Technocraft Ventures Ltd.

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IPO Note **06th Aug 2026**

Company Overview

Incorporated in 1998, Technocraft Ventures Limited (TVL) is an integrated Engineering, Procurement and Construction (EPC) company engaged in the development of public infrastructure projects across water & wastewater management, roads & highways, electrical transmission and urban infrastructure. The company primarily undertakes turnkey projects for Central and State Government departments, urban local bodies (ULBs) and public sector undertakings (PSUs), managing the entire project lifecycle from design and engineering to procurement, construction, commissioning and long-term operations & maintenance (O&M). Water & wastewater infrastructure is its core business, contributing 85.4% of FY26 revenue, followed by Roads & Highways (12.9%) and O&M services (1.7%). The company has laid over 1,200 km of sewer pipelines and executed Sewage Treatment Plants (STPs) with capacities ranging from 3 MLD to 56 MLD, supported by specialized capabilities in micro-tunneling and trenchless pipeline installation. Operations are backed by an in-house engineering team of 78 professionals across civil, mechanical, electrical and environmental disciplines and a centralized procurement framework that enhances execution efficiency. Over the last five years, TVL has successfully completed 18 projects and is currently executing 19 projects, demonstrating a strong execution track record. The company derives virtually all of its revenue from government infrastructure projects, with Rajasthan, Uttar Pradesh and Delhi contributing 63.1%, 25.5% and 10.3% of FY26 revenue, respectively. Led by promoter Sanjay Tyagi, who has over 35 years of industry experience, Technocraft has established itself as a specialized EPC player catering to India's growing water, sanitation and urban infrastructure requirements.

Objects of the issue

The IPO comprises a total issue size of Rs. 252 crores, consisting of a fresh issue of Rs. 202 crores and an offer for sale (OFS) of Rs. 50 crores. The objects of the offer are to:

⇒ Fund working capital requirements of the company (Rs. 150 crores); and

⇒ General corporate purposes (Rs. 52 crores).

Investment Rationale

Specialized technical expertise strengthens competitive positioning

Technocraft Ventures has established itself as a specialized EPC contractor with deep expertise in water & wastewater infrastructure, which accounted for 85.4% of FY26 revenue, making it a focused player in one of India's priority infrastructure segments. The company has laid over 1,200 km of sewer pipelines, of which nearly 750 km have been commissioned, and executed Sewage Treatment Plants (STPs) with capacities ranging from 3 MLD to 56 MLD, demonstrating its ability to deliver technically complex projects. Its execution capabilities are supported by an in-house engineering team of 78 professionals across civil, mechanical, electrical and environmental disciplines, along with specialized technologies such as micro-tunneling and trenchless pipeline installation that enable efficient execution in densely populated urban areas. The company also holds Class A Electrical Contractor Licenses, allowing it to undertake high-tension power transmission and distribution projects, thereby expanding its addressable market. Further, its successful execution of projects for government agencies and multilateral institutions such as the Asian Development Bank (ADB) reflects its ability to meet stringent technical and quality standards. Supported by promoter Sanjay Tyagi's over 35 years of industry experience, these capabilities provide Technocraft with a strong competitive position in India's public infrastructure EPC sector.

Robust order book, recurring O&M revenue and structural infrastructure tailwinds

Technocraft Ventures is well positioned to benefit from India's sustained investments in water and urban infrastructure through initiatives such as Jal Jeevan Mission, AMRUT 2.0, Namami Gange and PM Gati Shakti. As of July 15, 2026, the company had an unexecuted order book of Rs. 1,321 crores, comprising 14 EPC projects and 5 O&M contracts, providing strong revenue visibility over the medium term. Long-term O&M contracts, typically spanning 5-15 years, complement the EPC business by generating recurring revenue and enhancing earnings visibility beyond project execution. The company's execution capabilities continue to translate into new order wins, including its recent L1 status for a Rs. 196 crore Delhi Jal Board project under AMRUT 2.0. Financial performance has strengthened significantly, with revenue and PAT registering CAGRs of 23.5% and 50.8%, respectively, during FY24-FY26, while PAT margin expanded from 8.4% to 12.6%. The company has also expanded its project footprint beyond its core markets of Rajasthan and Uttar Pradesh by securing projects across

Issue Details	
Offer Period	07th Aug 2026 - 11th Aug 2026
Price Band	Rs. 200 - Rs. 212
Bid Lot	70
Listing	BSE & NSE
Issue Size (no. of shares in crores)	1.2
Issue Size (Rs. in crores)	252
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NII	15%
Retail	35%

BRLM	Khambatta Securities Ltd.
Registrar	Bigshare Services Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.0	70.0
Public	0.0	30.0
Total	**100.0**	**100.0**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Delhi, Madhya Pradesh, Bihar and Odisha, supporting long-term growth opportunities. Backed by a healthy execution pipeline, improving profitability and favorable policy-driven infrastructure spending, Technocraft is well positioned to deliver sustainable growth over the medium term.

Valuation

Technocraft Ventures Limited (TVL) is a niche EPC player with established capabilities in water & wastewater infrastructure, supported by a strong execution track record across government-funded projects. The company is well positioned to benefit from India's increasing investments in water, sanitation and urban infrastructure, while its specialized technical expertise and long-standing relationships with government agencies strengthen its competitive positioning. The company's operational execution has translated into a healthy financial performance over the last two years. Revenue, EBITDA and PAT registered CAGRs of 23.5%, 43.6% and 50.8%, respectively, during FY24-FY26, while EBITDA margin expanded to 20.9% from 15.5% and PAT margin improved to 12.6% from 8.4%. The improvement has been driven by a favorable project mix, higher-margin turnkey contracts, disciplined cost management and improved execution efficiency. The company also reported an industry-leading RoNW of 26.5%, highlighting efficient capital allocation and strong earnings quality. Growth visibility remains healthy, supported by an unexecuted order book of Rs. 1,321 crores as of July 15, 2026, equivalent to nearly 3.8x FY26 revenue. The order book comprises 14 EPC projects and five long-term O&M contracts, with the latter providing recurring revenue streams that partially offset the inherently lumpy nature of EPC execution. Continued order inflows, including the recent Rs. 196 crore Delhi Jal Board project under AMRUT 2.0, reinforce management's execution capabilities and support future revenue growth. There are few inherent risks associated with the business model. The company derives virtually all of its revenue from government authorities, exposing it to project award cycles, budgetary allocations and delays in approvals. In addition, the EPC business remains working-capital intensive, reflected in trade receivables equivalent to 34.2% of FY26 revenue, while regional concentration and dependence on public infrastructure spending continue to remain key monitorable factors. However, these risks are partly mitigated by the company's established execution track record, specialized technical capabilities, healthy order pipeline and improving profitability profile. At the upper price band of Rs. 212, the issue is valued at 14.7x FY26 earnings, compared with the listed peer average of approximately 23x. While the company operates at a relatively smaller scale than larger listed EPC players, it delivers superior return ratios, stronger profitability and robust earnings growth, supported by a healthy execution pipeline. **We believe the company offers exposure to a niche infrastructure company with improving financials and strong order visibility. Hence, we recommend a "SUBSCRIBE" rating for the issue with a long-term investment horizon.**

Key Risks

⇒ **Trade receivables analysis, a key monitorable for a government focused EPC player:** Trade receivables remain a key monitorable for Technocraft Ventures, reflecting the working capital-intensive nature of its government-focused EPC business. Trade receivables stood at Rs. 118 crores in FY26 (34.2% of revenue), compared with Rs. 58 crores (20.8%) in FY25 and Rs. 100 crores (44.3%) in FY24, while debtor days improved to 125 from 162 over the same period. The elevated receivable cycle is primarily due to milestone-based billing and lengthy certification procedures, with 56% of FY26 revenue billed in H2 and nearly 40% in Q4. Encouragingly, 95.9% of receivables were less than six months old. The company plans to utilize Rs. 150 crores from the IPO proceeds towards incremental working capital requirements, which should improve liquidity and support future growth.

Our view: While elevated receivables are characteristic of government-focused EPC companies, sustained improvement in debtor days, operating cash flows and working capital efficiency will remain key monitorables going forward.

⇒ **High dependence on government contracts** - Government departments and PSUs contributed 99.98% of FY26 revenue. Any slowdown in government spending, tender awards or project approvals could impact growth.

⇒ **Geographic concentration risk** - Rajasthan (63.1%), Uttar Pradesh (25.5%) and Delhi (10.3%) contributed nearly 99% of FY26 revenue, exposing the company to regional execution and policy risks.

Technocraft Ventures Ltd.

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	226	280	345
Total revenue	**226**	**280**	**345**
Expenses			
Cost of revenue from operations	191	247	234
Changes in inventories of stock-in-trade	-7	-30	24
Employee benefit expenses	6	10	12
Other expenses	3	5	5
Total operating expenses	**193**	**232**	**275**
EBITDA	**34**	**48**	**70**
Depreciation & amortization expenses	1	2	2
EBIT	**33**	**46**	**68**
Other Income	1	1	2
Finance costs	8	9	12
PBT	**26**	**38**	**58**
Tax Expense	7	10	15
Profit for the year (PAT)	**19**	**28**	**43**
Share of Profit/(Loss) of Associates	0	1	0
Total comprehensive Income	**19**	**28**	**43**
Diluted EPS	**6.3**	**9.4**	**14.4**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	1	22	29
Cash flow from/(used in) investing activities	0	-13	-8
Net cash flows (used in) / from financing activities	-3	-10	-9
Net increase/(decrease) in cash and cash equivalents	**-2**	**-1**	**13**
Cash and cash equivalents at the beginning of the period	**3**	**1**	**1**
Cash and cash equivalents at the end of the period	**1**	**1**	**13**

Source: RHP, BP Equities Research

Technocraft Ventures Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
ASSETS			
Non-current assets			
Property, Plant and Equipment	7	8	8
Capital work-in-progress	-	1	1
Right of use of assets	5	5	5
Other financial assets	28	38	59
Other non-current assets	1	2	2
Total Non-Current Assets	**40**	**54**	**75**
Current assets			
Inventories	56	89	68
Trade receivables	100	58	118
Bank balance & cash equivalents	9	14	45
Other Financial Assets	43	50	41
Other current assets	10	5	7
Total Current Assets	**218**	**216**	**279**
Total Assets	**258**	**270**	**354**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	8	30
Other Equity	84	112	133
Total Equity	**92**	**120**	**163**
Liabilities			
Non Current Liabilities			
Borrowings	27	27	30
Other non-current liabilities	5	1	1
Total Non Current Liabilities	**32**	**27**	**31**
Current liabilities			
Borrowings	53	61	60
Trade Payables	21	13	57
Other current liabilities	60	49	44
Total Current Liabilities	**134**	**122**	**160**
Total Liabilities	**166**	**150**	**191**
Total equity and liabilities	**258**	**270**	**354**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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