

IPO Details	
<b>Opening Date</b>	May 6, 2024
<b>Closing Date</b>	May 9, 2024
<b>Stock Exchange</b>	NSE SME
<b>Lot Size</b>	1,600 Shares
<b>Issue Price</b>	₹75 per share
<b>Issue Size</b>	Aggregating up to 23.36 Cr.
<b>Fresh Issue</b>	Aggregating up to 23.36 Cr.
<b>Offer for Sale</b>	-
<b>Application Amount</b>	₹1,20,000

IPO Objective	
1.	Funding Working capital requirements in the Company.
2.	General corporate purposes.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	84,20,000	100.00%
Public	-	-

Promoter of the Company	
1.	Ramesh Jivabhai Pindariya
2.	Amri Ramesh Pindariya
3.	Pindariya Kashmira
4.	Kashish Ramesh Pindariya
5.	Kishor Jivabhai Pindariya

Competitive Strengths	
1.	Experienced Promoters and Management Team.
2.	End-to-end execution capabilities.
3.	Optimal Utilization of Resources.
4.	Long-standing relationships with our clients.

Company Background	
○	Incorporated in 2015, Winsol Engineers Limited has its registered office in Jamnagar, Gujrat, India.
○	It is an integrated engineering, procurement, construction, and commissioning company providing Balance of Plant (BoP) Solutions for both Wind and Solar power generation companies.
○	As of April 2024, they have more than 41 major ongoing projects with a total value of approximately ₹11,953.31 lakhs.
○	The company has served clients like Suzlon, Adani Green Energy, Powerica Limited and KP Energy Limited.
○	As of December 31, 2023, the company has over 270 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 63	₹ 87

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
<b>Total Assets</b>	1,816.83	2,764.80	2,856.02	3,565.34
<b>Net Assets</b>	575.05	601.77	1,182.49	1734.45
<b>Total Borrowing</b>	814.49	928.90	1,058.83	846.76
<b>Total Revenue</b>	2,224.58	6,080.00	6,544.52	5202.29
<b>Profit After Tax</b>	49.44	108.46	518.06	677.26

Tentative Timeline	
<b>Opening Date</b>	May 6, 2024
<b>Closing Date</b>	May 9, 2024
<b>Basis of Allotment</b>	May 10, 2024
<b>Initiation of Refunds</b>	May 13, 2024
<b>Credit of Shares to Demat</b>	May 13, 2024
<b>Listing Date</b>	May 14, 2024

## Company Background and Analysis

Originally Incorporated on December 30, 2015 as Winsol Engineers Private Limited, the company got converted to a Public limited company on December 09, 2023 under the name Winsol Engineers Limited. It is an integrated engineering, procurement, construction, and commissioning company providing Balance of Plant (BoP) Solutions for both Wind and Solar power generation companies. The company has a order book with a value of approximately ₹ 9,837.75 lakhs as of March 31, 2024.

### BoP (Balance of Plant) Solutions :

- **Site Selection & Preparation:** The company helps to choose the optimal location for wind or solar project and prepares the land for construction.
- **Foundation Work:** The company designs and builds robust foundations to ensure the stability of the turbines, solar panels, and other essential equipment.
- **Substation Construction:** The company constructs substations for power collection and distribution, including site preparation, buildings, and electrical component installation.
- **Right of Way Acquisition:** The company assists in securing the necessary legal rights to access and the land for project infrastructure.
- **Cabling & Grid Connection:** The company connects the power plant to the grid using appropriate cabling solutions, ensuring seamless power distribution.

### O&M (Operation & Maintenance) Services

- SCADA (Supervisory Control and Data Acquisition) is vital for Balance of Plant (BoP) operations. It enables real-time monitoring and remote control of processes, including temperature, pressure, flow, and electrical parameters. This optimizes performance and aids troubleshooting.
- The O&M services also includes skilled engineers and technicians who manage site operations, analyze data, resolve issues, prepare reports, and ensure compliance.
- Regular testing and inspection of BoP components guarantee safety, reliability, and prevent failures. Proactive inspections minimize downtime and safety risks, ensuring continued efficient operation of industrial facilities and power plants.

The breakup of service wise revenue for the stub period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided herein below:

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Engineering & Consulting Work	1,561.47	70.45	4,685.96	77.20	5,489.83	83.96	3,493.73	67.25
Operation & Maintenance Work	435.62	19.65	482.09	7.94	730.77	11.18	872.64	16.80
Civil Work	219.25	9.89	902.14	14.86	318.06	4.86	828.86	15.95
<b>Total</b>	<b>2,216.34</b>	<b>100.00</b>	<b>6,070.19</b>	<b>100.00</b>	<b>6,538.66</b>	<b>100.00</b>	<b>5,195.23</b>	<b>100.00</b>

(Amount in Lacs)

To conclude, since the company was incorporated in 2015 it has a good amount of experience in the industry. It has a wholly owned subsidiary acquired in February 2024 namely Repower Infrastructure Private Limited. They seem to derive most of their revenue from their operations in Gujrat and Rajasthan contributing 66.19% and 30.72% as of FY 2023 respectively with Private Clients forming 98.25% of their customer base as of FY 2023 according to the offer document.

## Business Strategies

### 1. Enhancing Project Execution Capabilities:

The company is committed to continuously improving its project execution skills, leading to higher client satisfaction and profitability. They plan to leverage technology and project management tools to boost productivity and maximize resource utilization in ongoing projects. Maintaining a reputation for taking on and completing challenging projects on time remains a core focus. The company believes strong internal systems are crucial for efficient and cost-effective decision-making, which will ultimately drive success.

### 2. Leveraging Market Skills & Relationships:

Building and maintaining strong client relationships is paramount to the company's success. The company aims to achieve this by combining its operational expertise with exceptional marketing skills and fostering industry connections.

### 3. Maintaining a Competitive Edge:

The company will continue to refine and scale its existing capabilities to deliver the best possible construction quality for clients. By constantly upgrading its equipment, recruiting skilled labor, and securing high-quality materials, the company aims to stay ahead of competitors.

### 4. Expanding Geographical Footprint:

The company plans to broaden its business reach by securing projects beyond Gujarat, where a significant portion of its revenue currently originates. To manage diversification risks, initial expansion may prioritize states aligning with the company's core competencies. A diversified project portfolio will strengthen the company's revenue base and mitigate risks associated with specific regions or projects. The company believes geographical expansion will reduce dependence on Gujarat and allow it to capitalize on growth trends across the country. As the company's existing reputable clients expand nationally, its established relationships position it to win new projects pan-India.

## Competitive Scenario and Peer Mapping

### Competition

The wind and solar power generation industry is highly competitive. Companies face established players with substantial resources, brand recognition, and market reach. To succeed, companies must be cost-effective, technically skilled, and adaptable. Strong partnerships, project execution excellence, and a focus on safety and reliability are essential. Understanding regulations, prioritizing customer needs, securing capital, and strategizing geographic expansion are key factors for a company to thrive in this dynamic landscape.

### Peer Analysis

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

Particulars	Winsol Engineers	Konstelec Engineers Ltd.
	31st Mar 2023	31st Mar 2023
Net Profit Margin	8%	5%
EBITDA Margin	12%	11%
Return on Capital Employed	64%	23%
Return on Equity	59%	0.03%
EPS (INR)		77.80

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

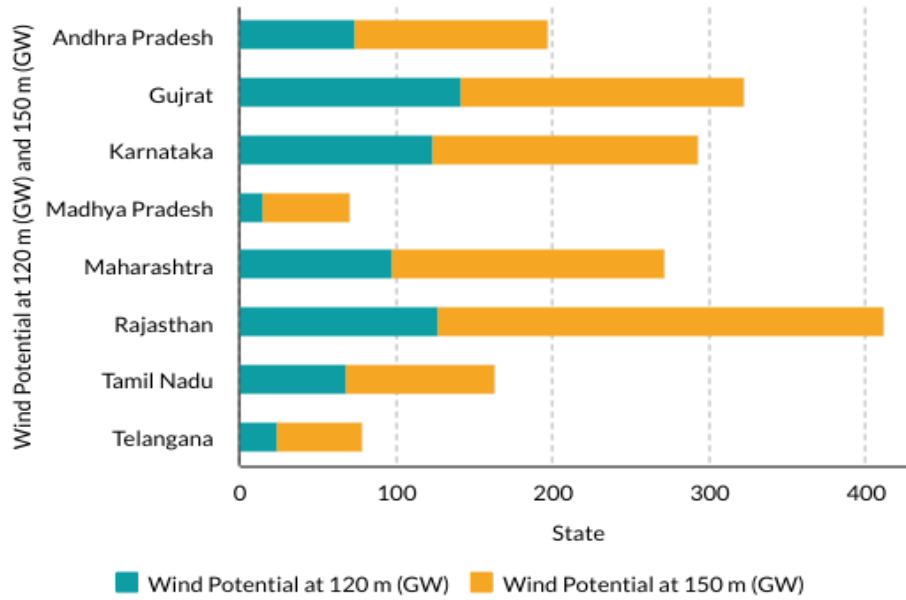
Particulars	Winsol Engineers	Konstelec Engineers Ltd.
	31st Mar 2022	31st Mar 2022
Net Profit Margin	2%	3%
EBITDA Margin	4%	8%
Return on Capital Employed	32%	14%
Return on Equity	31.54%	0.07%
EPS (INR)	1.29	35.30

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

Particulars	Winsol Engineers	Konstelec Engineers Ltd.
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2%	2%
EBITDA Margin	7%	7%
Return on Capital Employed	19%	12%
Return on Equity	21%	0.15%
EPS (INR)	0.59	19.00

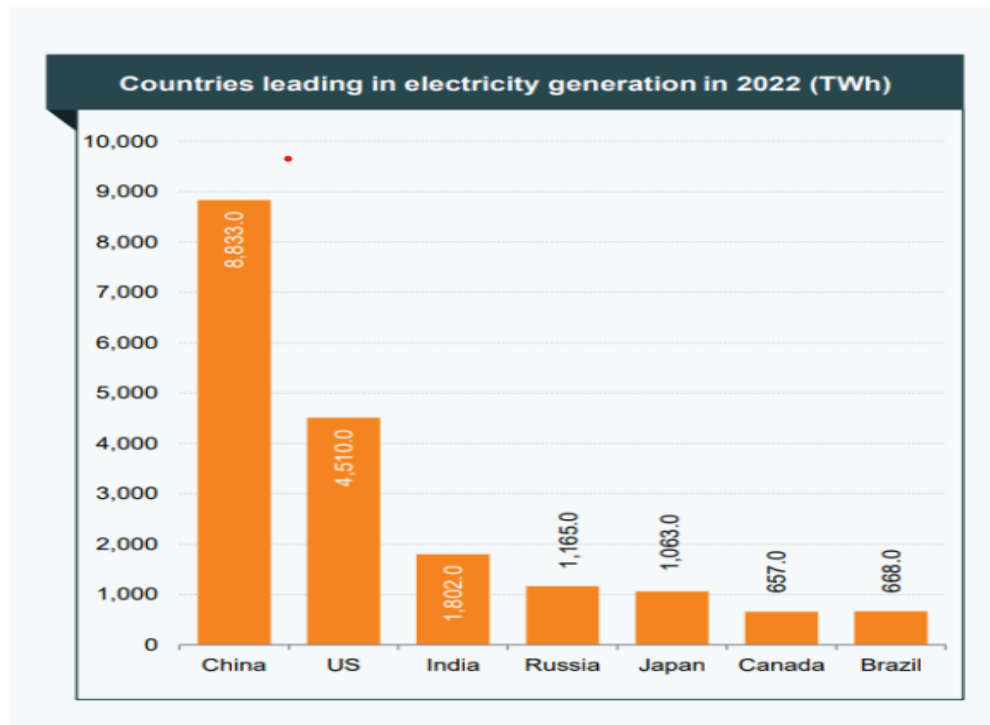
**Industry Overview**

Exhibit 1: Wind Potential bifurcated by State



(Source: ibef.org)

Exhibit 2: Countries leading in electricity generation in 2022



(Source: ibef.org)

## Wind & solar energy: India Overview

### Introduction

India's massive energy demand, driven by population growth and economic development, necessitates a focus on clean, renewable energy sources like wind and solar. The government's ambitious targets include net-zero emissions by 2070 and sourcing 50% of electricity from renewables by 2030.

### Market Growth and Capacity

- India boasts impressive global ranking of being 4th in both wind and solar power capacity as of 2021.
- Renewable energy capacity has seen rapid growth, reaching 125.15 GW in FY23 with a CAGR of 15.4% between FY16 and FY23.
- New renewable capacity additions are expected to double by 2026, signaling continued acceleration.

### Government Initiatives

- Strong government support is evident in initiatives, budget allocations, and policy reforms.
- Green Growth is a key focus in the 2023-24 Budget, along with pumped storage projects and urban sustainability.
- The commitment to net-zero emissions by 2070 and the 500 GW renewable energy target by 2030 demonstrate unwavering support.

### Future Outlook

- India aims to reduce carbon intensity by 45% by 2030 and achieve 50% cumulative electric power from renewables by the same year.
- Low-carbon technologies could create a market worth \$80 billion in India by 2030.
- The nation's target is to produce 5 million tonnes of green hydrogen by 2030.
- Ambitious clean energy goals are transforming the power sector, aiming for 49% of electricity generation from renewables by 2040.
- Wind-solar hybrid projects are anticipated to gain traction, with an estimated 15,000 MW of capacity expected between 2020-25.

### Resources and Potential

- India possesses significant wind power potential, estimated at 695.50 GW at 120 meters above ground level.
- The country also has vast solar potential, with approximately 5,000 trillion kWh of solar energy hitting its landmass annually.
- The National Institute of Solar Energy (NISE) assesses the solar potential at about 748 GW.

### Power Sector Transformation

- India's power sector is one of the world's most dynamic – it's the third-largest producer and consumer of electricity globally.
- As of July 31, 2023, the installed power capacity stood at 423.25 GW, with renewable energy (including hydro) comprising 41.9%.

(Source: prospectus)

### Key Managerial Personnel

**Ramesh Jivabhai Pindariya**, aged 49 years, is the Promoter and Managing Director of the Company. He has a Bachelor's degree in Electrical Engineering from The Institution of Engineers, Kolkata State. With over 23 years of experience in the wind and solar power industry, he is responsible for the overall operation of the company and plays a key role in strategic decision-making.

**Amri Ramesh Pindariya**, aged 44 years, is a Promoter and Whole-Time Director of the Company. She has been involved in the business since its inception, contributing over 7 years of experience in day-to-day office administration. Mrs. Pindariya plays an active role in supporting the company's operations.

**Pindariya Kashmira**, aged 23 years, is a Promoter and Non-Executive Director of the Company. A recent graduate with a Bachelor of Commerce degree (2022), she is currently pursuing her Chartered Accountancy qualification. Ms. Pindariya is a new appointee, joining the company in November 2023.

**Kashish Ramesh Pindariya**, aged 19 years, is a Promoter of the Company. She is currently pursuing her undergraduate degree and recently joined the company.

**Kishor Jivabhai Pindariya**, aged 37, serves as the Promoter and CFO. Initially an Additional Non-Executive Director, he became Non-Executive Director on December 04, 2023, resigning January 1, 2024. Appointed CFO on January 3, 2024, he later became an Executive Director on February 02, 2024. He oversees financial operations, bringing over 13 years of energy sector experience.

**Prakash Kantilal Vora**, aged 62 years is an Independent Director of the company. He has completed his Bachelor of Engineering in (Electrical) in the year 1982. He is having more than 11 years of experience in electrical engineering field. He was appointed as Additional Non-Executive Independent Director of the Company w.e.f. January 3, 2024. Later on, he was regularised as Non-Executive Independent Director w.e.f. January 03, 2024 for a period of 5 years by ordinary resolution passed in the Extra Ordinary General Meeting of the Company held on January 05, 2024.

**Hariharan Venkiteshwaran Prasad**, aged 62 years is an Independent Director of the company. He holds membership of the Institute of Chartered Accountants of India since March 1993. He is having more than 30 years of experience in corporate accounting, finance and taxation field. He was appointed as Additional Non-Executive Independent Director of the Company w.e.f. January 3, 2024. Later on, he was regularised as Non-Executive Independent Director w.e.f. January 03, 2024 for a period of 5 years by ordinary resolution passed in the Extra Ordinary General Meeting of the Company held on January 05, 2024.

To conclude, the company has five promoters, and three of them have vast experience in the industry. The Remaining Promoters, while possessing minimal experience have the potential to bring fresh perspective which would potentially help to make the future prospect of the Company brighter.

**Financial Snapshot**

<b>Profit and Loss Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Dec-23</b>
Revenue from Operations	2,216.35	6,070.19	6,538.66	5,195.23
Other Income	8.23	9.81	5.86	7.06
<b>Total Income</b>	<b>2,224.58</b>	<b>6,080.00</b>	<b>6,544.52</b>	<b>5,202.29</b>
<b>Expenses</b>				
Cost of Material Consumed	1,350.72	4,579.02	3,893.66	2,523.18
Changes in Inventories of WIP, Finished Goods & Stock in Trade	-166.63	12.94	458.24	-762.27
Employee benefits expense	319.51	366.57	563.33	559.61
Finance costs	48.88	52.19	65.64	63.48
Depreciation and Amortization expense	42.36	34.95	33.54	27.24
Other expenses	558.40	885.77	838.85	1,886.00
<b>Total Expenses</b>	<b>2,153.24</b>	<b>5,931.44</b>	<b>5,853.26</b>	<b>4,297.24</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>154.35</b>	<b>225.89</b>	<b>784.58</b>	<b>988.71</b>
<b>EBITDA Margin</b>	<b>7%</b>	<b>4%</b>	<b>12%</b>	<b>19%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>71.34</b>	<b>148.56</b>	<b>691.26</b>	<b>905.05</b>
Exceptional items	-1.06	-	-	-
<b>Profit/(Loss) before tax</b>	<b>70.28</b>	<b>148.56</b>	<b>691.26</b>	<b>905.05</b>
<b>Tax Expense</b>				
Current Tax	10.96	33.26	173.29	228.34
Less :- MAT Credit Entitlement	-10.96	-	-	-
Deferred Tax	20.84	6.84	-0.09	-0.55
<b>Total Tax Expense</b>	<b>20.84</b>	<b>40.10</b>	<b>173.20</b>	<b>227.79</b>
<b>Profit/(Loss) for the year</b>	<b>49.44</b>	<b>108.46</b>	<b>518.06</b>	<b>677.26</b>
<b>Net Profit Margin</b>	<b>2.22%</b>	<b>1.78%</b>	<b>7.92%</b>	<b>13.02%</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Dec-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	2.00	2.00	2.00	842.00
Reserves and surplus	236.55	341.93	871.89	685.15
<b>Total Equity</b>	<b>238.55</b>	<b>343.93</b>	<b>873.89</b>	<b>1,527.15</b>
<b>2. Non-current liabilities</b>				
Long Term Borrowings	316.72	230.11	280.54	173.34
Deferred tax liability/ (Assets) (Net)	16.36	23.20	23.11	22.56
Long term Provisions	3.42	4.52	4.95	11.39
<b>Total Non-current liabilities</b>	<b>336.50</b>	<b>257.83</b>	<b>308.60</b>	<b>207.29</b>
<b>3. Current liabilities</b>				
Short-term borrowings	497.77	698.79	778.29	673.42
Trade payables				
(i) MSME	-	-	-	-
(ii) Other than MSME	704.65	1,419.49	673.64	788.69
Other current liabilities	28.33	11.40	46.21	138.16
Short-term provisions	11.03	33.35	175.39	230.62
<b>Total Current liabilities</b>	<b>1,241.78</b>	<b>2,163.03</b>	<b>1,673.53</b>	<b>1,830.89</b>



<b>Balance Sheet</b>					<b>(In Lacs)</b>
<b>Total Liabilities</b>	<b>1,578.28</b>	<b>2,420.86</b>	<b>1,982.13</b>	<b>2,038.18</b>	
<b>Total Equity and Liabilities</b>	<b>1,816.83</b>	<b>2,764.79</b>	<b>2,856.02</b>	<b>3,565.33</b>	
<b>ASSETS</b>					
<b>1. Non-current assets</b>					
Property, Plant & Equipment	289.23	256.03	233.18	223.62	
Non-Current Investment	10.00	10.00	-	-	
Long term Loans and Advances	27.60	20.78	5.70	29.96	
<b>Total Non-Current assets</b>	<b>326.83</b>	<b>286.81</b>	<b>238.88</b>	<b>253.58</b>	
<b>2. Current assets</b>					
Inventories	485.58	472.65	14.41	776.68	
Trade receivables	839.59	1,676.47	2,227.94	1,834.90	
Cash and cash equivalents	13.15	45.45	31.42	354.76	
Short-term loans and advances	151.68	283.42	343.37	345.42	
<b>Total Current assets</b>	<b>1,490.00</b>	<b>2,477.99</b>	<b>2,617.14</b>	<b>3,311.76</b>	
<b>Total Assets</b>	<b>1,816.83</b>	<b>2,764.80</b>	<b>2,856.02</b>	<b>3,565.34</b>	

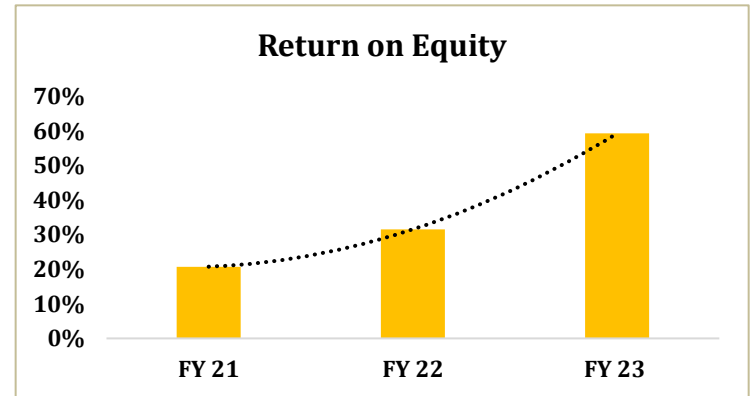
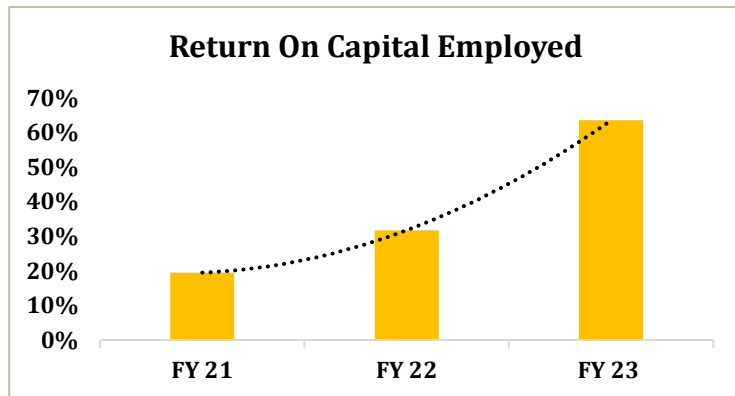
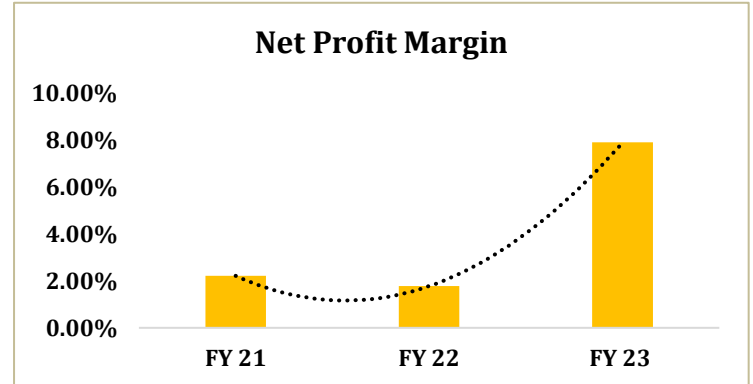
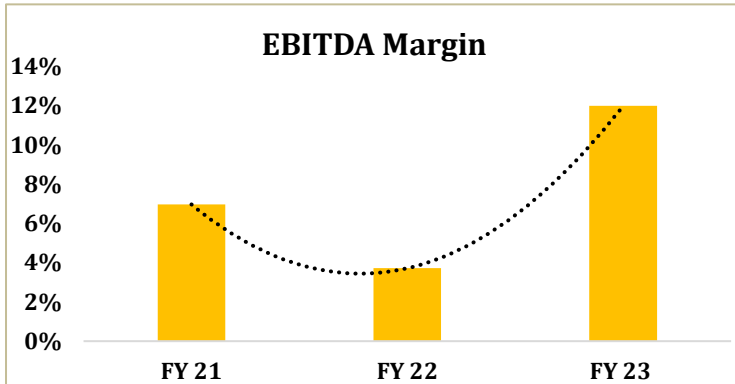
<b>Cash Flow Statement</b>					<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Dec-23</b>	
Net Cash Flow from Operating Activities	-163.81	-36.09	-93.14	634.39	
Net Cash Flow from Investing Activities	55.02	5.07	14.39	-41.95	
Net Cash Flow from Financing Activities	89.44	63.32	64.73	-269.11	

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Dec-23*</b>
<b>Per Share Data</b>				
Diluted EPS	0.59	1.29	6.15	7.81
BV per share	2.07	2.98	7.58	35.44
<b>Operating Ratios</b>				
EBITDA Margins	6.96%	3.72%	12.00%	19.03%
PAT Margins	2.22%	1.78%	7.92%	13.02%
Inventory days	79.97	28.42	0.80	41.11
Debtor days	138.27	100.81	124.37	97.13
Creditor days	190.41	113.15	63.15	85.96
<b>Return Ratios</b>				
RoCE	19%	32.73%	64%	31%
RoE	21%	32.54%	59%	22%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	6.74	5.43	2.42	3.45
Market Cap / Sales	3.90	1.43	1.32	1.25
P/E	127.12	58.14	12.20	9.60
Price to Book Value	36.27	25.15	9.90	2.12
<b>Solvency Ratios</b>				
Debt / Equity	3.41	2.70	1.21	0.55
Current Ratio	1.20	1.15	1.56	1.81
Quick Ratio	0.81	0.93	1.56	1.38
Asset Turnover	1.22	2.20	2.29	1.46
Interest Coverage Ratio	2.29	3.66	11.44	15.15

\*Annualized Figures

\*Valuation Ratios are calculated using issue price

## Financial Charts



## Key Risk Factors

1. The Income from the Top 10 customers contributed to 97.96% and 97.96% for the Period Ended December, and FY March 2023. The loss of any one or more of such customer may have a material effect on the business operations and profitability.
2. Top 10 Suppliers constituted 57.41% and 56.07% for the Period Ended December, and FY March 2023, loss of any of them may affect their business operations adversely.
3. The company has had negative operating cash flows for FY period ended March 2021, 22 and 23. They may incur the same in the future as well.
4. The company derives majority of it's revenue from Engineering and consulting work, amounting to 70.45% in FY 2020-21, 77.20% in FY 2021-22, 83.96% in FY 2022-23 and 67.25% in period ended December 31, 2023. Any reduction in the demand of such services could have an adverse effect on their business, results of operations and financial condition.
5. The company's business operations are concentrated in Gujrat , Any adverse development affecting the company's operations in this region could have an adverse impact on their business, financial condition and results of operations.

### Track Record of Lead Manager

The lead manager to the issue is Beeline Capital Advisors Private Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Manager in recent times –

#### Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Emmforce Autotech Limited	53.90	98.00	April 30, 2024	205.25
2.	Greenhitech Ventures Limited	6.30	50.00	April 22, 2024	140.30
3.	TAC Infosec Limited	29.99	106.00	April 05, 2024	571.75
4.	KP Green Engineering Limited	189.50	144.00	March 22, 2024	535.00
5.	Pratham EPC Projects Limited	36.00	75.00	March 18, 2024	263.05
6.	V R Infraspaces Limited	20.40	85.00	March 12, 2024	140.00
7.	Rudra Gas Enterprise Limited	14.16	63.00	February 15, 2024	188.70
8.	Fonebox Retail Limited	20.37	70.00	February 02, 2024	146.40
9.	Konstelec Engineers Limited	28.70	70.00	January 30, 2024	193.85
10.	Australian Premium Solar (India) Limited	28.08	147.00	January 18, 2024	334.55

The company has had 36 mandates in the past three years including the current Year.

\*CMP for the above-mentioned companies is taken as of 3<sup>rd</sup> May 2024.

As per the offer document, from the above-mentioned mandates, all the mandates have opened at a premium on the listing date.

## Recommendation

The company has been in the industry since 2015 and has good experience in the industry. The management overview of the company is good with three of the promoters possessing vast experience in the industry.

The P/E on a post-IPO and annualised basis is around 9.60 times which makes it undervalued by looking at the performance of the company and sector. The Sector P/E is 41.4 times. This wide difference could indicate the market sees Winsol as a smaller player or is cautious about the company's consistency. But, it also presents a potential opportunity.

The company's revenue has grown significantly over the past 3 years, increasing from ₹ 2,216.35 lac in FY 21 to ₹ 6,538.66 lac in FY 23. This strong growth aligns with the positive outlook for the wind and solar energy industry in India. The company's profitability has improved significantly, with net profit margin increasing from 2% in FY 21 to 8% in FY 23. The December-23 stub period showcased a strong operating cash flow (OCF), implying Winsol's growing ability to generate cash from its core operations but the prior three years showcased volatility with declining Cashflows . The balance sheet shows a healthy increase in equity and a decline in debt, indicating a stronger financial structure. However, it's important to monitor short-term borrowings and ensure they are managed effectively.

The IPO valuation seems attractive, and the objective of funding working capital aligns with the company's growth plans. Thus, we recommend to **APPLY** to this IPO.

**Disclaimer**

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