Jainam™

7 August 2026

IPO Review

Technocraft Ventures Limited



Technocraft Ventures Ltd

Real Estate — Luxury Residential

Issue Price Band	Issue Size	No. Of Shares	Lot Size	Minimum Investment
₹200-₹212	₹251.88 Cr	11,881,000	70	₹14,840

Company Overview

Incorporated in October 1998, Technocraft Ventures Limited is a public infrastructure development company undertaking turnkey Engineering, Procurement, and Construction (EPC) projects. The company began its business with housing and road construction in Uttar Pradesh, working on PWD road projects, before expanding into a broader range of infrastructure sectors. It now delivers projects mainly for state governments and government agencies across northern India, including Uttar Pradesh, Uttarakhand, Rajasthan, and the National Capital Territory of Delhi.

The company's services span five key areas: Water & Wastewater Infrastructure (water supply schemes, sewerage networks, treatment plants, transmission mains, reservoirs, and long term O&M services); Roads & Highways (road and national highway projects); Urban Infrastructure (sector level planning and residential building projects); Power Distribution (electrification schemes, substations, and transmission lines); and Trenchless & Micro Tunnelling Works (pipeline laying in crowded areas with minimal surface disruption).

Technocraft has executed projects under several government schemes, including AMRUT, JNNURM, UIDSST, Namami Gange, JJM, and PMGSY, and also brings experience in ADB funded infrastructure projects executed to rigorous technical and environmental standards. As of May 31, 2026, the company employed 170 full time staff, including 78 engineers, spread across engineering, procurement, finance, safety, business development, and administration functions.

Key competitive strengths include diversified EPC capabilities across core infrastructure sectors, demonstrated execution capability on high value government and multilateral projects backed by strong financial growth, in house engineering strength with technological adaptation, consistent revenue growth with strengthening profitability, and regulatory approved electrical works capabilities supported by statewide licenses.

Object Of The Issue- Fund working capital for procurement of materials, equipment mobilization, cash margins for performance guarantees, and milestone-based government payment obligations. Company's working capital intensity stems from upfront project costs, extended receivable cycles (FY2026 trade receivables at 34.20% of revenue), and performance guarantee requirements (10-15% of contract value).

Issue Details	
Issue Open	07-Aug-26
Issue Close	11-Aug-26
QIB Shares	50%
Non-Instituitional Share	15%
Retail Share	35%
Issue Type	Public Issue & Offer For Sale
Price Band	₹200-₹215
Face Value	₹10

TECHNOCRAFT VENTURES LIMITED

Porfolio Overview

NAME OF THE SEGMENT	NUMBER OF PROJECTS
Water & Wastewater Infrastructure	27
Roads & Highways	2
Electrical Transmission	1
Urban Infrastructure	1
Operation & Maintenance	6
Total	**37**

Details of contract value of the ongoing order book as on July 15, 2026 are as under:

(₹ in million, except otherwise stated)

SR.NO	PROJECT SEGMENT	NUMBER OF PROJECTS	CONTRACT VALUE
1	Water & Wastewater Infrastructure	13	18,562.77
2	Roads & Highways	1	665.75
3	Operation & Maintenance	5	248.7
	Total	**19**	**19,477.22**

Technocraft Ventures Limited maintains an order book of ₹13,207.32 million as of July 15, 2026, comprising 14 ongoing projects across water and wastewater infrastructure and roads and highways sectors.

Water and Wastewater Infrastructure
The core business segment, valued at ₹18,562.77 million, encompasses 13 major projects. The portfolio includes sewerage systems in Kota, Bikaner, and Kotputli (Rajasthan), water supply networks in Delhi, and major infrastructure developments in Bihar towns of Motihari and Jehanabad. Projects are funded under AMRUT 2.0, Namami Gange, and Jal Jeevan Mission schemes with 100 percent government funding certainty from central and state authorities.

Roads and Highways
The company holds one active road project valued at ₹665.75 million, involving widening and strengthening of State Road No. 167 in Saharanpur district, Uttar Pradesh, with 100 percent state government funding.

Operations and Maintenance
Operation and maintenance services across sewage treatment plants and water infrastructure generate ₹152.87 million in pending work, providing recurring revenue streams.

Joint Venture Execution
Approximately 70 percent of ongoing work is executed through joint ventures with established partners including EMS Limited, VVIP Infratech Limited, and L.R. Sharma and Co., demonstrating collaborative execution and risk distribution capabilities.

TECHNOCRAFT VENTURES LIMITED

Sector Overview

India's infrastructure sector is positioned as a critical driver of economic growth toward the US$5 trillion economy target by 2025. The National Infrastructure Pipeline encompasses 9,142 projects across 34 sub-sectors with an investment of US$1.9 trillion. India will spend approximately US$1.727 trillion on infrastructure through fiscal year 2030, more than double the US$912.81 billion spent in the previous seven years. Infrastructure investment is projected to increase from 5.3% of GDP in FY24 to 6.5% by FY29.

Transport, power, and water projects occupy major share under planned NIP spending of planned Rs. 147 trillion

Power	Rail*	WSS	Roads	Real estate	Others^
25%	22%	15%	12%	7%	19%

GOVERNMENT PROGRAMS AND MARKET OPPORTUNITY

AMRUT 2.0: Urban water supply and sewerage infrastructure across multiple states with ongoing project execution and contract awards as of February 2025.

Jal Jeevan Mission: Rural household tap water connections reached 15.44 crore (79.74% rural coverage) as of February 1, 2025, with 12.20 crore additional connections made since program inception. Approximately 20 percent rural household coverage gap remains, representing ongoing multi-year infrastructure demand.

Namami Gange: Wastewater interception and treatment infrastructure program for Ganges River cleanup driving sewage treatment plant and pumping station demand.

Pradhan Mistri Gram Sadak Yojana: 7,71,950 km of rural roads completed with Rs 331,584 crore expenditure by FY2024-25 demonstrating sustained government commitment to rural road connectivity.

SECTOR GROWTH DRIVERS

Government emphasizes Tier II and Tier III city development through City Economic Regions framework with Rs 5,000 crore allocation per region over five years. Metro rail network expanded from 248 km (2014) to 993 km (2024) with 6 km average monthly commissioning. National Highways network expanded to 1,46,145 km in 2024 from 91,287 km in 2014. Four-lane highway stretches increased 2.6 times from 18,371 km to 48,422 km. Construction pace accelerated 2.8 times from 12.1 km per day (2014-15) to 33.8 km per day (2023-24).

INFRASTRUCTURE FINANCING SUPPORT

Infrastructure Risk Guarantee Fund (Union Budget 2026-27) provides partial guarantees to lenders addressing project execution risks. National Bank for Financing Infrastructure and Development (NaBFID) has approved Rs 3.03 lakh crore and disbursed Rs 1.09 lakh crore as of December 2025 across infrastructure sectors. National Investment and Infrastructure Fund (NIIF) manages USD 4.9 billion in assets across infrastructure funds. Infrastructure Investment Trusts (InvITs) have mobilized Rs 1.52 lakh crore through asset monetization mechanisms.

SECTOR CHARACTERISTICS

Government-funded infrastructure programs operate through transparent tender processes with pre-qualification assessment and competitive bidding. Payment is tied to milestone-based certification through independent engineers. Construction contractors in government-funded projects face competitive tendering pressure and extended execution timelines due to land acquisition, environmental clearances, and supply chain dependencies. Water and wastewater management contractors benefit from sustained government allocation across multiple concurrent programs and multi-year project pipelines.

Key Moat

1. STRONG FINANCIAL PERFORMANCE WITH CONSISTENT PROFITABILITY GROWTH

Revenue grew from Rs 2,261.02 million (FY2024) to Rs 3,449.96 million (FY2026), representing 23.52 percent CAGR. Profit After Tax increased from Rs 190.54 million to Rs 433.15 million, with PAT margins expanding from 8.43 percent to 12.56 percent. EBITDA grew from Rs 350.25 million to Rs 721.75 million, demonstrating consistent execution excellence and operational efficiency.

2. DIVERSIFIED EPC AND O&M CAPABILITIES ACROSS MULTIPLE GOVERNMENT SCHEMES

The company operates across water supply projects, sewerage networks, sewage treatment plants, wastewater treatment plants, transmission mains, roads, and highways. As of July 15, 2026, the company has laid 1,200 kilometers of sewer pipelines with 750 kilometers commissioned across Kota, Kotputli, Bikaner, Indore, and Ghaziabad. Completed STP projects include Ghaziabad (56 MLD), Pilkhuwa (3 MLD), and Shahjahanpur (40 MLD) delivered under AMRUT, JJM, Namami Gange, and JNNURM schemes with clients including Delhi Jal Board and Uttar Pradesh Jal Nigam.

3. IN-HOUSE ENGINEERING TEAM WITH ADVANCED TECHNOLOGY CAPABILITIES

Dedicated in-house engineering team of 78 professionals across civil, mechanical, electrical, instrumentation, and environmental disciplines. Successfully deployed micro-tunnelling and trenchless pipeline installation technologies across projects in Delhi, Shahjahanpur, Kota, Bikaner, Agra, and other cities. Leverages AutoCAD and digital tools for site monitoring and resource optimization.

4. GOVERNMENT RELATIONSHIPS WITH REGULATORY APPROVALS AND MULTILATERAL PROJECT EXPERIENCE

Holds Class A Electrical Contractor's Licenses from Rajasthan and Uttarakhand governments for high-tension and extra high-tension electrical works. Executed Asian Development Bank funded Udaipur sewerage project (Rs 828.10 million) under stringent international procurement norms. Experience includes RAPDRP, RGGVY, and state utility projects (PVVNL, DVVNL).

5. ROBUST ORDER BOOK WITH STRONG PIPELINE AND RECENT AWARDS

Order book of Rs 13,054.45 million (14 projects) plus Rs 152.87 million (5 O&M projects) totaling Rs 13,207.32 million. Recently awarded L1 status by Delhi Jal Board (AMRUT 2.0) for Rs 1,964.68 million, bringing total project visibility to Rs 15,171.68 million.

PROMOTER CREDIBILITY: Managing Director Sanjay Tyagi brings 35 plus years infrastructure experience including 15 years with Ghaziabad Development Authority. Promoters hold 100 percent pre-offer equity.

Key Risks

1. GOVERNMENT CONTRACT DEPENDENCE AND PAYMENT COLLECTION RISK

Government contracts account for 99.98% of FY2026 revenue (Rs 3,449.39 million out of Rs 3,449.96 million). The company has extended receivable cycles due to milestone based government payments with certification protocols. Trade receivables as percentage of revenue remain elevated: FY2026 at 34.20% (Rs 1,179.76 million), FY2025 at 20.81% (Rs 581.84 million), and FY2024 at 44.31% (Rs 1,001.83 million). The company is executing 6 projects under AMRUT 2.0 with recently awarded L1 status for Rs 1,964.68 million. Past instance: RUIDP Udaipur project resulted in dispute with deductions and liquidated damages. Amended claim pending for Rs 50.15 million in arbitration proceedings (Case No. 02 of 2021).

2. GEOGRAPHIC REVENUE CONCENTRATION IN TWO STATES

Revenue is highly concentrated in Uttar Pradesh and Rajasthan representing 88.58% of total revenue in FY2026. Rajasthan alone contributes 63.05% (Rs 2,175.25 million). Uttar Pradesh contributes 25.53% (Rs 881.00 million). Company has executed 18 projects historically with 16 in Uttar Pradesh. Currently executing 19 projects with 8 in Uttar Pradesh. Concentration subjects company to regional economic slowdowns, policy changes, and perception as a regional rather than national contractor, limiting ability to bid for larger complex projects.

3. WORKING CAPITAL INTENSITY AND FUNDING REQUIREMENT MISMATCH

FY2027 working capital requirement estimated at Rs 2,909.29 million. IPO proceeds will fund only Rs 1,500.00 million (51.6% of requirement). Balance to be funded from internal accruals and/or additional borrowings. Milestone based government payments create cash flow mismatches. Performance guarantees and cash margins further reduce available liquidity. Bank guarantees issued increased from Rs 792.27 million (FY2024) to Rs 1,680.33 million (FY2026).

4. ORDER BOOK REALIZATION UNCERTAINTY AND PROJECT TERMINATIONS

Order book of Rs 13,054.45 million (14 EPC projects) and Rs 152.87 million (5 O&M projects) is unaudited and compiled from internal estimates. Methodology differs from industry practices. Early terminations have been experienced: Jaunpur sewerage project awarded at Rs 2,086.00 million contract value but only Rs 1,797.44 million work completed when government marked order as completed. Government clients have imposed deductions for completed work. Changes in project scope, approvals, and site conditions may defer revenue recognition.

5. BIDDING PROCESS CONVERSION VARIABILITY AND TENDER RISK

Solo bid conversion rates show significant volatility: FY2026 at 0.00% (from 17 net bids) and FY2025 at 55.56% (from 9 net bids), indicating high year-on-year conversion variability. Company may need joint ventures for high capacity STPs (completed range: 3 MLD to 56 MLD), but inability to forge timely and competitive consortiums may limit pursuit of large complex projects. Unsuccessful bidders may challenge awarded projects through legal proceedings, causing delays and increased defense costs. Company has not experienced adverse outcomes from litigation on awarded contracts to date but cannot assure future protection.

Revenue Decomposition

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					
	31-Mar-26		31-Mar-25		31-Mar-24	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Sale of Services						
Water & Wastewater Infrastructure work	2,947.64	85.44	2,242.61	80.22	2,055.48	90.91
Roads and Highways work	444.04	12.87	20.38	0.73	-	0
Urban Infrastructure work	-	-	248.38	8.88	-	0
Electrical Transmission work	-	-	210.3	7.52	-	0
Operation & Maintenance work	57.71	1.67	24.5	0.88	13.7	0.61
Other Operating Revenues						
Sale Of Material	0.57	0.02	49.47	1.77	191.75	8.48
Total	3,449.96	100	2,795.64	100	2,261.02	100

Water and Wastewater Infrastructure remains the dominant segment at 85.44% (Rs 2,947.64 mn) of FY2026 revenue, down from 90.91% in FY2024, reflecting strategic diversification into other infrastructure segments. Roads and Highways emerged as a growth driver, scaling from zero in FY2024 to Rs 444.04 mn (12.87%) in FY2026, primarily driven by the Saharanpur road widening project. Operation and Maintenance is the fastest growing segment with 65% CAGR, expanding from Rs 13.70 mn (FY2024) to Rs 57.71 mn (FY2026), representing a shift toward long-term recurring revenue contracts. Ancillary material sales have been deliberately reduced from Rs 191.75 mn (8.48%) in FY2024 to Rs 0.57 mn (0.02%) in FY2026, indicating management focus on higher-margin EPC and O&M services. Overall, total revenue demonstrates robust 23.52% CAGR growth from Rs 2,261.02 mn (FY2024) to Rs 3,449.96 mn (FY2026), confirming strong business expansion.

TECHNOCRAFT VENTURES LIMITED

Financial Statement Analysis

Key Financial Summary			
Financial Summary (₹ crore)	**FY26**	**FY25**	**FY24**
Revenue From Operations	3,449.96	2,795.64	2,261.02
EBITDA	721.75	496.27	350.25
EBITDA Margins (%)	20.92	17.75	15.49
Net Profit	433.15	282.04	190.54
ROE (%)	26.51	23.51	20.76
RoCE (%)	27.72	23.05	19.77

Revenue from Operations grew 23.52% CAGR from Rs 2,261.02 crore (FY2024) to Rs 3,449.96 crore (FY2026), demonstrating strong top-line expansion driven by government infrastructure projects. EBITDA demonstrated exceptional growth of 45.4% YoY in FY2026 to Rs 721.75 crore, with EBITDA margins expanding consistently from 15.49% (FY2024) to 20.92% (FY2026), indicating improving operational leverage and cost management. Net Profit surged 53.6% YoY in FY2026 to Rs 433.15 crore, with net profit margins expanding from 8.43% (FY2024) to 12.56% (FY2026), reflecting strong execution and pricing discipline. Return on Equity (ROE) improved significantly from 20.76% (FY2024) to 26.51% (FY2026), demonstrating efficient capital deployment and shareholder value creation. Return on Capital Employed (RoCE) strengthened from 19.77% (FY2024) to 27.72% (FY2026), indicating superior capital efficiency and operational performance above weighted average cost of capital. Consolidated financial performance shows robust profitability with all key metrics trending upward, validating the company's operational capability and market positioning in government-backed infrastructure execution.

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