

## Company Business

- ✦ **Sectors of Operation** VIKRAN ENGINEERING LIMITED has a presence across multiple infrastructure sectors:
- **Power Transmission and Distribution** : This includes services for Extra High Voltage (EHV) substations up to 765 kV, Gas Insulated Substations (GIS) up to 400 kV, transmission lines up to 400 kV, EHV underground cabling work, and power distribution networks. **They have also executed 30,000 smart metering connections.**
  - **Water Infrastructure** : The company provides turnkey solutions for water projects, such as surface and underground drinking water projects.
  - **Railway Infrastructure** : The company is also involved in railway electrification projects.
- ✦ **Customer Base and Order Book** : For Fiscal 2025, approximately 61.73% of its revenue came from government authorities, 18.41% from PSUs, and 19.86% from the private sector. As of June 30, 2025, the company had an unexecuted Order Book of ₹2442.43 crore from 44 ongoing projects across 16 states. By this date, it had completed 45 projects across 14 states with a total executed contract value of ₹1919.91 crore.
- ✦ **Segment Wise Revenue:**
- Power Transmission and Distribution : **72.90%**
  - Water Infrastructure : **26.79%**
  - Railway & Infra : **0.31%**

## Industry Analysis

- ✦ **Key Growth Drivers and Trends**
- **Growing Economy and Government Initiatives**
  - **Power Transmission and Distribution (T&D)** : This sector is crucial for meeting growing electricity demand and expanding generation capacity. Investments are expected to cumulatively reach **₹4.5–5.5 trillion over fiscals 2026–30.**
  - **Water Infrastructure** : Projects in this sector, including surface and underground drinking water, are supported by government schemes like the **Jal Jeevan Mission.**
- ✦ **Key Threats and Challenges**
- **High Capital Investments** : The industry requires substantial upfront capital, and high borrowing costs can limit capacity.
  - **Working Capital Management** : Delays in payments from government agencies and the retention of money can strain working capital and increase interest costs.
  - **Competitive Pressure** : The EPC industry is highly competitive.

## IPO Details

- ✦ Total Issue Size : **7,95,87,627 shares ( ₹772.00 Cr)**
- ✦ Fresh issue : **7,43,29,896 shares ( ₹721.00 Cr)**
- ✦ OFS : **52,57,731 shares of ₹1 (₹51.00 Cr)**
- ✦ Issue Price Band : **₹92 to ₹97 per share**
- ✦ Lot Size : **148 Shares**
- ✦ IPO Date : **Aug 26, 2025 – Fri, Aug 29, 2025**
- ✦ Pre IPO Promoters Holding : **81.78%**
- ✦ Post IPO Promoters Holding : **56.17%**

## Objects of the issue

- ✦ Funding working capital requirements of our Company : **Rs. 541 Cr.**
- ✦ General Corporate Purposes



Financials of the company \_\_\_\_\_

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	915.80	785.90	524.30
EBITDA	160.2	133.2	79.7
EBITDA Margins	17.50%	16.96%	15.20%
PAT	77.8	74.8	42.8
PAT Margins	8.44%	9.46%	8.10%
ROCE	23.34%	30.43%	28.04%
Debt to Equity Ratio(In Times)	0.58	0.63	1.18
Operating Cash Flow	-129	-66.4	5.5

Comparison with Peers \_\_\_\_\_

Companies	Revenue	EBTDA%	PAT%	Working Capital Turnover Ratio	D/E Ratio	ROCE	MCap .	P/E
Vikran Engineering Ltd.	915.80 Cr.	17.50%	8.44%	1.35	0.58	23.34%	2501.73 Cr.	32.16
Bajel Projects Ltd	2598 Cr.	3%	0.57%	14.19	0.24	12.90%	2,382 Cr.	180
Kalpataru Projects International Ltd	22316 Cr.	9%	2.54%	4.88	0.66	16.00%	22091 Cr.	31.2
Techno Electric & Engi. Company Ltd	2269 Cr.	15%	18.60%	0.87	0.01	16.50%	18003 Cr.	41.3
SPML Infra Ltd	771 Cr.	5.00%	6.22%	4.34	0.48	8.92%	1980 Cr.	42
KEC International Limited	21847 Cr.	8.00%	2.60%	6.87	0.74	18.00%	22032 Cr.	36.3
Transrail Lighting Limited	6052 Cr.	13%	5.40%	4.07	0.35	30.60%	10322 Cr.	27.1



## Growth Potential

Working Capital Turnover Ratio Trend : **Declining**

- Fiscal 2023 : **2.51**
- Fiscal 2024 : **1.90**
- Fiscal 2025 : **1.35**

The company is holding more working capital relative to its sales, potentially due to longer collection periods for receivables or a higher investment in ongoing projects before revenue is fully recognized.

Assuming Fiscal 2025 Working Capital Turnover Ratio Projected Sales are:

Particulars	FY 26	FY 27
Working Capital Requirement	1,066 Cr.	1,481.40 Cr.
Working Capital Turnover Ratio (FY 25)	1.35	1.35
Projected Revenue	1,439 Cr.	2,000 Cr.
PAT Margin 8.44% (FY 25)	121 Cr.	168 Cr.

## Risks in the Company

- Decreasing Working Capital Turnover Ratio
- Negative Net Cash Flows from Operating Activities
- Working Capital Intensive Business
- High Trade Receivables and Contract Assets
- Ban by Ministry of Railways for two years for breaching code of integrity and involvement in illegal gratification.
- Criminal Proceedings** : The Company is facing criminal proceedings based on a CBI charge sheet.





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