

IPO Details

Opening Date	Aug 01, 2023
Closing Date	Aug 03, 2023
Stock Exchange	NSE, SME
Lot Size	1200 Shares ₹115 to ₹118 per share
Issue Price	
Issue Size	Aggregating up to 59.66 Cr.
Issue Type	Book Built Issue IPO
Fresh Issue	Aggregating up to 59.66 Cr.
Offer for Sale	-
Application Amount	₹ 1,41,600

IPO Objective

Working capital requirements.
Investment in subsidiary companies.
Capital Expenditure.

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	1,17,80,000	83.40%
Public	23,47,000	16.60%

Promoter of the Company

1	Mr. Anirudh Saraswat
2	Mr. Rupal Gupta
3	Mr. Parveen Kumar

Competitive Strengths

1	Experienced Management Team
2	Training and Skill development programs to strengthens Operation & Maintenance Team
3	Investment in Subsidiary Companies
4	24/7 Premium Support System
5	ESG (Environment, Social and Governance)

Company Background

- Company was incorporated in the year 2013 and has its registered office in New Delhi.
- The company specializes in providing solar energy solutions to industrial and commercial customers.
- The Company offer low carbon energy solutions by installing on-site solar projects such as rooftop and ground-mounted systems, as well as off-site solar farms i.e. Open access.
- The business operations are primarily divided into two segments: Capital Expenditure (CAPEX) and Renewable Energy Service Company (RESCO).
- As on March 31, 2023, Company has 56 employees on payroll.

Market Capitalization

(In Cr.)

Pre-Issue	Post-Issue
₹ 167	₹ 226

Financial Summary

(In Lacs)

For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	2,964.83	5,572.69	7,799.99
Net Assets	771.29	1,775.82	3,621.84
Total Borrowings	75.23	769.07	1,489.19
Total Revenue	3,376.98	10,146.86	13,395.37
Profit After Tax	282.38	695.53	1,268.52

Tentative Timeline

Opening Date	Aug 01, 2023
Closing Date	Aug 03, 2023
Basis of Allotment	Aug 08, 2023
Initiation of Refunds	Aug 09, 2023
Credit of Shares to Demat	Aug 10, 2023
Listing Date	Aug 11, 2023

Company Background and Analysis

Company was incorporated in the year 2013 and has vast experience in the solar industry with its registered office in New Delhi. Oriana Power is a company that specializes in providing solar energy solutions to industrial and commercial customers. The company offer a low carbon energy solution by installing on-site solar projects such as rooftop and ground-mounted systems and as well as off-site solar farms i.e. Open access. The company's business operations are primarily divided into two segments –

- i) Capital Expenditure Model (CAPEX) EPC
- ii) Renewable Energy Service Company (RESCO) Opex

Capital Expenditure Model (CAPEX) EPC –

The CAPEX model is the most employed model in India. The CAPEX model can be executed in various manners such as rooftop and ground mounted systems and including off-site solar farms and the company has been able to deliver projects with a capacity exceeding 100 MWp across various location in India from the date of commencement. In this model the consumers own the system, fund it, and consume the energy generated throughout the project life. The consumer is responsible for the risk associated with the operation, management, and maintenance of the system. CAPEX can also be called as EPC model and this model operates in 4 different phases such as Engineering, Procurement, Construction, and Commissioning which includes right from the Plant layouts, yield analysis to consultancy, maintenance and service. In this model consumer is responsible for the risk associated with the operation, management, and maintenance of the system and are usually financed through bank funding.

Renewable Energy Service Company (RESCO) Opex –

The RESCO model also known as OPEX or BOOT involves an energy company. In this model the company takes care of all the investments, commissioning and maintenance and in lieu of that the company sells power to the end consumer through a power purchase agreement generally agreed for 25 years. In this model the developer makes an agreement with the roof top owner. The rooftop owners may consume the electricity generated, for which they have to pay a pre decided tariff to RESCO developer on a monthly basis. The model operates through the companies 18 subsidiaries. The company has completed 15 such projects through those 18 subsidiaries.

The company has 4 different types of projects –

- i) Solar Roof Top Power Plant – It is a type of solar power plant which is mounted on the rooftop of a building, usually a residential or commercial building. Solar rooftop systems consist of solar panels that are installed on the roof of the building and are connected to an inverter that converts the DC power produced by the solar panels into AC power that can be used by the building.
- ii) Floating Solar - This is a photovoltaic (PV) system that is put on bodies of water like lakes, reservoirs, or oceans. This is a newer technology that has gained favour in the recent years.
- iii) Ground Mounted Solar – This solar plant is mounted on the ground rather than on a rooftop. These systems typically consist of a series of solar panels that are installed on a steel or aluminium frame, which is anchored to the ground with concrete footings or other supports.

- iv) Car Port Solar - A solar carport is a covered parking area with a canopy made from PV panels. Sometimes these carports are designed for a single parking spot – like in residential driveways. Other times, they might be strung together in a series to cover entire commercial parking lots.

Geographical-wise revenue-break up for Fiscal year ended 31st March 21, 31st March 22, and 31st March 23 –

(Amount in lakhs)

State/Country	Fiscal Year ended					
	2021		2022		2023	
	Amount	In %	Amount	In %	Amount	In %
Himachal Pradesh	-	-	184.18	1.82	-	-
Punjab	-	-	682.74	6.76	195	1.47
Uttarakhand	-	-	755.97	7.48	238	1.79
Haryana	11.54	0.34	477.06	4.72	1,303	9.80
Delhi	46.65	1.38	284.57	2.82	440	3.31
Rajasthan	1,070.29	31.69	842.92	8.34	1,753	13.19
Uttar Pradesh	1,796.17	53.19	6,108.93	60.47	7,336	55.18
Maharashtra	260.79	7.72	184.04	1.82	1,646	12.38
Karnataka	131.16	3.88	324.92	3.22	329	2.48
Telangana	3.00	0.09	17.00	0.17	-	-
Andhra Pradesh	43.30	1.28	239.38	2.37	10	0.07
Odisha	11.49	0.34	-	-	-	-
Tamil Nadu	-	-	-	-	45	0.34
Gujarat	0.53	0.02	-	-	-	-
Madhya Pradesh	0.70	0.02	-	-	-	-
Goa	0.73	0.02	-	-	-	-
Kenya	0.54	0.02	-	-	-	-
Germany	0.0086	-	-	-	-	-
Total	3,376.90	100.00	10,101.71	100.00	13,293.57	100.00

To conclude, the company operates in different states across India. The company was providing services to Kenya and Germany only during the FY-21. The highest revenue generation for the company for FY-23 is from the state Uttar Pradesh. The company under its business model RESCO has completed 15 projects till date led by their 18 subsidiary companies.

Business Strategies

1. Enhance customer base by entering new geographics.

The company provides services across India. The company intends to cater to the increasing demand of their existing clients and also increase the existing customer base by enhancing their geographical reach. The company believes in maintaining long term relationships with the customers and the company aims to achieve this by maintaining the high quality of O & M Services, Customer Support.

2. Leveraging the Market skills and Relationships.

The company aims to enhance the growth by leveraging the relationships and further enhancing customer satisfaction.

3. Focus on quality.

The company intends to focus on adhering to the quality of the offerings and it leads in making sure of the high-quality standards and getting repeated projects from the clients.

4. To build-up a professional organization

The company believes in transparency and commitment towards work. The company has employed experienced persons for taking care of the day-to-day activities. The company intends to consistently put efforts among its group of experienced employees to transform them into an outstanding team.

Competitive Scenario and Peer Mapping

Competition

The industry in which the company operates in is very unorganized, and highly fragmented. The industry in which the business operates in generally has less barrier to entry. The bargaining power of customers are relatively less in the solar industry.

Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below -

Particulars	Oriana Power Limited	KPI Green Energy Limited	Gensol Engineering Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	10%	17%	7%
EBITDA Margin	14%	32%	15%
Return on Capital Employed	44%	36%	6%
Return on Equity	35%	43%	13%
EPS (INR)	7.62	30.34	21.80

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below -

Particulars	Oriana Power Limited	KPI Green Energy Limited	Gensol Engineering Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	7%	19%	7%
EBITDA Margin	9%	47%	11%
Return on Capital Employed	45%	16%	13%
Return on Equity	39%	28%	24%
EPS (INR)	3.29	11.98	10.08

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below -

Particulars	Oriana Power Limited	KPI Green Energy Limited	Gensol Engineering Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	8%	22%	5%
EBITDA Margin	12%	57%	8%
Return on Capital Employed	50%	13%	12%
Return on Equity	37%	18%	9%
EPS (INR)	2.77	6.07	2.86

Industry Overview

Exhibit 1: Installed Renewable Energy Capacity[^] (in GW)

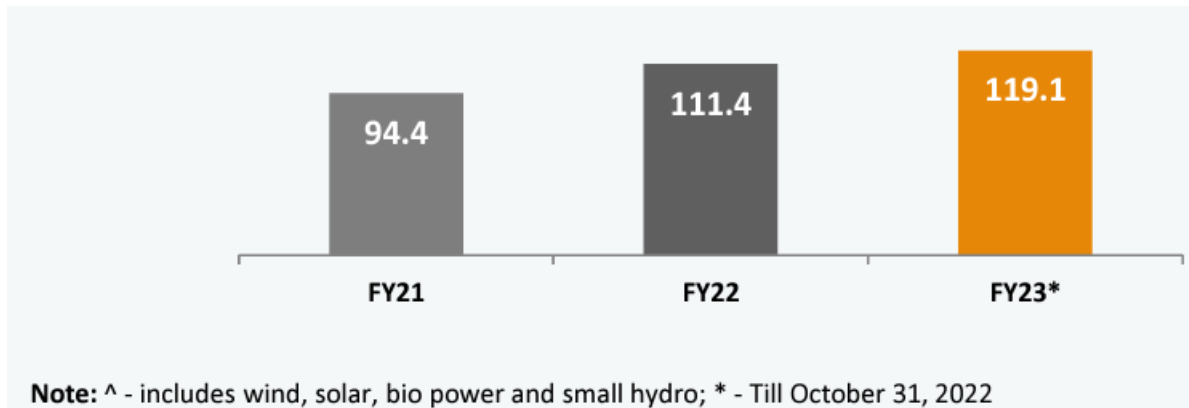


Exhibit 2: Installed Capacity for Different RES (as of October 2022) (GW)

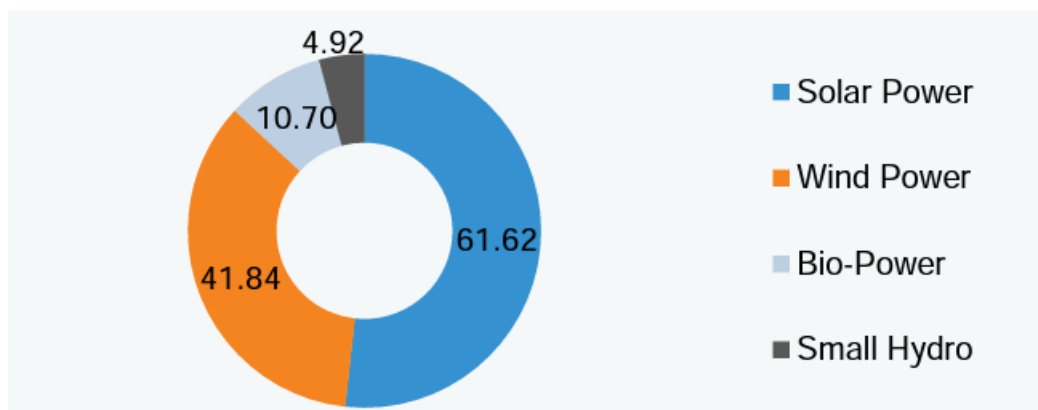
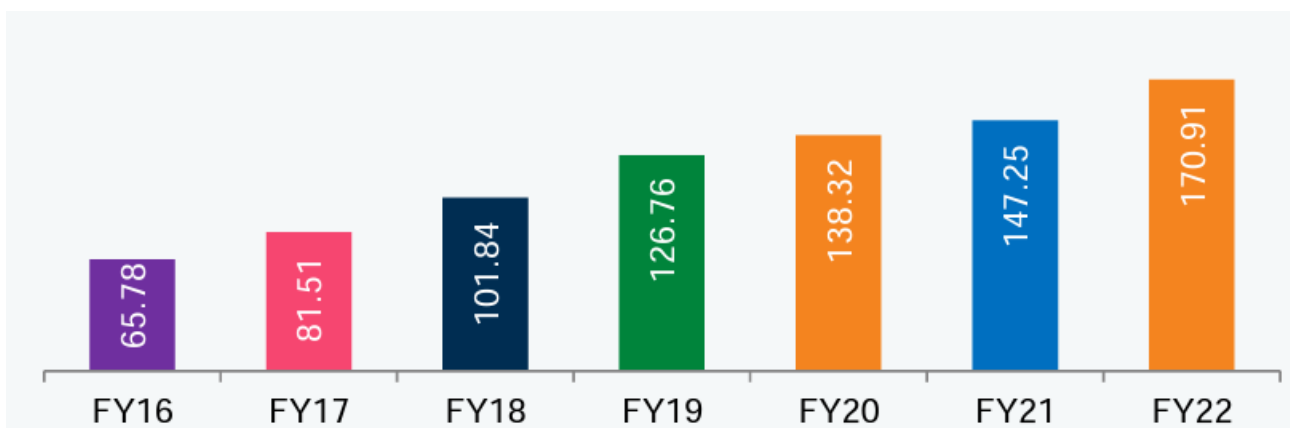


Exhibit 3: Electricity Generation from RES (billion unit)



(Source: ibef.org)

Global Solar Industry

The global solar energy market was valued at \$52.5 billion in 2018 and is projected to reach \$223.3 billion by 2026, growing at a CAGR of 20.5% from 2019 to 2026. Solar energy is the radiant energy emitted from the sun, which is harnessed by using various technologies such as solar heating, photovoltaic cells, and others. It is an efficient form of unconventional energy and a convenient renewable solution toward growing greenhouse emissions and global warming.

The growth of the solar energy market is driven by increase in environmental pollution and provision of government incentives & tax rebates to install solar panels. In addition, decrease in water footprint associated with solar energy systems has fuelled their demand in power generation sectors. The demand for solar cells has gained major traction owing to surge in rooftop installations, followed by increase in applications in the architectural sector. Furthermore, the demand for parabolic troughs and solar power towers in electricity generation is expected to boost the demand for concentrated solar power systems.

India's energy demand is expected to increase more than that of any other country in the coming decades due to its sheer size and enormous potential for growth and development. Therefore, it is imperative that most of this new energy demand is met by low-carbon, renewable sources. India's announcement that it intends to achieve net zero carbon emissions by 2070 and to meet 50% of its electricity needs from renewable sources by 2030 marks a historic point in the global effort to combat climate change. The Indian renewable energy sector is the fourth most attractive renewable energy market in the world. India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020. Installed renewable power generation capacity has gained pace over the past few years, posting a CAGR of 15.92% between FY16-22. India is the market with the fastest growth in renewable electricity, and by 2026, new capacity additions are expected to double.

Road Ahead

India's ambitious renewables energy goals are transforming its power sector. Rising population and widespread electrification in rural homes is fuelling the demand for energy to power homes, businesses and communities. Clean energy will reduce pollution levels as villages become self-sustainable with their use of clean energy. In 2022, India's renewable energy sector is expected to boom with a likely investment of US\$ 15 billion this year, as the government focuses on electric vehicles, green hydrogen, and manufacturing of solar equipment. It is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the solar energy cost by 66% as compared to the current cost. Use of renewables in place of coal will save India Rs. 54,000 crore (US\$ 8.43 billion) annually. Around 15,000 MW of wind-solar hybrid capacity is expected to be added between 2020-25. As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%. The CEA also estimates India's power requirement to grow to reach 817 GW by 2030.

(Source: Prospectus)

Key Managerial Personnel

Rupal Gupta, aged 38, is one of the Promoters and the Managing Director of Company. He has over 15 years of experience in the industry. He holds a degree in Bachelor of Technology. He has vast knowledge of Instrumentation, Weather monitoring, Data Forecasting and Manufacturing of Electrical panels. He is heading the Solar Distribution, Product sales and overall operations of the company.

Anirudh Saraswat, aged 37, is one of the Promoters and the Executive Director of Company. He has over 14 years of experience in business and new product development. He holds a degree in Bachelor of Engineering. He looks after the new product development & financing operations of the company.

Parveen Kumar, aged 38, is one of Promoters and the Executive Director of Company. He has 15 years of experience in the solar industry. He holds a degree in Bachelor of Engineering (Electrical). He provides technical direction from the scratch to the last and manages the technical resources.

Archana Jain, aged 48, is the Non-Executive and Independent Director of Company. She is a qualified Chartered Accountant and LLB graduate. She has more than 11 years of work Experience in Indirect taxation

Dhawal Chhaganlal Gadda, aged 35, is the Non-Executive and Independent Director of Company. He is a Practicing Company Secretary and founder of Dhawal Gadda and Co. a professionally managed Company Secretaries Firm.

Sankara Sastry Oruganti, aged 67, is the Non-Executive and Independent Director of Company. He served as a scientist in Ministry of Defence. He holds a degree in Engineering. He established National Photovoltaic Test Facility (PVTF). The task was completed comprehensively. PVTF was the first PV laboratory to obtain NABL accreditation for testing PV modules in the country.

To conclude, the company has 3 promoters. The promoters and management have vast knowledge and experience in the industry and overall business in which the company operates in.

Financial Snapshot

Profit and Loss Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	3,374.36	10,077.44	13,293.61
Other Income	2.62	69.42	101.76
Total Income	3,376.98	10,146.86	13,395.37
Expenses			
Cost of Materials consumed	2,830.80	8,802.45	10,801.68
Purchase of stock-in-trade	-	-	-
Changes in inventories of Finished goods, work-in- Progress	-	-	-
Employee benefits expense	103.51	286.84	374.92
Finance costs	8.36	31.67	150.27
Depreciation and Amortization expense	3.06	5.38	8.62
Other expenses	50.02	87.51	296.33
Total Expenses	2,995.75	9,213.85	11,631.82
Earnings Before Interest, Taxes, Depreciation & Amortization	390.03	900.64	1,820.68
EBITDA Margin	12%	9%	14%
Profit/(Loss) before exceptional items and tax	381.23	933.01	1,763.55
Less: Exceptional Items	381.23	933.01	1,763.55
Less: Prior period Items	-	-	22.70
Profit/(Loss) before tax	381.23	933.01	1,740.85
Tax Expense			
Previous Year Tax	0.71	-	-
Current Tax	99.21	242.51	473.43
Deferred tax	-1.08	-5.03	-1.10
Total Tax Expense	98.84	237.48	472.33
Profit/(Loss) for the year	282.39	695.53	1,268.52
Net Profit Margin	8%	7%	9%

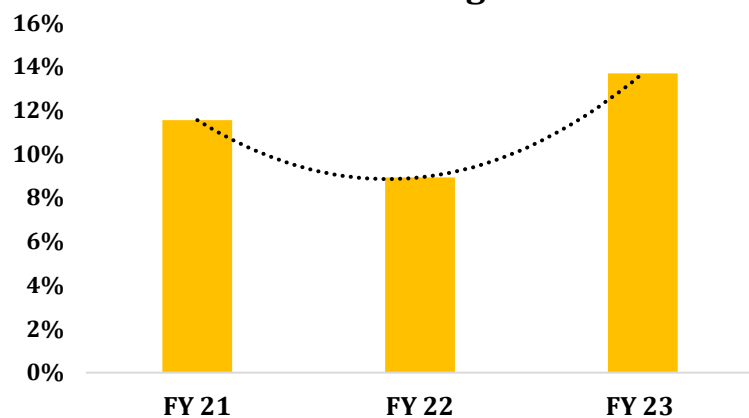
Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	8.98	9.96	130.07
Intangible Assets	-	-	-
Non-Current Investments	667.69	1,205.88	3,086.63
Deferred Tax Assets (Net)	2.61	7.64	8.74
Long Term Loans & Advances	20.19	39.19	53.30
Other Non-current Assets	1.73	1.73	1.73
Total Non-Current assets	701.20	1,264.40	3,280.47
Current Assets			
Inventories	64.43	78.39	551.34
Financial Assets	-	-	-
i) Trade Receivables	1,568.76	2,404.41	3,081.57
ii) Cash and Cash Equivalents	1.90	0.14	3.26
Short term loans & advances	396.49	1,767.85	755.38
Other Current assets	232.05	57.50	127.97
Total Current assets	2,263.63	4,308.29	4,519.52
Total Assets	2,964.83	5,572.69	7,799.99

Balance Sheet	FY 21	FY 22	FY 23
EQUITY AND LIABILITIES	-	-	-
Equity	-	-	-
Equity Share Capital	307.00	616.00	671.00
Reserves & Surplus	464.29	1,159.82	2,950.84
Total Equity	771.29	1,775.82	3,621.84
Liabilities	-	-	-
Non-current liabilities	-	-	-
Financial Liabilities	-	-	-
(i) Long Term Borrowings	-	202.77	482.19
Total Non-current liabilities	-	202.77	482.19
Current liabilities	-	-	-
Financial Liabilities	-	-	-
(i) Short Term Borrowings	75.23	566.30	1,007.00
(ii) Lease Liabilities	-	-	-
(iii) Trade Payables	-	-	-
Total outstanding dues of micro and small	-	-	-
Total outstanding dues of other creditors	1,042.75	2,352.51	1,148.23
Other current liabilities	967.67	401.44	1,015.92
Provisions	107.90	273.84	524.82
Total Current liabilities	2,193.55	3,594.09	3,695.97
Total Liabilities	2,193.55	3,796.86	4,178.16
Total Equity and Liabilities	2,964.84	5,572.68	7,800.00

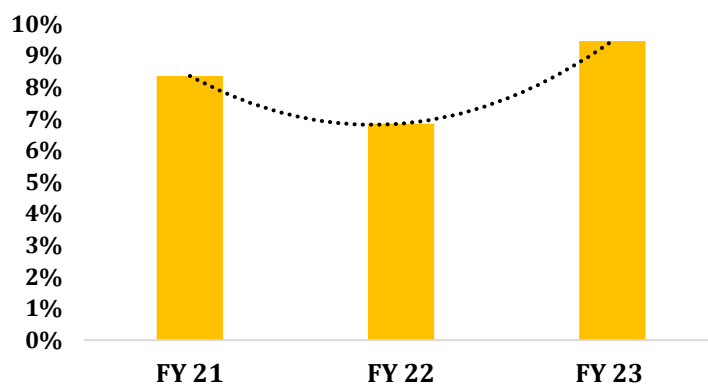
Ratio Sheet	FY 21	FY 22	FY 23
Particulars			
Per Share Data			
Diluted EPS	74.82	22.59	20.31
BV per share	4.02	9.26	18.88
Operating Ratios (%)			
EBITDA Margins	12%	9%	14%
PAT Margins	8%	7%	9%
Inventory days	6.97	2.84	15.14
Debtor days	0.21	0.01	0.09
Creditor days	145.71	108.14	41.18
Return Ratios (%)			
RoCE	50%	45%	44%
RoE	37%	39%	35%
Valuation Ratios (x)			
EV/EBITDA	0.56	0.80	2.32
Market Cap / Sales	6.71	2.25	1.70
P/E	1.58	5.22	5.81
Price to Book Value	29.35	12.75	6.25
Solvency Ratios			
Debt / Equity	0.10	0.43	0.41
Current Ratio	1.03	1.20	1.22
Quick Ratio	1.00	1.18	1.07
Asset Turnover	1.14	1.81	1.70
Interest Coverage Ratio	46.29	28.27	12.06

Financial Charts

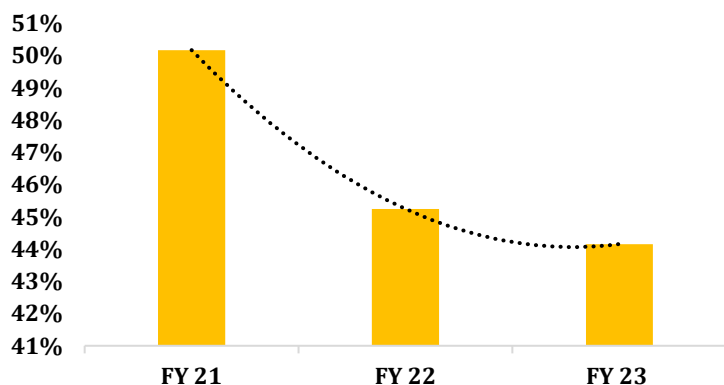
EBITDA Margin



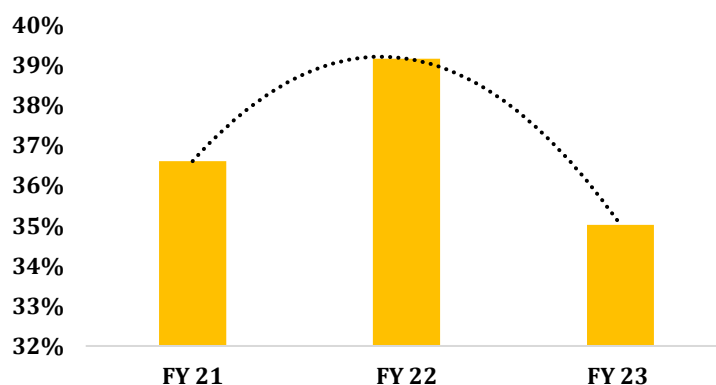
Net Profit Margin



Return On Capital Employed



Return on Equity



Key Risk Factors

1. The company business operations rely on consistent solar weather conditions and unfavourable solar weather conditions could have a material adverse effect on the business, financial condition and results of operations.
2. The company's customer dependency for FY-23 were 13.94%, and 11.82% from OPPL SPV CG Private Limited and Tecniqa Green Venture Private Limited respectively. The company also was 42.64% dependent on one customer for the FY-22. Any adverse changes in these customer relationships, such as a loss of a key customer or a decrease in their demand, could impact the company's financial performance.

Track Record of Lead Manager

The lead managers to the issue are Corporate Capital Ventures Private Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Managers in recent times –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Crayons Advertising Limited	41.80	65.00	June 02, 2023	150.00
2.	Droneacharya Aerial Innovations Limited	33.97	54.00	December 23, 2022	145.00
3.	Phantom Digital Effects Limited	29.10	95.00	October 21, 2022	443.00
4.	Swastik Pipe Limited	62.52	100.00	October 12, 2022	116.00
5.	Annapurna Swadisht Limited	30.25	70.00	September 27, 2022	284.00
6.	Uma Exports Limited	60.00	68.00	April 07, 2022	57.00
7.	Nupur Recyclers Limited	34.20	60.00	December 23, 2021	107.00
8.	Rajnandini Metal Limited	4.27	26.00	October 08, 2018	8.95
9.	Rudrabhishek Enterprises Limited	18.73	41.00	July 13, 2018	190.00
10.	Narmada Agrobases Limited	7.48	31.00	April 19, 2018,	19.2

*CMP is taken as on 25th July 2023

The Lead Manager associated with the offer have handled 3 mandates in the last three fiscals, out of which 3 issue opened at discount and the remaining all opened at premiums ranging from 0.609% to 231.63% on the listing date.

Recommendation

The company has been into the industry since a 2013 and has good experience in the industry. The revenues and the profitability margin were down during FY-21 but has increased in the FY-22 and 23.

The management outlook of the company is good with promoters having vast experience in the industry.

The PE on an annualised and Post IPO basis is around 17.84 times which seems to be fairly priced.

The company faces competition yet has seen a growth in its top line, and bottom line of its financials which can be sustained going forward. By focusing on the low revenue generated states, the company can be looking at a decent growth. The management outlook is good, the company also has good experience in the industry and with the P/E being fairly priced one can consider applying (**APPLY**) to this IPO.

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