IPO REVIEW

Vectras Enprocon IPO

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- The company is an EPC company providing its services to midstream and downstream segment of oil and gas industry.
- It marked steady growth in its top and bottom lines for the reported periods.
- Its unexecuted order book stood at Rs. 183+ cr. as of September 30, 2026.
- Based on its recent average financial data, the issue appears fully priced.
- Investors may park funds for medium to long term rewards.

About the Company

Vectras Enprocon Ltd. (VEL) is Gujarat based Engineering, Procurement and Construction (“EPC”) company operating in the Midstream and Downstream segment of Oil & Gas Industry. It is an Oil & Gas infrastructure service provider having presence in multiple states, focused on laying pipeline networks and combined station works along with construction of associated facilities. The company provides integrated solutions to the Oil & Gas sector, which includes (i) Combined station works (ii) Midstream and downstream pipeline projects and related facilities, and (iii) Other allied services.

It has established a strong track record in delivering comprehensive EPC services in Oil & Gas industry such as design, engineering, procurement, construction, testing and commissioning of Oil & Gas stations and cross-country pipelines, spur pipelines, city gas stations and related civil and mechanical works. Pipelines are essential for transporting Oil & Gas, offering safe, reliable, and cost-effective transport compared to road and rail. They ensure a continuous supply of resources to refineries, industries, and power plants, aiding in uninterrupted production and electricity generation.

Pipelines have lower maintenance needs and energy consumption, leading to reduced transportation costs and economic benefits. (Source: Dun & Bradstreet Report) The Company was incorporated in May 2021 and since inception, it has established itself as an EPC Company in the midstream and downstream Oil & Gas pipeline network and related infrastructure space. Over the years, it has successfully executed projects for public sector undertakings and private sector companies, contributing to the development of Oil & Gas infrastructure across various states of India. The Company actively participates in public sector and private sector tenders across India for laying of midstream and downstream Oil & Gas pipelines and setting up Oil & Gas terminals and stations, and have successfully secured orders of more than Rs. 450 cr. from such tenders till September 30, 2026.

It has developed execution capabilities in building piping infrastructure in combined station with varying diameters up to 48 inches and laying cross country pipelines of up to 30 inches and VEL

remains focused on further strengthening these capabilities. Since Incorporation, it has completed 521772-inch dia piping, 1430.43-inch kilometres pipeline and 4 Combine Station Works. As of September 30, 2026, its unexecuted Order Book comprises 34 projects amounting to Rs. 183.28 cr., providing strong visibility for future growth.

India is currently the 3rd largest energy and oil consumer in the world, after China and US. India's oil consumption is projected to rise significantly by 50% by 2030, compared to a global demand increase of only 7%. For natural gas, the country's consumption is projected to double from 64 billion cubic meters (BCM) in 2019 to 115 BCM in 2030. (Source: Dun & Bradstreet Report) As of March 31, 2025, the total length of the crude oil pipeline network in India is 10446 kilometers, boasting a capacity of 153.1 million metric tons per annum (MMTPA). During FY 2024- 25, the utilization of crude oil pipelines stands at 66.5%. Product pipelines, inclusive of LPG, form a comprehensive network spanning 24130 kilometers with a capacity of 145.8 MMTPA. During FY 2024-25, the utilization of product pipelines reached 71.1%, an increase from 68.9% in FY 2023-24. (Source: Dun & Bradstreet Report). As of September 30, 2026, it had 990 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 5052000 equity shares of Rs. 10 each to mobilize Rs. 53.05 cr. at the upper cap. The IPO consists of 4056000 fresh equity shares (worth Rs. 42.59 cr. at the upper cap), and an Offer for Sale (OFS) of 996000 equity shares (worth Rs. 10.46 cr. at the upper cap). The company has announced a price band of Rs. 99 – Rs. 105 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on October 30, 2026 and will close on or before November 03, 2026. The shares will be listed on BSE SME. The IPO constitute 26.51% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 20.00 cr. for working capital, Rs. 14.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Beeline Capital Advisors Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Beeline group’s Spread X Securities Pvt. Ltd., Is a market maker, and also a syndicate member.

After issuing initial equity capital at par value, the company issued further equity shares at a fixed price of Rs. 80.00, per share in Marach 2024. It has also issued bonus shares in the ratio of 5 for 1 in September 2025. The average cost of the acquisition of shares by the promoters/selling stakeholders is Rs. 4.00 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 15.00 cr. (15000000 equity shares) will stand enhanced to Rs. 19.06 cr. (19056000 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 200.09 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 54.37 cr. / Rs. 5.81 cr. (FY24), Rs. 80.53 cr. / Rs. 10.17 cr. (FY25), Rs. 119.90 cr. / Rs. 15.43 cr. (FY26). For H1 of FY27 ended on September 30, 2026, it earned a net profit of Rs. 9.10 cr. on a total income of Rs. 72.20 cr. Its trade receivables stood at Rs. 18.28 cr. as of September 30, 2026. The company posted growth in its top and bottom lines for the reported periods.

For the last three fiscals, the company has reported an average EPS of Rs. 7.08 and an average RoNW of 60.86%. The issue is priced at a P/BV of 3.36 based on its NAV of Rs. 31.23 per share as of September 30, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY27 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 10.99, and based on FY26 earnings, the P/E stands at 12.96. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 10.70% (FY24), 12.63% (FY25), 12.88% (FY26), 12.65% (H1-FY27), and RoCE margins of 79.27%, 56.09%, 48.37%, 19.69%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Pratham EPC, Desco Infratech, Likhitha Infra, as its listed peers. They are currently trading at a P/E of 29.8, 8.41, and 24.5 (as of October 28, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the 41st mandate from Beeline Capital Advisors Pvt. Ltd., in the last three fiscals. Out of the last 12 listings, all listed at a premium ranging from 0.13% to 146.91% on the date of listing.

Conclusion / Investment Strategy

VEL is an EPC company providing its services to midstream and downstream segment of oil and gas industry. It marked steady growth in its top and bottom lines for the reported periods. Its unexecuted order book stood at Rs. 183+ cr. as of September 30, 2026. Based on its recent average financial data, the issue appears fully priced. The segment is poised for bright prospects ahead with infra push by the State and Central governments, as well as private sector. Investors may park funds for medium to long term rewards.

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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