IPO REVIEW

Technocraft Ventures IPO

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- The company is a multidisciplinary public infra development company executing EPC, WEEPs, STPs, WWTPs, and O&M service provider.
- Its order book stood at Rs. 1235.90 cr. as of March 31, 2026.
- It posted growing top and bottom lines for the reported periods.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Technocraft Ventures Ltd. (TVL) is a multidisciplinary public infrastructure development company engaged in the execution of turnkey Engineering, Procurement and Construction (“EPC”) contracts. It operates across various infrastructure segments, including Water & Wastewater Infrastructure such as Water Supply Scheme Projects (“WSSPs”), Networks, Sewerage Treatment Plants (“STPs”), Wastewater Treatment Plants (“WWTPs”), Transmission mains, Reservoirs, Trenchless & Micro tunnelling Works, Roads and Highways work, Electrical Transmission work, Urban Infrastructure which includes sector-level planning and execution of residential building projects and Operation and Maintenance (“O&M”) of public utilities.

TVL executes projects primarily for state governments and government agencies across Northern & Central India, including Uttar Pradesh, Uttarakhand, Rajasthan and the National Capital Territory of Delhi. Recently, it has expanded its footprint in the State of Madhya Pradesh, Bihar and Odisha. Its project execution model is predominantly tender-based, with contracts awarded by state agencies, public works departments, urban local bodies, and other government bodies. The company operates across multiple project locations and operate through dedicated site teams aligned with the nature and geography of individual contracts.

Incorporated in the year1998, TVL commenced its operations in Uttar Pradesh with residential and road construction projects, including the development of planned housing colonies, sector-level layouts, and execution of road construction, widening and strengthening works under Public Works Departments (“PWD”) and National Highways programs. These early projects laid the foundation for its subsequent diversification into wastewater management and other public utility infrastructure. It has executed projects under key central and state-sponsored schemes including the Atal Mission for Rejuvenation and Urban Transformation (“AMRUT”), Jawaharlal Nehru National Urban Renewal Mission (“JNNURM”), Urban Infrastructure Development Scheme in Satellite Towns (“UIDSST”), Namami Gange Programme (“Namami Gange”), Jal Jeevan Mission (“JJM”), and Pradhan Mantri Gram

Sadak Yojana (“PMGSY”). It also has experience in implementing infrastructure project funded Asian Development Bank (“ADB”), which require compliance with rigorous technical and environmental standards.

Its integrated in-house capabilities span civil project designing, construction, mechanical and electrical integration, and commissioning. These enable it to offer comprehensive infrastructure solutions from concept to delivery. Additionally, the company supports long-term asset sustainability through its operations and maintenance (“O&M”) services across WWTP, STP and road projects, reinforcing its lifecycle approach to public infrastructure.

As of May 31, 2026, it had a total of 170 full-time employees on its payroll. It also employees contract workers through sub-contractors as and when needed. As of March 31, 2026, its order book stood at Rs. 1235.90 cr. for 18 projects.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 11881000 equity shares worth Rs. 251.88 cr. at the upper band. The IPO consists of 9505000 fresh equity shares (worth Rs. 201.51 cr.at the upper cap), and an Offer for Sale (OFS) of 2376000 equity shares (worth Rs. 50.37 cr. at the upper cap). The company has announced a price band of Rs. 200 – Rs. 212 per equity shares of Rs. 10 each. The issue opens for subscription on August 07, 2026, and will close on August 11, 2026. The minimum application to be made is for 70 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 30.00% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 150.00 cr. for incremental working capital, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Khambatta Securities Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Prabhat Financial Services Ltd. is a syndicate member.

After issuing entire equity shares at par value, the company has issued bonus shares in the ratio of 3 for 1 May 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, Rs. 0.93, and Rs. 2.50 per share.

Post-IPO, its current paid-up equity capital of Rs. 30.10 cr. will stand enhanced to Rs. 39.61 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 839.65 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit of Rs. 227.30 cr. / Rs. 19.05 cr. (FY24), Rs. 281.00 cr. / Rs. 28.20 cr. (FY25), and Rs. 347.00 cr. / Rs. 43.32 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Its contingent liabilities of Rs. 168.03 cr. as of March 31, 2026 raise alarm.

For the last three fiscals, the company has posted an average EPS of Rs. 11.37 and an average RoNW of 24.55 %. The issue is priced at a P/BV of 3.91 based on its NAV of Rs. 54.28 as of March 31, 2026, and at a P/BV of 2.30 based on its post-IPO NAV of Rs. 92.13 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 19.38. Based on FY25 earnings, the P/E stands at 29.78. The issue appears aggressively priced, discounting all near term positives.

For the reported periods, the company has posted PAT margins of 8.43% (FY24), 10.09% (FY25), 12.56% (FY26), and RoCE margins of 19.77%, 23.05%, 27.72% respectively for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in May 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown EMS Ltd., VA Tech Wabag, Enviro Infra, Denta Water, as its listed peers. They are currently trading at a P/E of 25.1, 32.4, 20.8, and 15.8 (as of August 04, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 14th mandate from Khambatta Securities in the last four fiscals. Out of last 12 listings, 3 listed at discount, 1 at par and the rest with premium ranging from 3.33% to 181.46% on the date of listing.

Conclusion / Investment Strategy

TVL is a multidisciplinary public infra development company executing EPC, WEEPs, STPs, WWTPs, and O&M service provider. Its order book stood at Rs. 1235.90 cr. as of March 31, 2026. It posted growing top and bottom lines for the reported periods. Based on its recent financial data, the issue appears aggressively priced. The management is confident for higher order book with plans afoot. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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