IPO REVIEW

Sai Urja Indo Ventures IPO

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- The company is engaged in offering O & M and other support services in industrial plants, primarily in power generation industry.
- Currently it has license for 5 states i.e., Maharashtra, Uttar Pradesh, Bihar, Jharkhand and Madhya Pradesh.
- Its order book was at Rs. 159.67 cr. as of June 15, 2026.
- The company posted growth in its top and bottom lines for the reported periods.
- On major parameters, the IPO appears exorbitantly priced.
- There is no harm in skipping this pricey and dicey IPO.
- In View Of The Likely Bank Strike From 28.09.26 To 30.09.26, The Ipos/Primary Offers That Are Falling Between These Three Days, Ipos Schedule Time Line May Change And The Revised Dates Will Get Effective For Opening And / Or Closing Schedules, As The Case May Be. Investors Are Requested To Make A Note Of This.

About the Company

Sai Urja Indo Ventures Ltd. (SUIVL) is an ISO 9001:2015 and ISO 45001:2018 certified company offering Operation and Maintenance (O&M) and other support services in industrial plants, primarily in power generation industry and other industries like iron & steel and agrochemicals. Its work includes managing electrical, mechanical, and instrumentation systems, operating coal handling and merry-go-round systems in power plants, as well as ensuring plant cleanliness and safety through industrial housekeeping, equipment overhauls, and manpower supply.

SUIVL’s journey began in 2012 when it received first electrical license in Maharashtra from the Licensing Board of the Industries, Energy and Labour Department. This marked the beginning of its efforts to meet regulatory standards for electrical work. In 2013, the company expanded to Rajasthan and gradually obtained licenses in Uttar Pradesh, Bihar, Jharkhand and Madhya Pradesh. As on the date of this Red Herring Prospectus, it holds valid electrical licenses in 5 States (Maharashtra, Uttar Pradesh, Bihar, Jharkhand and Madhya Pradesh) for electrical related works. This allowed it to widen services and establish ourselves as an O&M provider in the power sector. Over the time, it diversified across clients in industries like agrochemicals and iron & steel.

With a team of over 1,969 employees, it customizes its services to meet each client's specific needs. Its clients include major public and private sector companies in power, iron & steel, and agrochemical industries, such as Adani Infrastructure Management Services Limited, GMR Warora Energy Limited

and Maharashtra State Power Generation Company Limited MAHAGENCO. As of June 15, 2026, it had an order book worth Rs.159.67 cr.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 2208000 equity shares of Rs. 10 each to mobilize Rs. 24.95 cr. at the upper cap. The IPO consists of 1828800 fresh equity shares (worth Rs. 20.67 cr. at the upper cap), and an Offer for Sale (OFS) of 379200 equity shares (worth Rs. 4.28 cr. at the upper cap). The company has announced a price band of Rs. 107 – Rs. 113 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 25, 2026 and will close on September 29, 2026. The shares will be listed on BSE SME. The IPO constitute 28.91% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 8.00 cr. for working capital, Rs. 6.60 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Shannon Advisors Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Prabhat Financial Services Ltd. is a market maker. The IPO is underwritten to the tune of 15% by Shannon Advisors, 42.50% by Turnaround Corporate Advisors and 42.50% by Prabhat Financial Services.

After issuing entire initial equity capital at par value, the company issued bonus shares in the ratio of 580 for 1 in March 2025. The average cost of the acquisition of shares by the promoters is Rs. 0.02, per share.

Post-IPO, company’s current paid-up equity capital of Rs. 5.81 cr. (5810000equity shares) will stand enhanced to Rs. 7.64 cr. (7638800 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 86.32 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 45.88 cr. / Rs. 1.39 cr. (FY24), Rs. 65.82 cr. / Rs. 3.13 cr. (FY25), Rs. 85.64 cr. / Rs. 4.19 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. The boosted profits for FY26 (Pre-IPO year) appears a window dressing to fetch fancy valuation for IPO. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 1.11 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 5.84 and an average RoNW of 43.71%. The issue is priced at a P/BV of 5.38 based on its NAV of Rs. 20.99 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 20.58, and based on FY25 earnings, the P/E stands at 27.56. The issue appears

aggressively priced based on its recent average earnings. Boosted profits in pre-IPO Year (FY26), appears a window dressing to fetch fancy valuations for IPO.

The company has posted PAT Margins of 3.01% (FY24), 4.79% (FY25), 4.98% (FY26) and RoCE margins of 52.51%, 65.43%, 50.66%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in March 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Lakshya Powertech, as its listed pees. It is currently trading at a P/E of 11.2 (as of September 25, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 3rd mandate from Shannon Advisors, in the last two fiscals (including the ongoing one). Out of the last 2 listings, both opened at discount on the listing date. The merchant banker has very poor track record.

Conclusion / Investment Strategy

SUIVL is engaged in offering O & M and other support services in industrial plants, primarily in power generation industry. Currently it has license for 5 states i.e., Maharashtra, Uttar Pradesh, Bihar, Jharkhand and Madhya Pradesh. Its order book was at Rs. 159.67 cr. as of June 15, 2026. The company posted growth in its top and bottom lines for the reported periods. On major parameters, the IPO appears exorbitantly priced. Tiny paid-up equity capital post-IPO indicates longer gestation period. There is no harm in skipping this pricey and dicey IPO.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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