



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 10 AUGUST 2026

Technocraft Ventures Limited

Mainboard IPO — Research Note

Public-Infrastructure EPC · BSE & NSE

ISSUE DATES	7 Aug – 11 Aug 2026 · Listing 14 Aug 2026 (tentative)
PRICE BAND	₹200 – ₹212 per share (Face Value ₹10)
LOT SIZE	70 shares · sHNI min 14 lots = 980 shares
ISSUE SIZE	₹251.88 Cr (Fresh ₹201.51 Cr + OFS ₹50.37 Cr)

S E C T O R Public-Infrastructure EPC — Water, Roads, Urban, Power	F I N A N C I A L S Rev ₹347 Cr (FY26) · PAT ₹43 Cr · PAT CAGR ~51%
V A L U A T I O N S P/E 19.4x vs peer median ~22x · at a discount	D E M A N D Anchor ₹76 Cr (AIF-only) · Day-1 2.59x · QIB 4.47x
G M P +₹13 / ~6% over ₹212 · as of 10 Aug AM · indicative only	R E C O M M E N D A T I O N APPLY (listing gains) — sHNI

I P O R E S E A R C H D E S K

2. Executive Summary

Technocraft Ventures is a northern-India public-infrastructure EPC contractor — water and wastewater systems, roads and highways, urban development, power distribution and trenchless works, executed largely on turnkey terms for government agencies since 1998. It is a small, clean, fast-growing contractor: revenue of ₹347 Cr in FY26, PAT of ₹43 Cr compounding at roughly 51% over two years, EBITDA margins that have climbed from 15% to 21%, a RoNW of 26.5% and debt that has stayed flat while the business doubled — D/E down to 0.55. On the fundamentals, this screens as one of the better small infra names to come to market this cycle.

The issue is deliberately small — ₹251.88 Cr, and importantly fresh-issue led: only 20% is an offer for sale, so ₹201.5 Cr of new money actually reaches the company to fund the working capital an order-book-driven EPC business runs on. That is the right structure and the opposite of a promoter cash-out. Priced at 19.4x post-issue earnings against a listed EPC peer set trading at roughly 22x, it comes at a modest discount, not a premium. The demand tape confirms the read: Day 1 closed at 2.59x overall with QIB already 4.47x and both HNI buckets near 3.6–3.9x. What is thin is the top of the book — the anchor portion is ₹75.6 Cr placed entirely with four AIFs and no mutual funds, and the sole book-runner, Khambatta Securities, is a small house with only two prior mainboard issues in our seven-year base.

The call is **APPLY (listing gains)**. Good business, sensible structure, undemanding price and strong opening demand outweigh a thin anchor book and a small merchant banker. Per the desk's plan on this issue, we are bidding the **sHNI** bucket, not bHNI — the minimum sHNI application is 14 lots / 980 shares / ₹2,07,760 at the ₹212 cut-off, which suits a fund-constrained deployment on a small issue where the bHNI ticket (₹10.09 lakh) ties up disproportionate capital for a limited absolute allotment. We expect a 7–10% listing gain with downside contained within roughly 5%.

Recommendation	Listing-Day View	Momentum View (T+2–T+5)
APPLY (listing gains)	Positive — ~7–10% base case; downside contained within ~5% on a weak tape	Small float can stay bid; trim into strength, don't overstay

A low-risk, low-reward listing bet — but with a better fundamental backbone than most. The play is the sHNI bucket, sized to funds; we are in it for the listing print and the immediate momentum window, not the story.

3. Company Overview & Business Model

Technocraft Ventures builds public infrastructure on contract. It takes turnkey EPC mandates — engineering, procurement and construction under a single responsibility — across water supply and wastewater treatment, roads and highways, urban development, power distribution and trenchless (no-dig) pipe-laying, and delivers them mostly for state and central government bodies concentrated in northern India. The company has been at this since 1998, so the operating history is long even if the listed vehicle is new to the market.

The economics are the standard EPC shape, and they matter for how you read the numbers. Revenue is recognised as projects progress against a tendered order book; margin is won or lost at the bidding stage and in execution discipline, not in any recurring franchise. Cash is the whole game — an EPC contractor funds materials, labour and mobilisation ahead of milestone payments, and government clients pay on their own timetable, so working capital is the binding constraint on growth. That is precisely why the fresh issue is earmarked for working capital: this is a business that grows by financing a bigger order book, and the ₹150 Cr working-capital tranche is what lets Technocraft bid for and carry larger jobs.

Control rests with the Tyagi family — Sanjay Tyagi (Managing Director), Rekha Tyagi and Kartikey Tyagi, alongside the family partnership and HUF. It is a closely-held promoter-operator, which is typical for a contractor of this size and cuts both ways: aligned ownership, but key-person dependence. What could break the model is not demand — government infra spending is structurally supported — but execution and receivables: a stretched government payment cycle or a mispriced large contract hits a leveraged, working-capital-hungry contractor faster than it hits an asset owner.

4. Market Position & Client Base

Technocraft is a regional specialist, not a national heavyweight. It plays in the mid-sized public-EPC space in northern India, a segment with real tailwinds — Jal Jeevan Mission and AMRUT-type water and urban-infrastructure programmes, road and power-distribution capex — but also a crowded one, where the field runs from listed majors like Va Tech Wabag and EMS down to hundreds of unlisted regional contractors. The company's edge is a multi-vertical capability (water, roads, urban, power, trenchless) that lets it bid across programmes rather than depend on a single scheme, and a two-decade execution record that clears the technical and financial pre-qualification bars on larger government tenders.

The client base is overwhelmingly government — state and central agencies — which is the defining feature of the credit. On the positive side, sovereign counterparties do not default; the order book is as good as the budget behind it, and payment ultimately comes. On the other side, government clients pay slowly and on their own schedule, which is the working-capital tax the whole model carries. Client concentration is therefore less about a single customer and more about exposure to a handful of state programmes and their funding cycles.

The moat, such as it is, comes from pre-qualification and balance-sheet capacity rather than any technology or brand. A contractor that has executed enough water and urban projects, and can post the bank guarantees and working capital a large tender demands, competes for a shrinking set of rivals as ticket sizes rise. Technocraft's deleveraged balance sheet and this capital raise are, in that sense, competitive assets — they expand the size of job it can credibly bid.

5. Geographic Distribution & Revenue Model

This is a domestic, northern-India-focused operation with no export or currency exposure to underwrite. The geography that matters is the concentration in a handful of northern states and their infrastructure programmes — a source of both familiarity (established relationships, known tender processes, local execution capacity) and concentration risk (dependence on those states' budget cycles and payment behaviour). Geographic diversification into new states is a growth lever the company has yet to fully pull, and one worth watching post-listing.

Revenue is project- and order-book-driven, recognised on percentage-of-completion as milestones are met. The FY26 step-up in revenue to ₹347 Cr, up 24% on FY25, is execution of a growing order book rather than any pricing windfall; the more striking number is profit, which grew far faster than revenue as margins expanded — the operating leverage of a contractor filling its overhead base with more work. The quality of that growth rests on the order book's size and mix and on how quickly milestone payments convert to cash, which is where an EPC investor should keep their attention.

6. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	201.51	80.0%
Offer for Sale (OFS)	50.37	20.0%
Total Issue Size	251.88	100.0%

Use of Proceeds (Fresh Issue)

Objective	Amount (₹ Cr)	% of Fresh
Funding working-capital requirements	150.00	74.4%
General corporate purposes	~51.51	~25.6%
Total Fresh Issue	201.51	100.0%

OFS is only 20% of the issue, and the ₹201.5 Cr fresh tranche goes into the business — ₹150 Cr straight into working capital, the exact fuel an order-book-led EPC contractor needs to scale. This is a growth raise with a small, orderly promoter trim on the side, not a cash-out. For a small-cap IPO, that structure is a genuine positive and one of the pillars of the APPLY.

On allocation, the offer follows the standard QIB / NII / Retail split with a 30% anchor tranche — ₹75.55 Cr across 35,63,810 shares at ₹212. Within the NII bucket, two-thirds is reserved for bHNI (applications above ₹10 lakh) and one-third for sHNI (₹2–10 lakh). The sole book-running lead manager is Khambatta Securities Limited; the anchor and BRLM quality are examined in the demand section below.

7. Financial Performance Analysis

Profit & Loss (₹ Cr, restated)

Particulars	FY24	FY25	FY26
Revenue	227.30	281.00	347.00
EBITDA	35.03	49.63	72.18
EBITDA Margin (%)	15.4%	17.7%	20.8%
PAT	19.05	28.20	43.32
PAT Margin (%)	8.4%	10.0%	12.5%

Balance Sheet (₹ Cr)

Particulars	FY24	FY25	FY26
Net Worth	91.78	119.98	163.38
Total Borrowings	80.11	87.43	89.76
D/E (x)	0.87	0.73	0.55
Total Assets	258.05	269.74	354.38
RoNW (%)	20.8%	23.5%	26.5%

This is the cleanest part of the story. Revenue compounded ~24% over two years, but profit compounded ~51% — PAT more than doubled from ₹19 Cr to ₹43 Cr — because EBITDA margins expanded a full five-plus points, from 15.4% to 20.8%. For a contractor, that margin trajectory is the tell: it points to better project selection, execution discipline and operating leverage over a fixed overhead base, rather than revenue bought at any price. Margins in the low-20s are toward the upper end for public EPC, so the honest question is durability — whether a larger, faster-growing order book can hold this margin as ticket sizes rise and competition for big tenders bites.

The balance sheet earns its keep. Borrowings were essentially flat — ₹80 Cr to ₹90 Cr — while net worth nearly doubled on retained profit, so D/E fell from 0.87 to a comfortable 0.55 even before the fresh capital lands. RoNW at 26.5% is genuinely strong and, unlike an asset-heavy model, it is real accounting return, not a number suppressed by depreciation. The one caveat every EPC investor must apply is cash conversion: percentage-of-completion revenue and government receivables mean reported profit runs ahead of collected cash, and working capital absorbs a chunk of what the P&L earns. That is not a red flag here — it is the nature of the model, and it is exactly what the ₹150 Cr fresh tranche is meant to fund. Watch the receivable days post-listing; that, not the margin, is where an EPC story quietly unravels if it is going to.

8. Valuation

For once the multiple needs no gymnastics to defend. At ₹212 the stock is priced at 19.4x post-issue earnings and about 12.9x EV/EBITDA — ordinary, sensible numbers for a profitable contractor, and unusually reasonable for an IPO in a hot small-cap tape. Against the listed EPC peer set the pricing is a modest discount, not a premium.

Company	P/E	RoNW / note	Comment
Technocraft (upper band)	19.4x	26.5%	Discount to median
EMS Limited	24.3x	water/urban EPC	Larger, richer
Va Tech Wabag	32.0x	water major	Premium leader
Enviro Infra	20.8x	water EPC	Closest comp
Denta Water	14.8x	water EPC	Cheaper, smaller
Peer Median	~22.5x	—	Technocraft below

Our read: the discount is fair-to-slightly-attractive rather than a screaming bargain. Technocraft is smaller and more regionally concentrated than EMS or Va Tech Wabag, and a small, closely-held contractor deserves some discount for size, liquidity and key-person risk. But it also grows faster and earns a higher RoNW than most of the set, so 19.4x on ~51% two-year PAT growth is not demanding. The valuation does not carry the listing on its own, but it removes the usual small-cap objection — you are not overpaying at the offer, and that is what makes the strong subscription and the 7–10% GMP-implied gain credible rather than frothy. We are comfortable underwriting the price.

9. Demand, Application-Wise Breakup, Anchor Quality & BRLM Track Record

9.1 Subscription Trajectory (times subscribed)

Category	Day 1	Day 2	Day 3 (Final)
QIB	4.47x	awaited	awaited
NII — bHNI (>₹10 L)	3.90x	awaited	awaited
NII — sHNI (₹2–10 L)	3.60x	awaited	awaited
Retail	1.01x	awaited	awaited
Overall	2.59x	awaited	awaited

The opening tape is strong and, unusually, front-loaded — 2.59x overall on Day 1, with QIB already at 4.47x and both HNI buckets near 3.6–3.9x. That is the reverse of a large OFS-heavy issue: the money showed up early rather than waiting for the last day. Retail at 1.01x is fully covered with the bulk of the window still to run. For a small ₹252 Cr issue, this depth of Day-1 demand is the single most encouraging signal for the listing — small floats with a covered book and positive GMP tend to open green. The HNI buckets will build further through the final day, so expect meaningful oversubscription and a lottery allotment in both HNI categories.

9.2 Application-Wise Breakup (approx. no. of applications)

Category	Reserved Capacity (min-lot allottees, approx.)	Min Application	Indicative Allotment Odds
Retail (RII)	~59,405	1 lot / ₹14,840	Lottery if >1x
NII — sHNI	~606	14 lots / ₹2.08 L	Lottery — fire multiple
NII — bHNI	~1,212	68 lots / ₹10.09 L	Skipped this issue

This is where the small size bites, and where the desk's category choice is made. The sHNI bucket has room for only ~606 minimum-lot allottees and the bHNI bucket ~1,212 — tiny absolute numbers. With both HNI categories already 3.6–3.9x on Day 1 and building, allotment in either will be a proportionate lottery, and on a small issue the leftover after rounding means many single applications get nothing. The minimum sHNI application is 980 shares — ₹2,07,760 at the ₹212 cut-off — versus ₹10,09,120 for a single bHNI ticket. On an issue this small, the bHNI ticket ties up nearly five times the capital for a broadly similar low-single-digit allotment probability per application; the sHNI bucket is the more capital-efficient way to play it, which is exactly why we are bidding sHNI and skipping bHNI here. As always with a lottery bucket, multiple applications across PANs raise the odds of at least one allotment. These figures are indicative and approximate, from reserved-capacity and early bidding data, and firm up only at the basis of allotment.

9.3 GMP

The grey market is quoting roughly ₹13 over the ₹212 cut-off as of the morning of 10 August — about a 6% premium, indicative listing near ₹225, having firmed from ₹9 earlier in the window. It is an unofficial, thinly-traded sentiment gauge, not a commitment, and on a small issue it can move sharply on the final subscription print. A firming ₹9-to-₹13 trajectory alongside a strongly covered book is consistent with our 7-10% listing expectation — the GMP itself sits at the lower end of that, and the strong demand is what argues for the upper end.

9.4 Anchor Quality — the backtest

This is the soft spot, and there is no point dressing it up. The ₹75.6 Cr anchor book went to just four investors, and — unusually — not a single rupee to a domestic mutual fund, insurer or pension fund. It is an all-AIF/PMS book.

Anchor	Share	7Y Base	Read
LRSD Securities	33.6%	2 issues	avg listing -4.5% — weak
Vikasa India EIF I	26.5%	19 issues	avg +16% — the credible name
Nakshatra Bharat Vantage	19.9%	not in base	first-time / new
Venus Stellar Fund	19.9%	3 issues	avg +1.7% — thin

Read the anchor book honestly: this is not an institutional endorsement. The largest anchor, LRSD, carries a negative average listing history in our base data; Venus is thin and Nakshatra is not in our seven-year record at all. Only Vikasa India EIF — 19 prior issues, ~16% average listing gain — is a name with a track worth citing. The absence of any mutual-fund money is the real signal: the marquee domestic institutions either weren't offered or didn't bite. On a fundamentally sound small issue this is a caution rather than a veto, but it is why we treat the demand tape — which is strong — as the primary evidence for the listing, and the anchor list as a weak-to-neutral input, not support.

9.5 BRLM Track Record — the backtest

Lead Manager	7Y IPOs	Hit Rate	Read
Khambatta Securities	2	100%	both 2021-22; small, dated sample

The sole book-runner, Khambatta Securities, has managed only two mainboard issues in our seven-year base — one in 2021, one in 2022 — both of which listed positive, with a headline average listing gain north of 100%. Do not read that number as skill: two data points from four to five years ago, on small aggressively-priced issues, is statistically meaningless as a predictor, and the house has been absent from the mainboard since. What the single, small merchant banker really tells you is the nature of the deal — a small, regionally-sourced issue placed through a boutique rather than a top-tier syndicate. That fits everything else about the offering. It is neither a red nor a green flag; it is a size-and-sourcing signal, and it is one more reason the live subscription tape, not the sponsor pedigree, is doing the work in this call.

Strong opening demand and a sensible price reduce listing risk; a thin anchor book and a boutique book-runner mean they do not eliminate it.

10. Risk Factors

[PRIMARY CONCERN] Working-capital intensity and government receivables.

This is the defining risk of the model. An EPC contractor funds execution ahead of milestone payments, and government clients pay slowly. Percentage-of-completion profit runs ahead of collected cash, so a stretch in receivable days — a common event when state budgets tighten — can strand a growing contractor between a rising order book and delayed collections. It is exactly what the fresh capital is meant to cushion, and exactly the line to watch post-listing.

Listing Volatility.

Even with a covered book and a positive GMP, small-cap mainboard listings in the current regime swing hard on the print and through the first sessions. A thin ~6% GMP, an all-AIF anchor book and a small float mean a weak open or a broad-market gap-down can compress the gain or push the stock below issue price. Our read is that downside is contained within roughly 5% of the ₹212 issue price on a weak tape — a judgement, not a floor. We do not consider this a risk-free recommendation.

3. **Thin, non-institutional anchor book.** The ₹75.6 Cr anchor portion drew four AIFs and zero mutual funds, insurers or pension funds. The largest anchor has a negative average listing history in our base data. The absence of marquee institutional money is a genuine quality caution on an otherwise sound issue.
4. **Single boutique book-runner.** Khambatta Securities is a small house with only two mainboard issues in seven years and no recent activity. A single boutique BRLM means limited distribution depth and institutional reach — fine for a small issue, but not the syndicate backing that steadies a listing.
5. **Margin durability.** EBITDA margins have expanded to the low-20s, toward the top of the public-EPC range. Sustaining that as the order book grows and competition for larger tenders intensifies is not guaranteed; a reversion toward mid-teens would materially reset the earnings trajectory the valuation rests on.
6. **Client and geographic concentration.** Revenue is concentrated in government programmes in a few northern states. Exposure is to those states' budget cycles, tendering behaviour and payment discipline rather than to any diversified customer base; a slowdown in one or two key programmes hits the order book directly.
7. **Promoter and key-person dependence.** The company is closely held by the Tyagi family, with the Managing Director central to relationships and execution. Aligned ownership is a positive, but a small contractor's fortunes are tied to a few individuals, and succession or key-person disruption is a real risk at this scale.
8. **Order-book visibility and execution.** EPC earnings are only as good as the order book and the ability to execute it on time and on budget. A mispriced large contract, a cost overrun or an execution delay flows straight to a leveraged, working-capital-hungry P&L faster than the disclosures reveal.

9. **Small size and post-listing liquidity.** At a ₹840 Cr market cap with a small float, the stock will be thinly traded and prone to sharp moves in both directions. That cuts for the listing pop but against orderly price discovery, and it is a reason to keep the horizon short.
10. **Competitive intensity.** The mid-sized public-EPC space is crowded, from listed majors down to numerous regional contractors. Aggressive tender pricing by rivals can compress margins across the sector regardless of Technocraft's own execution.

11. Investment Strengths & Positive Indicators

- 1. Strong, high-quality profit growth.** PAT compounded ~51% over two years — more than double the revenue growth rate — on genuine margin expansion from 15% to 21% EBITDA. That is operating leverage and better project selection, not revenue bought cheaply.
- 2. High return on equity.** RoNW at 26.5% is strong and, unlike an asset-heavy model, is real accounting return rather than a depreciation-suppressed figure. It marks Technocraft as one of the more capital-efficient names in its peer set.
- 3. Deleveraged balance sheet.** Borrowings stayed flat while net worth nearly doubled, taking D/E from 0.87 to 0.55 before the raise even lands. A small contractor entering listing with a comfortable balance sheet has both resilience and headroom to bid larger.
- 4. Fresh-issue-led, growth-oriented structure.** OFS is only 20%; ₹201.5 Cr of new money enters the business, ₹150 Cr of it straight into working capital. This is a raise to fund a bigger order book, not a promoter exit — the right structure for the model.
- 5. Undemanding valuation.** At 19.4x earnings and ~12.9x EV/EBITDA the issue prices at a discount to a peer median near 22x, despite faster growth and a higher RoNW. You are not overpaying at the offer.
- 6. Strong, front-loaded demand.** Day-1 subscription of 2.59x overall with QIB at 4.47x on a small float is a powerful listing signal — the book is covered early, not scraped together on the last day.
- 7. Sectoral tailwind.** Water, urban-infrastructure and power-distribution capex under national programmes gives the addressable order book a structurally supported backdrop for the medium term.

12. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

sHNI category — sized to funds; bHNI skipped this issue

The five pillars line up better here than they usually do for a small issue. Financial quality is a real strength — ~51% PAT growth, expanding margins, 26.5% RoNW and a deleveraged balance sheet. Valuation is undemanding at 19.4x, a discount to the peer median. GMP is modest at ~6% but firming, and the demand tape is strong and early — 2.59x on Day 1 with QIB at 4.47x. OFS is only 20%, so this is a growth raise, not an exit. The two marks against it are quality-of-sponsorship signals rather than business flaws: a thin, all-AIF anchor book with no mutual-fund money, and a single boutique book-runner. On balance, the fundamentals and the live demand outweigh the thin top of the book.

So the call is APPLY for listing gains, and the desk is playing the sHNI bucket. The minimum sHNI application is 14 lots / 980 shares / ₹2,07,760 at the ₹212 cut-off. We are deliberately skipping bHNI on this issue: for a fund-constrained deployment on a small offering, the ₹10.09 lakh bHNI ticket locks up close to five times the capital for a broadly similar low-single-digit allotment probability, so the sHNI bucket is the more capital-efficient expression of the same view. As with any heavily-subscribed lottery bucket, firing multiple sHNI applications across PANs is the way to raise the odds of at least one allotment. We expect a 7–10% listing gain, with downside we read as contained within roughly 5% of the issue price on a weak tape — a low-risk, low-reward profile on a better-than-average small-cap.

This is a listing-and-momentum call — the listing print and the T+2 to T+5 window — not a long-term view. Trim into strength; a small float can run, but do not overstay. This is not a risk-free recommendation, and a covered book and positive GMP do not guarantee listing gains.

Investor Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
sHNI	APPLY (listing gains)	Sized to funds: multiple sHNI applications across PANs; bHNI skipped on capital-efficiency grounds	Listing day to T+5

Note on category: IPO Research Desk is a bHNI-focused advisory by default. For this specific small issue the desk's actionable call is the sHNI bucket on fund-constraint and capital-efficiency grounds, as set out above; bHNI is not recommended here.

13. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.