidding for energy meter service connection projects. This enables it to bid for and execute projects across all these verticals
- The company's government and public sector contracts are sourced from a wide range of entities across geographies. The company involvement in a variety of projects, ranging from extra high-voltage transmission lines to water treatment plants to railway electrification, helps in maintaining flow of business opportunities and mitigates sector-specific risks.

PAN INDIA PRESENCE

- In the company journey so far, it has executed work across 22 states, of which it is currently executing projects in 16 states.
- With a pan-India presence supported by 190 sites and store locations as of June 30, 2025, the company offer a range of EPC services that cater to the specific needs of its customers across the country. This distribution of offices allows the company to provide on-the-ground support and services, project efficiency and customer satisfaction. The company has also executed multiple projects with some of the company key customers such as NTPC Limited, Transmission Corporation of Telangana Limited, Madhya Pradesh Power Transmission Company Limited, South Bihar Power Distribution Co. Ltd.
- During the last three Fiscals, the company had over 3,500 suppliers and service providers across many states. The company extent of purchases from suppliers in any particular period depends inter alia on the location of the company projects, nature of the company projects, commercial terms, proximity of suppliers, etc. By diversifying the company supply chain network, the company endeavour to maintain regular availability of materials and equipments.

IN-HOUSE TECHNICAL AND ENGINEERING CAPABILITIES, PROCESS CONTROL AND QUALITY ASSURANCE

- The Company has developed resources in-house to deliver a project from conceptualization until completion ensuring overall overview of the project and execution of the project. The company has a team of 12 designers and engineers who have industry knowledge in the company business verticals with a total cumulative experience of over 93 years who help the company to offer customised solutions for turnkey projects.
- Apart from this, the company also has a team of designers and engineers deputed for providing on-ground support at the company ongoing project sites. The company in-house integrated model includes a design and engineering team for each business vertical to oversee timely completion of projects, in line with the applicable quality standards thereby allowing the company to capture a larger proportion of the value chain in the EPC business.
- The company has a centralized project monitoring and control group ("CPMG") at Registered and Corporate Office comprising 5 members, who oversee the project and review control mechanism periodically wherein they monitor the progress of the company projects as per project milestones, budgetary financial control and schedule periodic meetings within various departments and management review meetings.

RISK FACTORS

BAN ON COMPANY BY EXECUTIVE DIRECTOR GATI SAKTI

- Executive Director/Gati Shakti (Elect.) Railway Board has passed an Order dated July 26, 2024 (the "said Order"), in terms of which CORE (Central Organisation for Railway Electrification)/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.
- The said Order records that a contract was awarded by the Railways Electrification (RE)/Ahmedabad Division to the company via the Letter of Award dated November 7, 2021. The scope of work entailed the "Supply, Erection, Testing & Commissioning of a 220 kV S/C (2-Phase) Vondh-Bhachau TSS (Western Railway) Line with ACSR Zebra Conductor, including OPGW Cable & FOTE for a 16 Route KM overhead line, as well as a Aluminum Corrugated Underground cable line from 220 kV Vondh Substation to Bhachau TSS, District Kutch, spanning 2.7 km underground, on a turnkey basis." A departmental investigation was initiated by CORE/Vigilance based on an investigation by Central Bureau of Investigation (CBI) on the same matter.

STRECHED WORKING CAPITAL CYCLE

- The company business is working capital intensive and hence, trade receivables, other current assets including contract assets and inventories form substantial part of the company 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.
- The results of operations of the company business and the company overall financial condition are hence dependent on the company ability to effectively manage its inventory, contract assets and trade receivables. The company generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage the company supplies inventory, the company must be able to accurately estimate customer demand, project requirements, project timelines and supply requirements and purchase new inventory accordingly.
- If the company fail to finish any project within the given timelines, the company may be required to carry work-in-progress inventory on the company books and pay for fresh supplies on other projects without receiving payment for earlier projects, requiring to create additional vendor financing, all of which could have an adverse impact on the company income and cash flows.

DECREASING ORDER BOOK

- A significant portion of the company Order Book value and the company revenue are generated from projects in the power transmission and distribution sector and water infrastructure sector. However, 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 the company on account of reduction in the number of orders floated by the government during Fiscal 2024 and due to the company strategic focus in selective bidding for water and railway infrastructure projects during Fiscal 2025.
- This decline in the Order Book and the Order Book to revenue ratio may impact the Company's revenue visibility and growth prospects in future. The Order Book for the water infrastructure and railway infrastructure verticals as of March 31, 2025, has decreased in comparison to the previous year, and this decrease could affect the company ability to maintain or grow the Order Book and business in these sectors in the future.



PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Vikran Engineering Ltd.	915.85	1	4.35	25.49	16.63	22^	4^
Bajel Projects Ltd	2,598.24	2	1.34	57.63	2.32	158	4
Kalpataru Projects International Ltd	22,315.78	2	35.53	378.8	8.77	36	3
Techno Electric & Engineering Company Ltd	2,268.66	2	37.19	321.55	11.31	39	4
SPML Infra Ltd	770.64	2	7.61	107.43	6.22	39	3
KEC International Limited	21,846.70	2	21.8	200.88	10.67	38	4
Transrail Lighting Limited	5,307.75	2	25.72	140.11	17.36	31	6

Financials are of FY2025 Data ^ Calculated at upper price band of 97. *Calculated at closing of 18th August 2025



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