Press Release

Technocraft Ventures Limited

March 19, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	39.00	IVR BBB-/ Stable (IVR triple B minus with Stable outlook)	-	Rating assigned	Simple
Short Term Bank Facility	2.50	IVR A3 (IVR A Three)	-	Rating assigned	Simple
Long term / Short term Bank Facility	242.50	IVR BBB-/ Stable / IVR A3 (IVR triple B minus with Stable outlook and IVR A three)	-	Rating assigned	Simple
Total	**284.00 (INR Two hundred eighty-four crore only)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of Technocraft Ventures Limited (TVL) derives strength from the experienced promoters with long operational track record, healthy order book position indicating revenue visibility and less counterparty risk and moderate capital structure supported by adequate debt protection metrics. However, these rating strengths are constrained due to working capital intensive nature of operations, tender driven nature of business in highly fragmented & competitive operating scenario and profitability susceptible to volatile raw material prices.

The outlook assigned on the long-term rating is Stable as it is supposed to benefit from the extensive experience of the promoters along-with favourable industry outlook.

Key Rating Sensitivities:

Upward Factors

- Growth in revenue with improvement in profitability leading to improvement in debt protection metrics and liquidity on a sustained basis
- Sustenance of the capital structure with improvement debt protection metrics

Downward Factors

- Moderation in revenue and/or moderation in profitability impacting the gross cash accruals on a sustained basis
- Moderation in the capital structure with overall gearing ratio deteriorated and deterioration in interest coverage ratio

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with long operational track record

Technocraft Ventures Limited is promoted by Mr. Sanjay Tyagi and his family. Mr. Sanjay Tyagi has more than three decades of experience in the civil construction industry. Their experience and leadership have played a key role in the company's growth and in strengthening its presence in the infrastructure segment.

Healthy order book position indicating revenue visibility and less counterparty risk

As on February 28, 2026, the company has a healthy unexecuted order book worth Rs. 1159.22 crore. The unexecuted order book constitutes ~4.13 times of FY2025 revenue (Rs. 280.35 crore) (FY25 refers to period April 1st, 2024, to Mar 31, 2025). Most of the projects are expected to be executed over the next 18-24 months, indicating a satisfactory near to medium term revenue visibility.

The majority of the order book relates to sewerage network, STP, water supply, road and electricity projects. Recently awarded large projects under AMRUT 2.0 in Bihar (Motihari and Jehanabad) significantly strengthen the company order pipeline.

The counter party risk remains low as the customer base consists of reputed clients which includes Central and State Governments, local authorities and under Government-led schemes such as the Atal Mission for Rejuvenation and Urban Transformation (“AMRUT”), Jal Jeevan Mission (“JJM”), Namami Gange and Pradhan Mantri Gram Sadak Yojana (“PMGSY”).

Moderate capital structure supported by adequate debt protection metrics

The capital structure of the company had remained moderate over the past three fiscal years with its net worth base of Rs.120.78 crore as on March 31, 2025, supported by accretion of profits. Further, the adjusted tangible net worth (ATNW) stood at Rs.114.40 crore (excluding investment in JVs of Rs.5.22 crore and long pending debtors of Rs. 1.16 crore). The adj. overall gearing stood at 0.95x as on March 31, 2025, against 1.21x as on March 31, 2024. Long term debt to equity stood at 0.29x as on March 31, 2025, as against 0.50x as on March 31, 2024. Overall indebtedness of the company marked by TOL/ATNW has stood at 1.37x as on March 31, 2025, as against 1.86x as on March 31, 2024. The company is planning for IPO in FY27 (FY27 refers to period April 1st, 2023, to Mar 31, 2024). Post IPO, the overall gearing and TOL/TNW is expected to come down significantly in FY27. Successful IPO and proper utilisation of IPO proceeds remain a key rating monitoring factor.

The debt protection metrics of the company improved during the period on account of higher operating profitability. The Interest Coverage Ratio improved to 5.20x in FY2025 from 4.27x in FY2024 (FY24 refers to period April 1st, 2023, to Mar 31, 2024) and 2.71x in FY2023 (FY23 refers to period April 1st, 2022, to Mar 31, 2023). Further, the DSCR stood at 1.74x in FY2025 as compared to 2.97x in FY2024. The total debt /EBITDA Stood at 1.74x in FY2025 from 2.63x in FY2024.

Key Rating Weaknesses

Working capital intensive nature of operations

The working capital cycle of the company remained elongated during the period. The average collection period stood high to 104 days in FY2025, against 122 days in FY2024 and 133 days in FY2023 due to higher billing done in the month of March. However, the average inventory period increased to 114 days in FY2025 from 98 days in FY2024. Consequently, the operating cycle increased to 190 days in FY2025 from 171 days in FY2024 and 151 days in FY2023. Further, the company also avail interest bearing mobilization advance from its clients for execution of its contracts which further supports its working capital needs.

Tender driven nature of business in highly fragmented & competitive operating scenario

Execution risks for newly awarded projects in a timely manner will be key to achieving growth in revenues and profits. Business certainty is dependent on the ability to successfully bid for the tenders as entire business is tender based. The domestic infrastructure/construction sector is highly fragmented with presence of many players with varied statures & capabilities. Boom in the infrastructure sector, a few years back, resulted in increase in the number of players. While the competition is perceived to be healthy, significant price cut by few players during the bidding process is a matter of serious concern for the users with respect to quality of output.

Profitability susceptible to volatile raw material prices

Major raw materials used in construction activities are steel and cement which are usually sourced from large players at proximate distances. The input prices are generally volatile and consequently the profitability of the group remains susceptible to fluctuation in input prices. However, a presence of escalation clause in most of the contracts provides significant comfort.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Liquidity– Adequate

The liquidity of the company is expected to remain adequate in the near-to-medium term with sufficient accruals and to meet the term debt repayment in the period FY26-FY28. The current ratio stood comfortable at 1.76x as on March 31, 2025. The average fund-based utilisation for the past twelve months ended December 2025 remained moderate at ~81% indicating liquidity cushion.

About the Company

Technocraft Ventures Limited began its operations in October 1998 as Technocraft Construction Private Limited, founded by Mr. Sanjay Tyagi. The company was primarily engaged in civil construction works, including roads, sewer systems, highways, and power sector projects. Over the years, it expanded its expertise in executing turnkey Engineering, Procurement, and Construction (EPC) projects across wastewater, electrical, and transportation infrastructure sectors. In February 2024, the company was renamed Technocraft Ventures Private Limited and subsequently converted into a public limited company on June 11, 2024.

The company primarily undertakes government infrastructure projects, with a strong presence in Uttar Pradesh and adjoining states. It has executed projects under various central and state-sponsored schemes and holds “Class 1” government contractor registration with multiple state authorities.

Financials (Standalone): **(Rs. crore)**

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	226.50	280.35
EBITDA	34.00	48.35
PAT	19.36	28.31
Total Debt	110.58	109.09
Adj. Tangible Net Worth	91.07	114.40
EBITDA Margin (%)	15.01	17.25
PAT Margin (%)	8.50	10.05
Adj. Overall Gearing Ratio (x)	1.21	0.95
Interest Coverage (x)	4.27	5.20

** Classification as per Infomerics’ standards.*

Status of non-cooperation with previous CRA:

Brickwork Ratings has maintained the ratings of TVL into the Issuer Not Cooperating category on account of inadequate information and lack of management cooperation in the rating procedure despite repeated follow ups as per the Press Release dated December 26, 2025.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Cash Credit	Long Term	35.00	IVR BBB-/ Stable	-	-	-
2.	DRUL	Long Term	4.00	IVR BBB-/ Stable	-	-	-
3.	Letter of Credit	Short Term	2.50	IVR A3	-	-	-
4.	Bank Guarantee	Long Term/ Short Term	242.50	IVR BBB-/ Stable/ IVR A3	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com

Annexure 1: Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit I	-	-	-	-	5.00	IVR BBB-/ Stable
Cash Credit II	-	-	-	-	6.00	IVR BBB-/ Stable
Cash Credit III	-	-	-	-	4.00	IVR BBB-/ Stable
Cash Credit IV	-	-	-	-	5.00*	IVR BBB-/ Stable
Cash Credit V	-	-	-	-	15.00	IVR BBB-/ Stable
DRUL	-	-	-	-	4.00	IVR BBB-/ Stable
Letter of Credit	-	-	-	-	2.50	IVR A3
Bank Guarantee I	-	-	-	-	25.00	IVR BBB-/ Stable/ IVR A3
Bank Guarantee II	-	-	-	-	51.50**	IVR BBB-/ Stable/ IVR A3
Bank Guarantee III	-	-	-	-	36.00	IVR BBB-/ Stable/ IVR A3
Bank Guarantee IV	-	-	-	-	45.00^	IVR BBB-/ Stable/ IVR A3
Bank Guarantee V	-	-	-	-	85.00	IVR BBB-/ Stable/ IVR A3

** WCDL II of Rs. 5.00 crore is the sublimit of CC*
***Letter of credit of Rs. 2.50 crore is the sublimit of BG*
^WCDL III of Rs. 7.00 crore, MOB TL I of Rs. 0.54 crore and MOB TL II of Rs. 10.00 crore is the sublimit of BG

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_technocraft_mar26_5b5ff25f99.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.