IPO Report

Apply SME IPO

Teja Engineering Industries Limited

Services

Price Band: ₹220 per share
Bidding: 30 Jun to 02 Jul, 2026
Listing At: NSE SME
Listing Date: Jul 7, 2026

Details of the Issue

Lead Manager	Interactive Financial Services Ltd.
Market Maker	B.N.Rathi Securities Ltd. & Svcm Securities Pvt.Ltd.
Registrar	Kfin Technologies Ltd.

Promoters Holding (%)

Pre-Issue	91.33
Post-Issue	67.17

Offer Structure

Market Maker	85,200 shares
Retail	8,06,400 shares
NII	8,06,400 shares
Fresh Issue	16,98,000 shares
Total Issue	₹37.36 Cr

Financial Summary (₹ in Lakhs)

Particular	9M-FY26	FY25	FY24
Revenue	5,431.59	5,521.83	3,161.72
EBITDA	707.38	686.27	373.60
PAT	400.43	401.59	215.78

Minimum Application

Category	Lots	Shares	Amount
Retail	2	1,200	₹2,64,000
HNI	3	1,800	₹3,96,000

Customer concentration (% of Revenue)

Particulars	9M-FY26	FY25	FY24
Top 1 customer	34.94	38.77	71.59
Top 5 customers	98.75	97.30	98.95
Top 10 customers	99.98	98.95	99.32

Valuations

NAV(FY25)	26.72
EPS(FY25)	8.80
P/E(Pre Issue)	25.00

Promoters

Srinivasarao Vakalapudi and Suryakumari Vakalpudi.

Company Overview

Incorporated in 2023, Teja Engineering Industries Limited provides support and assistance services across the oil & gas, power, and energy sectors. The company offers project-related services including Annual Maintenance Contracts (AMC), Comprehensive Maintenance Contracts (CMC), Operation & Maintenance (O&M), and Erection & Commissioning, along with turnkey solutions such as commercial gas station projects.

Object of the Issue

- Funding Capital Expenditure requirements for the purchase of equipment/machineries: ₹1,800.71 lakhs
- Funding the Working Capital requirement: ₹926.00 lakhs
- General Corporate Purpose: ₹550.00 lakhs

Price Band Analysis

At the upper price band of ₹220, Teja Engineering Industries Limited is valued at a post-issue P/E of 35.16x and P/B of 8.23x. The valuation appears relatively expensive compared to listed engineering and industrial equipment peers, reflecting expectations of sustained growth.

Peer Comparison (as of FY25)

CompanyName	EPS (₹)	P/E	RONW (%)	NAV (₹)
Teja Engineering Industries Ltd	8.80	25.00	31.85	26.72
Lakshya Powertech Ltd	15.65	7.10	24.78	78.88

Risk Measures:

- The company has high business segment concentration, with approximately 93.57% of FY25 revenue generated from its Operations & Maintenance (O&M) segment. Any slowdown in demand or disruption within this segment could materially impact the company's revenue and profitability.
- The company exhibits significant customer concentration risk, with the top 10 customers consistently contributing over 98% of total revenue, including 98.95% in FY25. This heavy dependence on a limited client base exposes the business to material risk from the loss or reduction of business from any key customer.

Investment Rationale:

- The company has demonstrated strong financial growth, with revenue increasing by 62.83% in FY24 and 37.97% in FY25, while PAT grew nearly 60% in FY25, reflecting improving profitability and sustained business momentum.
- The company is leveraging capital expenditure to expand into higher-value gas compressor operation and distribution services, with a per-unit revenue model that has the potential to enhance revenue visibility and support scalable cash flows.
- The company benefits from a competitive advantage through its critical PESO certification for testing pressure vessels and Safety Relief Valves (SRVs), creating a high regulatory barrier to entry and strengthening its position in specialized engineering services.
- The company has high customer and business segment concentration, with the top 10 customers contributing over 98% of revenue and the Operation & Maintenance (O&M) segment accounting for 93.57% of FY25 revenue, exposing the business to concentration-related risks.

Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	9M-FY26	FY25	FY24
Revenue From Operations	5,431.59	5,521.83	3,161.72
EBITDA	707.38	686.27	373.60
EBITDA Margin (%)	13.02	12.42	11.82
PAT	400.43	401.59	215.78
PAT Margin (%)	7.37	7.27	6.82
Return on Equity (RoE%)	32.94	42.44	43.70
Return on Capital Employed (RoCE%)	20.07	26.14	26.24
EPS	11.31	8.80	4.78
Debt to Equity	1.04	1.01	1.05

Service wise Revenue Bifurcation (₹ in Lakhs)

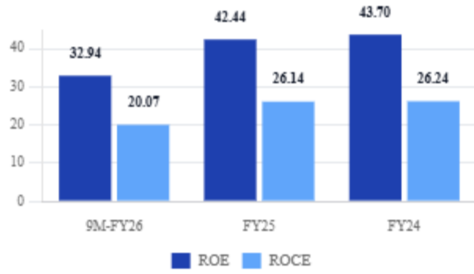
Particulars	9M-FY26	FY25	FY24
O & M Services	5,120.99	5,166.76	2,873.54
E & C Services	88.67	134.48	131.77
Instrument & SRV Calibration	90.31	139.78	56.39
Others	131.62	80.81	100.02
Total	**5,431.59**	**5,521.83**	**3,161.72**

About The Founder

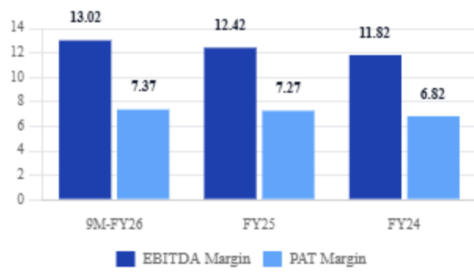
Mr. Srinivasarao Vakalapudi (56) is the Promoter, Chairman, and Managing Director of the Company. He holds a Diploma in Mechanical Engineering from the Board of Technical Examination, Government of Karnataka, and brings over 32 years of experience in the oil & gas and engineering sectors, providing strategic and operational leadership to the business.

FINANCIAL HIGHLIGHTS

Return Ratios



EBITDA and PAT Margin



Key Ratios: