Swastika Infra Ltd.

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IPO Note | **22nd Sept 2026**

Company Overview

Swastika Infra Limited is an engineering, procurement and construction (EPC) company focused on power transmission and distribution (T&D) infrastructure projects. The company provides turnkey solutions covering procurement, erection, installation, testing and commissioning of power infrastructure, with capabilities spanning underground cabling, substations, rural and urban electrification, street lighting and renewable energy works. The company has developed execution capabilities across the power infrastructure value chain, including underground cabling up to 33 KV, construction of GIS/AIS/Grid substations, distribution network upgrades, transformer and feeder-related works, and renewable energy infrastructure such as solar parks, power evacuation systems and associated transmission infrastructure. As of July 31, 2026, Swastika Infra had completed 36 EPC Power Projects across six states, covering 18,579.47 km of distribution lines, with an aggregate completed contract value of Rs. 764 crore. Swastika Infra has gradually scaled its operations from smaller distribution projects to larger and more complex EPC contracts. As of July 31, 2026, the company had 18 ongoing EPC Power Projects across six states, with an aggregate order value of Rs. 2,036 crore. The company has also expanded into transmission and renewable energy projects through orders from various state power utilities, diversifying beyond its traditional power distribution business. EPC Power Projects remain the core revenue driver, contributing 97% of revenue from operations in FY26, up from 90% in FY24. The company follows an asset-light execution model, in which selected erection activities are undertaken through third-party contractors, while procurement, project supervision, engineering, and execution are managed through its in-house teams. This model enables the company to execute projects with relatively lower fixed-asset intensity. With an established execution track record, presence across multiple states, a growing order book and increasing exposure to transmission and renewable energy infrastructure, Swastika Infra is positioned to participate in the expansion and modernisation of India's power infrastructure. Its capabilities across underground cabling, substations, electrification, and renewable energy projects diversify the power EPC segment and support its medium- to long-term growth prospects.

Objects of the issue

The IPO comprises a fresh issue aggregating up to Rs.129 crores and an Offer for Sale of up to Rs.32 Crores equity shares. The net proceeds from the fresh issue are proposed to be utilised for the following purposes:

1. Funding the incremental working capital requirements of the company;
2. General corporate purposes.

Investment Rationale

Strong project management and execution capabilities with a focus on EPC power projects for government clients

The company has developed strong project management and execution capabilities in the power EPC sector, backed by about 15 years of experience executing power distribution projects. As of the date of the RHP, the company is focused on EPC power projects and has completed 36 projects, while 18 projects were under execution as of July 31, 2026. Its established track record in the power distribution sector has enabled it to secure the necessary pre-qualifications for undertaking large-scale EPC power projects. As of July 31, 2026, the company had laid 18,579.47 km of distribution lines, demonstrating its execution capabilities and experience across diverse project requirements. The company manages the entire project lifecycle, covering tendering, procurement, on-ground implementation and project completion, while maintaining compliance with technical, regulatory and contractual requirements. Its experience across diverse geographies supports efficient project execution and timely delivery. The company has built a strong client base, primarily government utilities and public sector entities, including WBSEDCL, MGVCL, APDCL, GED, HPSEBL, UHBVN, UPCL, JVVNL, AVVNL, RSDCL, RRVPNL, and MSEDCL. A significant portion of its projects is funded by global institutions such as the World Bank or backed by the central government, supporting large-scale power infrastructure projects. The company's ability to bid competitively, coupled with its execution track record, supports revenue visibility, efficient resource utilisation and mitigation of certain macroeconomic risks. Its selective approach towards project acquisition enables it to focus on projects aligned with its core EPC capabilities. Further, its track record of timely execution, financial stability and competitive pricing strengthens its ability to secure contracts from government authorities and supports sustainable growth in the power EPC sector.

Issue Details	
Offer Period	23rd Sep 2026-25th Sep 2026
Price Band	Rs. 175 to Rs. 185
Bid Lot	81
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	0.9
Issue Size (Rs. in Cr.)	161
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	SRUJAN ALPHA Capital Advisor LLP, Phillip Capital India Private Ltd.
Registrar	MUFG Intime India Private Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	76.51%	57.41%
Public	23.49%	42.59%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

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Scalable business model with strategic growth initiatives

The company has demonstrated a scalable business model supported by a steadily expanding order book, strengthening execution capabilities and increasing its ability to undertake larger, more complex projects. Since 2012, the company has progressively enhanced its technical expertise, operational efficiency and financial capabilities, enabling it to qualify for and execute larger power infrastructure projects across multiple states. Its first project, awarded by RIICO, had a contract value of Rs. 60.00 lakh, and the company has since expanded its project portfolio to include large-scale EPC power projects. A key milestone was the recent Rs. 34,010 lakh EPC power project awarded by Ajmer Vidyut Vitran Nigam Ltd. (AVVNL) to implement smart grid technologies, demonstrating its ability to undertake technology-intensive power infrastructure projects. The company's diversified execution capabilities across underground cabling, substation installations, rural and urban electrification, street lighting and renewable energy works enable it to address varied power infrastructure requirements across urban and rural markets. Its selective approach towards project acquisition allows it to focus on projects aligned with its core competencies, supporting efficient resource utilisation and risk mitigation. The company's order book grew consistently from Rs. 39,139 lakh in FY24 to Rs. 65,022 lakh in FY25 and Rs. 68,743 lakh in FY26, reaching Rs. 91,655 lakh as of July 31, 2026. The order book-to-revenue from operations ratio stood at 1.41x in FY26, 1.92x in FY25 and 2.08x in FY24, providing visibility into future revenue streams and supporting business continuity. The growth in the order book has been supported by the company's pre-qualification credentials, established project execution track record and financial capabilities, enabling it to bid for higher-value contracts and expand its market presence. Further, the company continues to explore opportunities in the power T&D segment by integrating engineering solutions such as containerised distribution substations, which facilitate faster installation in space-constrained urban areas and reduce deployment timelines. A growing order book, diversified project capabilities, expansion into renewable energy and transmission segments, and increasing ability to execute larger projects provide a scalable platform for sustained growth. The company's experienced management team, financial stability and execution capabilities position it to participate in the ongoing expansion and modernisation of India's power distribution infrastructure.

Valuation

Swastika Infra Limited is an engineering, procurement, and construction company specialising in power distribution infrastructure projects, with capabilities spanning underground cabling, rural and urban electrification, construction of substations and associated feeder lines, and trading of electrical goods. The company primarily executes turnkey projects for government agencies and has expanded its presence across multiple states, supported by projects in power distribution and transmission infrastructure. The company is positioned to benefit from increasing investments in power T&D infrastructure, grid modernisation and electrification projects. On the financial front, Revenue/PAT increased to Rs.504 crores/Rs.41 crores in FY26 from Rs.210 crores/Rs.14 crores in FY24, reflecting a revenue CAGR of 55.0% and PAT CAGR of approximately 72% during FY24-FY26. FY26 revenue grew 43.6% YoY, while operating margin improved to 14.1%. The company reported healthy return ratios, with ROE and ROCE at 35.4% and 25.8%, respectively. At the upper price band of Rs.185, the issue is valued at approximately 11.8x FY26 diluted EPS of Rs.15.7. **Considering the company's strong revenue and profit growth, healthy return ratios, expanding power infrastructure opportunity and established execution capabilities, we recommend a "SUBSCRIBE" rating.**

Key Risks:

⇒ The company derives a significant portion of its revenue from projects awarded by government utilities, exposing it to changes in government policies, budgetary allocations and project priorities. Any reduction in government spending on power transmission and distribution, delays in payments, changes in qualification criteria or termination/restructuring of contracts could adversely affect order inflows, revenue, profitability and cash flows.

⇒ The company's order book is concentrated in a limited number of large-scale EPC power projects, exposing it to project execution and concentration risks. Delays in site handover, approvals, drawings or payments, along with cost overruns, material price increases and other implementation challenges, could result in time and cost overruns, lower operating margins and adversely affect financial performance.

⇒ The company operates a working-capital-intensive business with relatively long project implementation cycles, requiring significant funds for bank guarantees, performance deposits, letters of credit and project-related expenses. Delayed payments, retention of invoice amounts or changes in project payment schedules could increase working capital requirements and financing costs, while insufficient cash flows may adversely affect the company's ability to fund operations and meet debt obligations.

Swastika Infra Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue:			
Revenue from operations	2,096	3,508	5,036
Total revenue	**2,096**	**3,508**	**5,036**
Expenses:			
Procurement of Goods and Services for EPC Contracts	1,399	2,742	3,795
Purchase of Stock in Trade	203	106	145
Changes in Inventories of Work in Progress and Finished Goods	16	-44	48
Other Expense	92	142	202
Employee Benefit Expenses	148	122	138
Total expenses	**1,858**	**3,068**	**4,327**
EBITDA	**238**	**439**	**709**
Depreciation & amortization	7	6	6
EBIT	**231**	**434**	**702**
Finance costs	60	82	169
Other Income	18	18	20
PBT	**188**	**370**	**553**
Current Tax	48	96	141
Prior period Tax	0	0	-1
Deferred tax	0	-1	-1
Total tax	**48**	**96**	**139**
Net profit	**140**	**274**	**414**
Diluted EPS	**5.7**	**11.1**	**15.7**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	-33	-765	-97
Cash flow from investing activities	-227	142	-163
Cash flow from financing activities	165	607	271
Net increase/(decrease) in cash and cash equivalents	**-96**	**-17**	**12**
Cash and cash equivalents at the beginning of the period	**118**	**22**	**5**
Cash and cash equivalents at the end of the period	**22**	**5**	**17**

Source: RHP, BP Equities Research

Swastika Infra Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant and equipment	27	23	71
Intangible Assets	0	0	0
Capital Work in progress	0	0	0
Investments	3	4	5
Others	34	44	128
Other Non Current Assets	0	0	0
Deferred tax Asset (Net)	2	3	7
Total Non Current assets	**65**	**73**	**211**
Current Assets			
Inventories	85	129	81
Financial Assets	0	0	0
(i) Trade receivables	314	713	1,150
(ii) Cash and cash equivalents	22	5	17
(iii) Bank balances other than cash and cash equivalents	333	188	295
(iv) Other financial assets	509	1,305	2,019
(v) Other Current Assets	104	173	330
Current Tax Assets	0	0	19
Total current assets	**1,367**	**2,512**	**3,912**
Total Assets	**1,433**	**2,585**	**4,122**
Equity and Liabilities			
Equity Share Capital	248	248	272
Other equity	248	523	1,296
Total Equity	**496**	**770**	**1,568**
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowing	4	2	25
(ii) Other financial liabilities	1	0	0
Provisions	5	6	9
Total Non-Current Liabilities	**10**	**8**	**35**
Current Liabilities			
Financial Liabilities			
(i) Borrowing	435	1,108	1,121
(ii) Trade Payables	265	534	990
(iii) Lease Liabilities	2	0	0
Other current liabilities	222	150	401
Provisions	4	5	7
Current tax liabilities (net)	0	9	0
Total Current Liabilities	**927**	**1,807**	**2,520**
Total Liabilities	**937**	**1,815**	**2,555**
Total Equity and Liabilities	**1,433**	**2,585**	**4,122**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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