IPO REVIEW

Swastika Infra IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 20 September 2026

- The company is an emerged power T & D segment EPC contractor expanding its operations in other states to be a PAN India player.
- The company posted steady growth in its top and bottom lines for the reported periods.
- It has also achieved a status of qualified higher bids contractors with its proven track record.
- As of July 31, 2026, it had an order book worth Rs. 916.55 cr.
- Based on its recent average financial data, the IPO appears aggressively priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Swastika Infra Ltd. (SIL) is an engineering, procurement and construction company, specializing in execution of power T&D infrastructure projects (“EPC Power Projects”). Its scope of services in EPC Power Projects covers a comprehensive range of activities, ensuring execution from procurement to commissioning. The company provides complete solutions on a turnkey basis, including the supply, erection, installation, testing, and commissioning of power infrastructure.

Its scope of work extends to (i) underground cabling work, where SIL handles the laying, installation, and commissioning of high-voltage/low-voltage power cables to enhance efficiency and reduce power losses; (ii) construction of substations (Gas Insulated Substations /Air Insulated Substations/Grid Sub Station), ensuring seamless power distribution through installation of power transformers, circuit breakers, ring main unit, and other essential components; (iii) undertaking rural and urban electrification projects, which involves working towards expanding electricity access in underserved regions by implementing distribution networks, service connections, and feeder lines in compliance with government electrification schemes; (iv) installation of street lighting systems to enhance urban and rural infrastructure; and (v) Renewable energy works.

As of July 31, 2026, it had a proven track record of 15 years in executing EPC Power Projects, covering a total of 18,579.47 kilometers (“KM”) of distribution lines. Its portfolio includes thirty-six (36) successfully completed power distribution infrastructure projects across six (6) Indian states, with a total contract value of Rs. 76467 Lakhs.

Since 2012, it has steadily expanded its execution capabilities, increasing the scale of projects it can bid for and execute. Its first project, awarded in 2012 by the Rajasthan State Industrial Development and Investment Corporation (“RIICO”), was for conversion of overhead lines to underground cable line system at Rajasthan, India, with an aggregate contract value of Rs. 60 Lakhs. More recently, it has

been awarded an EPC Power Projects for the development of distribution infrastructure at Sikar circle of Ajmer Discom, Rajasthan under the Ajmer Vidyut Vitran Nigam Ltd. (“AVVNL”). This project, awarded by the Ajmer Vidyut Vitran Nigam Ltd. (“AVVNL”), is of contract value of Rs. 34,010 Lakhs. This journey, from Rs. 60 Lakhs to a single order worth Rs. 34,010 lakhs over 15 years, highlights its core capabilities in operational expertise within the power segment.

The Company has further expanded its presence in the transmission and renewable energy vertical by securing four (4) orders from RRVPNL, one (1) order from RSDCL and one (1) order from WBSEDCL, with aggregate tender values of Rs. 17,051.39 lakhs, Rs. 15,812.00 lakhs and Rs. 6,420.31 Lakhs, respectively. In the year 2012, recognizing the growth of electricity distribution infrastructure, SIL strategically entered into the power distribution sector, undertaking and executing small-scale EPC projects. Between 2012 and 2019, it focused on enhancing expertise in power project execution, adapting to evolving market dynamics, and strengthening technical, financial, and operational capabilities. This period was instrumental in laying the foundation for its transition into a structured and scalable organization. Over time, it expanded capabilities, to taking it onto larger and more complex EPC Power projects, strengthening our position in the industry. As of July 31, 2026, its order book stood at Rs. 916.55 cr. As of the said date, it had 182 employees on its payroll. The company hires contractual workers as and when needed.

According to the management, with few ongoing orders completion and handing over, it will proceed to qualify for much higher contract bidding. That will open the prospects going forward and the company will outperform the trends posted so far.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO worth Rs. 161.38 cr. (of approx. 8722973 equity shares at the upper cap). The IPO consists of fresh equity shares worth Rs. 129 cr. (approx. 6972973 equity shares at the upper cap) and an Offer for Sale (OFS) of 1750000 equity shares (worth Rs. 32.38 cr. at the upper cap). The company has announced a price band of Rs. 175 – Rs. 185 per equity shares of Rs. 10 each. The issue opens for subscription on September 23, 2026, and will close on September 25, 2026. The minimum application to be made is for 81 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.55% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 90.00 cr. for incremental working capital needs, and the rest for general corporate purposes.

The two joint Book Running Lead Managers (BRLMs) to this issue are Srujan alpha Capital Advisors LLP, Phillip Capital (India) Pvt. Ltd., while MUFG Intime India Pvt. Ltd., is the registrar to the issue. Rikhav Securities Ltd., Is a syndicate member.

After issuing/converting initial equity shares at par value, the company has issued further equity shares at a fixed price of Rs. 165.00 per share, in July 2025. The average cost of acquisition of shares

by the promoters/selling stakeholders is Rs. 0.00, Rs. 4.30, Rs. 9.80, Rs. 10.00, and Rs. 14.80 per share.

Post-IPO, its current paid-up equity capital of Rs. 27.17 cr. (27174242 equity shares) will stand enhanced to Rs. 34.15 cr. (34147215 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 631.72 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 211.33 cr. / Rs. 13.98 cr. (FY24), Rs. 352.60 cr. / Rs. 27.45 cr. (FY25), and Rs. 505.57 cr. / Rs. 41.43 cr. (FY26). Thus, it marked steady growth in its top and bottom lines for the reported periods. Its contingent liabilities stood at Rs. 272.68 cr. as of March 31, 2026 raising alarm. Rising trade receivables raises concern.

For the last three fiscals, the company has posted an average EPS of Rs. 12.49 and an average RoNW of 37.65 %. The issue is priced at a P/BV of 3.21 based on its NAV of Rs. 57.69 as of March 31, 2026, and at a P/BV of 2.21 based on its post-IPO NAV of Rs. 83.61 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 15.25. Based on FY25 earnings, the P/E stands at 23.01. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 6.67% (FY24), 7.82% (FY25), 8.23% (FY26), and RoCE margins of 25.15%, 23.14%, 25.76%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Rajesh Power, Vikran Engg., as its listed peers. They are currently trading at a P/E of 9.89, and 16.0 (as of September 18, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The two BRLMs associated with this issue has handled 9 IPOs in the last three fiscals and out of which NIL IPOs closed below the issue price on listing date.

Conclusion / Investment Strategy

SIL is an emerged power T & D segment EPC contractor expanding its operations in other states to be a PAN India player. The company posted steady growth in its top and bottom lines for the reported periods. It has also achieved a status of qualified higher bids contractors with its proven track record. As of July 31, 2026, it had an order book worth Rs. 916.55 cr. Based on its recent average financial data; the IPO appears aggressively priced. The management is confident of bright prospects leading to outperforming the trends. Well-informed investors may park funds for medium to long term.

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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

Disclaimer: The information provided herein is solely for educational and informational purposes and does not constitute an offer, solicitation, or recommendation to buy or sell any securities. Readers are advised to consult a qualified financial advisor before making any investment decisions. Investments in the securities market are subject to market risks. The author does not intend to invest in the securities discussed.