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IPO Report

25th Aug '25

Snapshot

Company is one of the fast-growing Indian Engineering, Procurement and Construction (EPC) company in terms of revenue growth over FY23-25, compared to the average industry growth estimates and the peer set considered. While company is relatively smaller in terms of revenue from operations in comparison to the listed industry peers, Company's revenue from operations grew at a CAGR of 32.17% from ₹5,243.05 million in Fiscal 2023 to ₹9,158.47 million in Fiscal 2025.

VALUATION

Company is bringing the issue at price band of Rs 92-97 per share at p/e multiple of approx. 32x on post issue FY25 basis.

Company is One of the fast-growing engineering, procurement and construction ("EPC") companies, with timely execution of power transmission and distribution and water infrastructure sector. Company has diversified order book across business verticals and consistent financial performance. Company has pan India presence with strong supply chain. Company's asset light model. Company has in-house technical and engineering capabilities, process control and quality assurance, also company has experienced promoters and management team, having domain knowledge.

Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	92-97
Opening date of the issue	26th Aug '2025
Closing Date of the issue	29th Aug '2025
No of shares pre issue	18,35,81,130 Eq Shares
Issue Size	Rs 772 Cr
Fresh issue	Rs 721 Cr
Offer For Sale	Rs 51 Cr
Face Value (Rs/ share)	Rs 1/share
Bid Lot	148

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 3,97,93,812 Eq Shares)
Non-Institutional	15% of the offer (Approx 1,19,38,145 Eq Shares)
Retail	35% of the offer (Approx 2,78,55,670 Eq Shares)
Lead managers	Pantomath Capital Advisors, Systematix Corporate Services
Registrar to the issue	Bigshare Services Pvt. Ltd

WHAT WE LIKE

One of the fast-growing engineering, procurement and construction ("EPC") companies, with timely execution of power transmission and distribution and water infrastructure sector

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Diversified Order Book across business verticals and consistent financial performance

In company's industry, the Order Book holds importance as it represents the estimated contract value of the unexecuted portion of a company's existing assigned EPC contracts and provides visibility of future revenues. Company's Order Book has moved from ₹ 20,457.86 million as of March 31, 2023, to ₹ 21,148.02 million as of March 31, 2024 and to ₹ 20,443.18 million as of March 31, 2025. Its Order Book is diversified across business verticals including power transmission and distribution, water infrastructure, and railway infrastructure. Further, company have presence in all the power transmission and distribution segments, which helps company's Order Book to remain diversified within the power sector as well.

Pan India presence with strong supply chain

In company's journey so far, it have executed work across 22 states, of which company is currently executing projects in 16 states. With a pan-India presence supported by 190 sites and store locations as of June 30, 2025, company offer a range of EPC services that cater to the specific needs of its customers across the country. This distribution of offices allows company to provide on-the- ground support and services, project efficiency and customer satisfaction. Company have also executed multiple projects with some of its key customers such as NTPC Limited, Transmission Corporation of Telangana Limited, Madhya Pradesh Power Transmission Company Limited, South Bihar Power Distribution Co. Ltd.



COMPANY BACKGROUND

Company have a diversified project portfolio, with majority revenue from energy and water infrastructure verticals. Company provide end-to-end services from conceptualisation, design, supply, installation, testing and commissioning on a turnkey basis and has presence across multiple sectors including power, water, and railway infrastructure. Within the power sector, company have presence in both power transmission and power distribution. In the water sector, its projects include underground water distribution and surface water extraction, overhead tanks, and distribution networks. The company also has experience in Solar EPC of ground mounted solar projects and smart metering. (Source: CRISIL Report). Also, as a part of railway projects company undertake 132 kV traction substation projects and underground EHV cabling projects.

Its key competencies encompass inhouse design and engineering and timely project execution. Company have successfully executed projects for government entities, public sector undertakings and private companies. Its focus on operational excellence, and efficient cost structure, and has enabled it to deliver high-value projects that meet stringent regulatory and quality standards.

Among the considered peers, company reported the highest operating EBITDA margin of 17.50% for Fiscal 2025; the second highest PAT margin of 8.44% in Fiscal 2025; and the second highest Return on Equity (ROE) among the peers compared during Fiscal 2025.

Company have experience of executing EPC projects with some of its projects being completed either ahead of schedule or within the contractual time periods. As of June 30, 2025, company have successfully completed 45 projects across 14 states with a total executed contract value of ₹ 19,199.17 million. As of June 30, 2025, company have 44 ongoing projects across 16 states, aggregating orders of ₹ 51,202.07 million, of which Order Book of ₹ 24,424.39 million. Company participate in competitive bidding processes, primarily based on tendering, to secure contracts. Company's clients in the government sector include NTPC Limited, Power Grid Corporation of India Limited, South Bihar Power Distribution Co. Ltd., North Bihar Power Distribution Co. Ltd., Transmission Corporation of Telangana Limited, Madhya Pradesh Power Transmission Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, District Water and Sanitation Mission (PHED) and State Water and Sanitation Mission (SWSM). Further company is working on certain projects for Assam Power Distribution Company Limited and the Danapur division of the Eastern Central Railway.

Company's projects cover the following infrastructure business verticals:

(i) *Power Transmission and Distribution*: Company undertake the construction of high-voltage transmission lines up to 765 kV, substations up to 400 kV (both Air Insulated Substations (AIS) and Gas Insulated Substations (GIS)), and power distribution networks. Company have also executed 30,000 smart metering connections under this vertical. For details of various projects that it have completed.

(ii) *Water Infrastructure*: Company provide turnkey solutions for water infrastructure projects such as surface and underground drinking water projects. Company's experience and scope extends to designing and implementing water distribution networks and rainwater harvesting systems. Company's water infrastructure includes wide range of services such as design, supply, erection of intake water treatment plant and overhead services reservoir. Company undertake the project of supply of drinking water through tube well and overhead services reservoir upto house connections primarily in rural areas. The project scope also includes the supply and laying of ductile iron pipes under multi village scheme under "Jal Jeevan Mission".

Company was awarded its first project in water segment in August 2022 at Betul district, Madhya Pradesh for ₹2,460.24 million as a part of Prime Minister Har Ghar Jal Yojana. Company have 12 ongoing projects under the water infrastructure vertical in the states of Uttar Pradesh, Chhattisgarh and Madhya Pradesh.

iii) *Railway Infrastructure*: Company is also involved in the railway infrastructure sector, particularly in railway electrification. Company have successfully completed projects involving overhead electrification and signalling systems. Also, as a part of railway electrification projects OHE 25kV, 50 Hz AC railway electrification project, 220 kV underground EHV cable work and construction of 132 kV transmission line and 132 kV railway traction substations projects.



INVESTMENT RATIONALE

<i>Asset light model</i>	<p>Company follow an asset light model by executing more orders with relatively lower investment in fixed assets. Company take equipments on rent from third party lessors of equipment across various states to meet its requirements of equipments as per project needs. This helps company reduce its fixed costs and makes the execution of its projects cost and logistics efficient. It also helps company's management team to focus on core function areas of business rather than managing and maintaining such in-house assets. Further, company can scale up and down fairly faster with the changes in its operations without worrying about asset capacities and ownership. Company's asset light business model will result in efficient utilisation of capital. Its fixed asset turnover ratio as of Fiscals 2025, 2024, and 2023 was 101.27, 91.00, and 57.38, respectively. Company also expect the asset light nature of its business model to allow company to minimize costs incurred initially.</p>
<i>In-house technical and engineering capabilities, process control and quality assurance</i>	<p>Company undertake its EPC business in an integrated manner. Company has developed resources in-house to deliver a project from conceptualization until completion ensuring overall overview of the project and execution of the project.</p> <p>Company have a team of 12 designers and engineers who have industry knowledge in its business verticals with a total cumulative experience of over 93 years who help company to offer customised solutions for its turnkey projects. Apart from this, company also have a team of designers and engineers deputed for providing on-ground support at its ongoing project sites. Company's in-house integrated model includes a design and engineering team for each business vertical to oversee timely completion of projects, in line with the applicable quality standards thereby allowing it to capture a larger proportion of the value chain in the EPC business.</p>
<i>Experienced promoters and management team, having domain knowledge</i>	<p>Company have seen business growth under the leadership and guidance of one of its Promoters, Chairman and Managing Director, Rakesh Ashok Markhedkar, who has 34 years of experience, largely in EPC sector. 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 previously worked in Larsen and Toubro Limited, Voltage Engineering Limited, EMCO Limited, KEI Industries Limited, ERA Infra Engineering Limited and Bajaj Electricals Limited. He received "World's Best Emerging Leader" award in WCRCFEST 2023, certificate of recognition as "Most Promising Business Leader of Asia" from Economic Times in 2017 and "Leading Director 2021" award from Greentech Foundation.</p> <p>Avinash Ashok Markhedkar has over 33 years of experience and has been on the Board of Directors of 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.</p>



OBJECTS OF OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

The Promoter Selling Shareholder will be entitled to his proceeds of the Offer for Sale. Company will not receive any proceeds of the Offer for Sale.

Objects of the Fresh Issue

Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Funding working capital requirements of Company; and
2. General corporate purposes.

RISKS

Majority of company's projects have been awarded through competitive bidding process. Failure to complete its projects within contractual time may affect company's future business prospects and financial performance. Failure to qualify for, complete or win new contracts could negatively impact company's business, potentially affecting its financial condition, operational results, growth prospects, and cash flow stability.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	5243.05	7859.48	9158.47
Total Expenditure (B)	4445.91	6526.53	7556.12
EBIDTA	797.14	1332.95	1602.35
EBIDTA Margin	15.20	16.96	17.50
Other Income	48.74	54.89	65.17
Depreciation	36.98	40.51	29.72
EBIT	808.90	1347.33	1637.80
Interest	282.16	339.77	535.91
PBT	526.74	1007.56	1101.89
Share of profit in Asso	0.00	0.00	0.00
PBIT	526.74	1007.56	1101.89
Exceptional	13.04	0.00	0.00
PBT	539.78	1007.56	1101.89
Tax	111.38	259.25	323.70
PAT	428.40	748.31	778.19
NPM	8.17	9.52	8.50
ROE%	32.67	25.69	16.63
EPS	2.89	4.92	4.35
Eq Cap	2.90	3.32	183.58
Net Worth	1,311.35	2,912.80	4,678.73

(Source: RHP)



Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Company</i>	<i>1</i>	<i>4.35</i>	<i>---</i>	<i>16.63</i>	<i>25.49</i>
Peers					
Bajel Projects Ltd	2	1.34	158.75	2.32	57.63
Kalpataru Projects International Ltd	2	35.53	34.68	8.77	378.80
Techno Electric & Engineering Company Ltd	2	37.19	40.17	11.31	321.55
SPML Infra Ltd	2	7.61	36.79	6.22	107.43
KEC International Limited	2	21.80	35.71	10.67	200.88
Transrail Lighting Limited	2	25.72	30.73	17.36	140.11



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