



VIKRAN
ENGINEERING LIMITED



VIKRAN ENGINEERING LTD

Price Band

₹92 to ₹97

Issue Opens

August 26, 2025 to August 29, 2025

Face Value

₹1

Issue Size

₹772.00 Cr

Lot Size

148 Shares

Listing At

NSE, BSE

Vikran Engineering Ltd Info

Issue Size

7,95,87,627 shares / ₹772.00 Cr

Fresh Issue

7,43,29,896 shares / ₹721.00 Cr

Offer for Sale

52,57,731 shares of ₹1 / ₹51.00 Cr

Retail Quota

Not less than 35% of the Net Issue

Retail Min/Max

Rs.14,356 /1,86,628

Vikran Engineering Ltd Timeline

Tentative Allotment

Mon, Sep 1, 2025

Initiation of Refunds

Tue, Sep 2, 2025

Credit of Shares to Demat

Tue, Sep 2, 2025

Vikran Engineering Ltd Listing Day

Wed, Sep 3, 2025

Objects of The Offer



Vikran Engineering Ltd is launching its public issue comprising a Fresh Issue and an Offer for Sale, with the following objectives:

- **Offer for Sale:** The proceeds from the Offer for Sale will be received entirely by the Promoter Selling Shareholder. The Company will not receive any funds from this component of the Offer.
- **Fresh Issue:** The Net Proceeds from the Fresh Issue are proposed to be utilised for:
 - Funding working capital requirements of the Company.
 - General corporate purposes, not exceeding 25% of the Gross Proceeds of the Offer. These may include supporting strategic initiatives, pursuing growth opportunities, brand building, marketing, meeting contingencies, and capital expenditure.
- **Additional Benefits:** The proposed listing of Equity Shares is also expected to enhance the Company's visibility, strengthen its brand image, and create a public market for its Equity Shares in India.

About The Company and Business Overview

Vikran Engineering Limited is a fast-growing Indian Engineering, Procurement, and Construction (EPC) company providing end-to-end solutions across power transmission, water infrastructure, and railway sectors. The company delivers projects on a turnkey basis, encompassing conceptualisation, design, supply, installation, testing, and commissioning.

Business Segments:

- **Power Transmission and Distribution (72.90% of FY25 revenue):** Expertise in constructing high-voltage transmission lines up to 765 kV, substations up to 400 kV (AIS and GIS), and distribution networks. The company has also executed smart metering projects, cementing its position in the power infrastructure space.
- **Water Infrastructure (26.79% of FY25 revenue):** Provides turnkey solutions for drinking water and rainwater projects, including distribution networks, treatment plants, and overhead reservoirs. It is a key participant in rural development schemes such as the Jal Jeevan Mission.
- **Railway Infrastructure (0.31% of FY25 revenue):** Executes underground EHV cable work, 132 kV transmission lines, and railway traction substations, marking an early entry into this sector with significant growth potential.



Growth and Financial Performance:

Vikran Engineering has demonstrated strong financial momentum, with revenue from operations growing at a CAGR of 32.17% from ₹5,243.05 million in FY23 to ₹9,158.47 million in FY25. Net profit rose at a CAGR of 34.78%, reaching ₹778.19 million in FY25. The company's robust Order Book of ₹24,424.39 million as of June 30, 2025 provides strong revenue visibility.

Business Model and Capabilities:

The company leverages in-house design and engineering capabilities to deliver integrated EPC solutions. Adopting an asset-light model, it outsources a significant portion of execution to subcontractors, driving efficiency and capital productivity, as reflected in a fixed asset turnover ratio of 101.27 in FY25. Operations are underpinned by ISO-certified systems in quality, environment, and occupational health and safety.

Market Presence and Clients:

With 190 sites and store locations across 16 states and projects executed in 22 states, Vikran Engineering enjoys a pan-India presence. Its clientele includes government entities, public sector undertakings, and private players, with 61.73% of FY25 revenue sourced from government tenders awarded through competitive bidding.

Strategies:

The company aims to consolidate its leadership in power and water infrastructure, expand its presence in high-value substation and underground cabling projects, selectively enter international markets, and diversify into sectors such as railways, metros, and solar EPC.



Brief profile of the Directors

- **Rakesh Ashok Markhedkar**, is the Chairman and Managing Director of the Company. He is also one of the Promoters of the Company. He has been on the Board of Directors of the Company since November 20, 2015. He has passed bachelor's in engineering (electrical) from Samrat Ashok Technological Institute, Vidisha (M.P.), Barkatullah University. He also holds a master's degree in science in quality management from the Birla Institute of Technology and Science, Pilani, Rajasthan and participated in the general management programme for Larsen and Toubro Limited conducted by the Indian Institute of Management, Bangalore. . He has 34 years of experience, largely in EPC sector. He received "World's Best Emerging Leader" award.
- **Avinash Ashok Markhedkar**, is a Whole-Time Director of the Company. He is also one of the Promoters of the Company. He has been on the Board of Directors of the Company since November 02, 2015. He has passed bachelor's in engineering (mechanical) from Samrat Ashok Technological Institute, Vidisha (M.P.), Barkatullah University. He has also passed master of business administration exam from the Indira Gandhi National Open University. He has completed the program on leading and managing from Indian Institute of Management, Calcutta. He has over 33 years of experience.
- **Nakul Markhedkar**, is a Whole-Time Director of the Company. He is also one of the Promoters of the Company. He was on the Board of Directors of the Company from November 18, 2014 to December 1, 2019 and thereafter he was appointed on the Board of Directors of the Company from February 1, 2024.
- **Rakesh Kumar Sharma**, is the Independent Director of the Company. He holds a bachelor's degree in science in engineering (mechanical) from Punjab Engineering College, Punjab University and a master's degree in marketing management from Jamnalal Bajaj Institute of Management Studies, University of Bombay.
- **Arun Bhagwan Unhale** is the Independent Director of the Company. He holds a bachelor's degree in science (agriculture) from Mahatma Phule Agricultural University and bachelor's degree in law (general) from Shivaji University. He also holds master's degree in law from Shivaji University and master's degree in arts (history) from Shivaji University.
- **Priti Paras Savla** is the Independent Director of the Company. She holds a bachelor's degree in commerce (financial accounting and auditing) from University of Mumbai. She is an associate member of The Institute of Chartered Accountants of India. She is a practicing chartered accountant since 2002. She has an experience of about 21 years.

Financial Ratios	Vikram Engineering	Bajaj Projects	Kalpatech Projects	Techno Electric & Engineering	SPML Infra	KIC International	Transall Lighting Ltd
Revenue from Operations (₹ Mn)	9,158.47	25,982.37	2,23,157.80	22,688.63	7,706.36	2,18,467.00	53,077.50
EBITDA (₹ Mn)	1,602.95	592.70	18,341.20	2,944.25	427.17	15,039.00	6,713.60
EBITDA Margin (%)	17.50	2.28	8.22	12.98	5.54	6.88	12.69
PAT (₹ Mn)	778.19	154.64	5,672.70	4,229.45	479.11	5,707.40	3,266.30
PAT Margin (%)	8.44	0.59	2.53	17.42	5.82	2.60	6.10
ROE (%)	56.63	2.32	8.77	11.31	6.22	10.67	17.36
ROCE (%)	23.34	8.97	15.02	7.85	4.49	15.73	32.41
Net Worth (₹ Mn)	6,678.73	6,662.73	64,688.60	37,396.46	7,701.40	51,474.50	18,810.70
Revenue CAGR FY23-FY25 (%)	32.17	97.86	16.79	65.38	(6.59)	12.43	29.76
PAT CAGR FY23-FY25 (%)	34.78	N.A.	14.19	50.45	1,090.83	80.06	74.26
EBITDA CAGR FY23-FY25 (%)	45.78	N.A.	15.72	N.A.	21.78	34.63	51.61
Debt to Equity Ratio	0.58	0.18	0.65	0.01	0.48	0.69	0.34
Fixed Assets Turnover Ratio	105.27	33.51	10.23	60.34	297.76	20.34	13.01
Inventory Turnover Ratio	15.64	17.33	12.18	134.57	15.16	14.23	7.67
Order Book (₹ Mn)	20,443.18	29,840.00	6,44,950.00	1,08,516.00	30,000.00	3,31,980.00	1,59,150.00
Order Book / Revenue (%)	223.22	114.85	289.01	482.73	389.29	152.87	299.84

Strengths



- **Fast-Growing EPC Player:** Revenue grew at a CAGR of 32.17% from ₹5,243.05 mn in FY23 to ₹9,158.47 mn in FY25, with net profit rising at a CAGR of 34.78% to ₹778.19 mn, positioning the company among India's fastest-growing EPC firms.
- **Comprehensive EPC Capabilities:** Provides integrated, end-to-end solutions from conceptualisation to commissioning, ensuring greater control over timelines, quality, and project delivery.
- **Diversified Infrastructure Portfolio:** Strong presence in power transmission (765 kV lines, 400 kV AIS/GIS substations, smart metering), water infrastructure (Jal Jeevan Mission projects), railways (EHV cabling, traction substations), and solar EPC, reducing dependency on a single sector.
- **Robust Order Book with Strong Execution Track Record:** Order Book stood at ₹24,424.39 mn as of June 30, 2025; successfully executed 45 projects worth ₹19,199.17 mn across 14 states and has 44 ongoing projects across 16 states.
- **Operational Excellence & Quality Standards:** In-house design team of 12 engineers with 93+ years cumulative experience, supported by ISO 9001, ISO 14001, and ISO 45001 certifications, enabling efficient cost structures and high-quality delivery.
- **Pan-India Presence & Supplier Network:** Active across 22 states with 190 sites and stores; backed by long-standing relationships with 3,500+ suppliers and service providers for efficient procurement and execution.
- **Asset-Light Business Model:** Relies on leasing equipment from third-party lessors, driving capital efficiency. Achieved a fixed asset turnover ratio of 101.27 in FY25, reflecting strong return on capital.

Key Risk Factors

- **Heavy Reliance on Competitive Bidding:** Most projects are secured through government and PSU tenders. Intense competition and aggressive pricing pressure create uncertainty in order wins and profitability.
- **Regulatory Ban from Railways:** The Ministry of Railways imposed a two-year ban (July 2024) on future contracts, citing alleged integrity breaches. An adverse court outcome could significantly affect revenue, reputation, and sectoral diversification.
- **Working Capital Intensive with Negative Cash Flows:** High receivables, contract assets, and inventories (85.68% of total assets in FY25) strain liquidity. Operating cash flows were negative at ₹1,290.86 mn in FY25 and ₹664.77 mn in FY24, despite profitability.
- **High Trade Receivables:** A notable portion of receivables is overdue for more than six months (12.19% in FY25). Delays in collections could severely affect cash flow and operations.
- **Dependence on Government Entities:** ~61.73% of FY25 revenue came from government tenders. Delays in tendering, policy changes, or contract renegotiations could materially impact revenue flow.
- **Declining Order Book to Revenue Ratio:** The ratio fell from 390% in FY23 to 223% in FY25, raising concerns on future growth visibility. A slowdown in water and railway infrastructure orders is particularly notable.
- **Customer Concentration Risk:** In FY25, the top customer contributed 28.79% of revenue and the top five accounted for 69.48%. Loss of key clients would significantly affect financial performance.

Statement of Profit and Loss



[All amounts are in Indian Rupees millions, unless otherwise stated]

Particulars	FY25 (₹ Mn)	FY24 (₹ Mn)	FY23 (₹ Mn)
Income			
Revenue from operations	9,158.47	7,859.48	5,243.05
Other income	65.17	54.89	48.74
Total income	9,223.64	7,914.37	5,291.79
Expenses			
Cost of materials consumed	4,836.75	3,849.57	2,664.83
Project related expense	1,604.22	1,677.68	961.78
Employee benefits expense	676.25	589.63	405.26
Finance costs	535.91	339.77	282.16
Depreciation and amortisation expense	29.72	40.51	36.98
Other expenses	438.90	409.65	414.04
Total expenses	8,121.75	6,906.81	4,765.05
Profit before exceptional items and tax	1,101.89	1,007.56	526.74
Exceptional items – gain (net)	-	-	13.04
Profit before tax (PBT)	1,101.89	1,007.56	539.78
Tax expense / (credit)			
Current tax	375.23	287.52	134.22
Tax pertaining to earlier periods	7.79	-	-
Deferred tax	(59.32)	(28.27)	(22.84)
Total Tax	323.70	259.25	111.38
Profit for the year (a)	778.19	748.31	428.40
Other comprehensive income / (loss)			
Remeasurement of benefit obligations	(11.57)	(2.82)	1.33
Income tax on above	2.91	0.71	(0.34)
Total OCI (b)	(8.66)	(2.11)	0.99
Total comprehensive income (a+b)	769.53	746.20	429.39
Earnings per equity share (EPS)			
Basic EPS (₹)	4.35	4.92	2.89
Diluted EPS (₹)	4.35	4.92	2.89

We have not mentioned the OCI elements in the P&L statement

Valuation and Outlook



Vikran Engineering Ltd IPO is expected to be priced between **₹92 to ₹97** per share. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **22.29x** due to its continued losses whereas the industry average is **35.45x**

Name of the Company	Face Value (₹)	Closing Price (₹) (25 Aug 2025)	Revenue FY25 (₹ Mn)	EPS FY25 (₹)	NAV per Share (₹)	P/E Ratio	RoNW FY25 (%)
Vikran Engineering]	1.00	N.A.	9,158.47	4.35	25.49	N.A.	16.63
Bajel Projects Ltd	2.00	204.00	25,982.37	1.34	57.63	158.75	2.32
Kalpitaru Projects International Ltd	2.00	1,298.00	2,23,157.80	35.53	378.80	34.68	8.77
Techno Electric & Engineering Co. Ltd	2.00	1,560.00	22,686.61	37.19	321.55	40.17	11.31
SPML Infra Ltd	2.00	277.00	7,706.36	7.61	107.43	36.79	6.22
KEC International Limited	2.00	828.00	2,18,467.00	21.80	200.88	35.71	10.67
Transrail Lighting Limited	2.00	764.00	53,077.50	25.72	140.11	30.73	17.36

Vikran Engineering Limited has delivered strong topline and bottom-line growth over FY23-FY25, with revenue and profit CAGR of 32.17% and 34.78% respectively, supported by a robust and diversified Order Book of ₹24,424.39 million. Its integrated EPC model, pan-India presence, and asset-light execution strategy provide scalability and efficient capital utilisation, reflected in a high fixed asset turnover ratio of 101.27. However, persistent negative operating cash flows, high receivables, and working capital intensity remain structural challenges that could pressure liquidity. The recent regulatory ban from the Railways and declining order book-to-revenue ratio raise concerns on growth visibility in certain segments. While valuations could benefit from strong execution capability, revenue visibility in power and water infrastructure, and established customer relationships, investors must weigh these strengths against governance issues, regulatory risks, and sectoral concentration. Sustained improvement in cash flow generation, diversification into new EPC verticals, and resolution of regulatory hurdles will be critical for long-term value creation.

"Call us on 8448899576" to find out whether or not you should apply.

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