



Lakshya Powertech Limited

Recommendation: **APPLY!**

- Established in 2012 the company has their registered office in Ahmedabad, Gujrat, India.
- Business Activity:** Lakshya Powertech Limited is a diversified engineering company engaged in the Oil and Gas, Power, Renewable Energy, and Industrial sectors. The company offers a range of services, including Engineering, Procurement, Construction & Commissioning (EPCC), Integrated Operation & Maintenance, and specialized services.
- Revenue Mix:** As of the period ended August 31, 2024, EPCC services accounted for 50.12% of revenue, followed by Integrated Operation & Maintenance at 40.61%. Special services contributed 9.27%.
- Sector-wise Bifurcation:** Private entities constitute most of the revenue, contributing 86.73% in the period ended August 31, 2024. Public Sector Undertakings account for the remaining 13.27%.
- Geographic Concentration:** Domestic projects dominate the company's revenue (with Jharkhand, Rajasthan and Maharashtra forming 43.20%, 22.07% and 14.76% of total revenue as of FY 24 respectively) with international projects contributing minimally.
- As of September 2024, the company had 900 permanent employees on its payroll.

Objects of the Issue -

- Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company.
- Funding working capital requirements of the Company; and
- General Corporate Purposes.

Promoters Name -

Rajesh Anne and Priya Bandhavi Anne

Rationale for recommendation -

- ✓ Revenue growth @CAGR of 108%
- ✓ Increasing profit and return margins
- ✓ Business adaptability

IPO Details

Opening Date	September 16, 2024
Closing Date	October 18, 2024
Allotment Date	October 21, 2024
Listing Date	October 23, 2024
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price Per Share	₹171 to ₹180 per share
Issue Size	₹49.91 Cr
Fresh Issue	₹49.91 Cr
Offer for Sale	-
Application Amt	₹1,44,000 (800 shares)

INDUSTRY – Power EPC

Average P/E of Peers – 38.71

KPI's	KPIs			(In Lakhs)
	FY 22	FY 23	FY 24	Aug 24
Revenue	3,414.33	5,304.52	14,813.46	5780.43
EBITDA	201.00	474.13	2,199.03	938.58
Net Profit	104.58	271.09	1,567.77	597.11
RoCE	32.98%	31.95%	60.43%	22.24%
ROE	26.82%	41.01%	47.89%	15.04%
P/E	41.28	15.93	8.28	9.21

Promoter Share Holding Pattern

95.47% 69.22%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	21.75	15.55
BVPS	39.39	151.48
P/E	8.28	11.58
P/BV	4.57	1.19
Mkt Cap (In Cr)	131.60	181.51

Lead Managers -

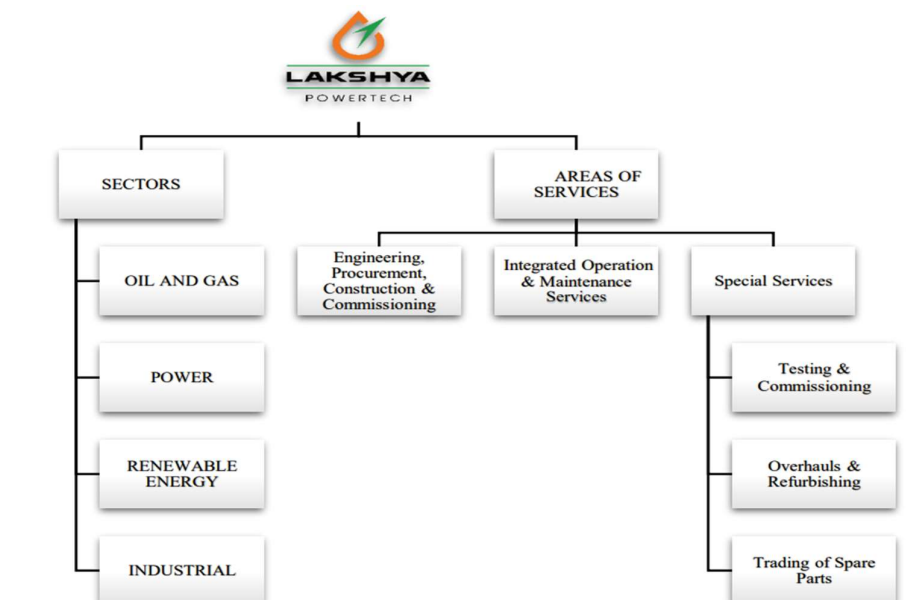
GYR Capital Advisors Private Limited

Registrar -

Kfin Technologies Limited

Business Overview -

Lakshya Powertech Limited, established in 2012, has evolved from an engineering consultancy firm into a diversified player in the Oil and Gas, Power, Renewable Energy, and Industrial sectors. The company's journey is characterized by strategic expansions, global ventures, and a strong commitment to quality and safety.



1) EPCC

Lakshya Powertech provides comprehensive solutions for projects, from design to commissioning.

- **Engineering:** Their experienced engineers design innovative solutions, leveraging cutting-edge technologies and industry best practices.
- **Procurement:** Their procurement team sources materials efficiently, ensuring timely delivery and cost-effectiveness.
- **Construction:** Their skilled construction teams execute projects with precision, prioritizing safety, efficiency, and quality craftsmanship.
- **Commissioning:** Lakshya Powertech's commissioning experts ensure flawless operation by conducting comprehensive testing, startup, and integration services.

Sectors	Area of Service	Details of Service
Oil and Gas	Inlet Separators	Devices used to remove liquids and solids from gas streams at the entry point of a gas processing facility.
	Gas Dehydration Units	Systems that remove water vapor from natural gas to prevent pipeline corrosion and hydrate formation.
	Compression Systems	Equipment used to increase the pressure of gas for transportation and processing.
	Condensate Stabilization Units	Facilities that separate light hydrocarbons from condensate to make it safe for storage and transport.
	Utility Systems	Essential systems providing power, water, and other utilities necessary for the operation of oil and gas facilities.
	Control and Safety Systems	Systems designed to monitor and control processes and ensure the safety of operations.
	Power Generation & Distribution	Systems for generating electricity and distributing it across oil and gas facilities.
	Gas Pipelines and Distribution Networks	Infrastructure for transporting gas from production sites to end users.
	High Pressure Water Injection System	Systems used to inject water at high pressure into oil reservoirs to enhance oil recovery.
	Well Head Control System	Equipment that controls the flow of oil or gas from a well.

	F & G Detection System	Fire and gas detection systems designed to identify and mitigate risks of fire and gas leaks.
Renewables	Gas Storage Systems	Facilities for storing gas for future use, ensuring a stable supply.
	Gas Cleaning Equipment	Devices used to remove impurities from gas to meet quality standards.
	Gas Engines/Generators	Engines that convert gas into mechanical energy, which is then used to generate electricity.
	Biomass Power Plants	Facilities that generate electricity by burning biomass materials such as wood and agricultural waste.
	Biomass Boilers	Boilers that burn biomass to produce heat for industrial processes or power generation.
	Steam Turbines/Generators	Devices that convert steam energy into mechanical energy, which is then converted into electricity.
	Biomass Gasification Systems	Systems that convert biomass into syngas, which can be used for power generation or as a chemical feedstock.
	Compressed Biogas (CBG)	Biogas that has been compressed to high pressure for use as a fuel.
	Biogas Upgrading Systems	Systems that purify biogas by removing impurities to produce biomethane.
	Storage Systems	Facilities for storing biomass, biogas, and other renewable energy sources.
	Dispensing Stations	Stations where compressed biogas and other renewable fuels are dispensed.
	Grid Connections Equipment	Equipment that connects renewable energy systems to the electrical grid.
	Biomass Handling Equipment	Machinery for transporting and processing biomass materials.
	Gas Pipelines and Distribution Networks	Infrastructure for transporting biogas and other renewable gases.
	Control and Monitoring Systems	Systems used to monitor and control renewable energy production and distribution.
	Scada Systems	Supervisory control and data acquisition systems for managing renewable energy facilities.
Biomass/Biogas Analysis Equipment	Tools for analysing the composition and quality of biomass and biogas.	
Power	Sub-Stations (Indoor & Outdoor)	Facilities where electricity is transformed to different voltage levels for distribution.
	Gas/Diesel Engine & Steam Turbine Generator based Power Plant System	Power plants that use gas or diesel engines and steam turbines to generate electricity.
	Electrical Switchgear and Control Panels	Equipment used to control, protect, and isolate electrical circuits.
	Fire Suppression Systems	Systems designed to detect and extinguish fires in power plants.
	Environmental Monitoring Systems	Equipment for monitoring environmental parameters to ensure compliance with regulations.
	Fuel Handling System (HSD System)	Systems for storing and managing fuel for power generation.
	Scada Systems	Supervisory control and data acquisition systems for managing power plant operations.
Industrial	MEP Services	Mechanical, electrical, and plumbing services essential for building and industrial facility operations.
	HVAC	Heating, ventilation, and air conditioning systems for maintaining indoor air quality and comfort.

Instrumentation and Control	Systems used to monitor and control industrial processes.
Effluent Treatment Plant	Facilities for treating industrial wastewater to meet environmental standards.
RO Plant	Reverse osmosis plants for purifying water by removing contaminants.
Sewage Water Treatment Plant	Facilities for treating sewage to make it safe for discharge or reuse.
Piping	Systems of pipes used to transport fluids in industrial settings.
Structural	Structural components and systems used in the construction of industrial facilities.
Air Handling, Acoustic and Ducting	Systems for managing air flow, reducing noise, and distributing air in buildings.
Adiabatic Cooling System	Systems that use evaporative cooling to reduce temperatures in industrial processes.

Total Project Value: Rs. 204 Cr.

Work Completed: Rs. 80 Cr. (39.23% of total)

Work in Hand: Rs. 123 Cr. (60.77% of total)

Key Ongoing Projects:

- Equinox Engineering Ltd:** LSTK of surface facilities and pipeline networks for CBM in Jharkhand.
- GMMCO Limited:** Supply of BOP Equipment, Erection & Commissioning of 34 MWe Emergency power Generation with Diesel Generator Set in Maharashtra.
- Powerica Limited:** Supply of BOP Equipment, Erection & Commissioning of 16 MWe Emergency power Generation with Diesel Generator Set along with Double wall HSD fuel system in Maharashtra.

2) Integrated Operations and Maintenance services

The company's integrated O&M approach encompasses all aspects of asset management. By leveraging advanced technologies, they ensure assets operate efficiently and reliably, minimizing downtime and maximizing productivity. Integrated O&M offers a full-service package to asset owners, allowing them to outsource operations without compromising safety or control. The company has a proven track record in implementing integrated O&M services for the energy-related industry.

Major services provided by the Company for Integrated Operations and Maintenance projects:

- Integrated Operations Planning and Management
- Energy Efficiency and Sustainability Solutions
- Preventive and Predictive Maintenance
- Digital Transformation and Smart Technologies
- Asset Management and Optimization
- Emergency Response and Crisis Management
- Safety and Compliance Management
- Contract Management and Procurement Services
- Technical Support and Training
- Performance Monitoring and Continuous Improvement

Total Value: Rs. 212 Cr.

Work Completed: Rs. 43 Cr. (20.33%)

Work in Hand: Rs. 165 Cr. (77.67%)

Key Ongoing Projects

- **Larsen & Toubro Limited:** Integrated Operation & Maintenance of 240 MMSCFD Gas Processing Plant,

Completed Projects Summary

Total Project Value: Rs. 473 Cr. (47 Projects)

Key Completed Projects:

1. Megha Engineering & Infrastructures Limited:

EPCC of 3 x 1 MWe Waukesha Gas Engine Generator Power plant for 90 MMSCFD EPS Project, Cairn India, Barmer, Rajasthan **(Rs. 3.1 Cr.)**.

2. Raub Energy Ventures:

EPCC of Producer Gas & Biogas Based Powerplant Project in Malaysia **(Rs. 19.1 Cr.)**.

3. GMMCO Limited:

Supply of BOP Equipment, Erection & Commissioning of 56 MWe Emergency power Generation with Diesel Generator Set for Amazon, Sift & NTT **(Rs. 11.2 Cr.)**.

Completed Projects Summary

Total Value: Rs. 83 Cr.

Key Completed Projects

- **Megha Engineering & Infrastructures Ltd:** Operation & Maintenance of 90mmSCFT Gas Processing Plant, Cairn India, Barmer, Rajasthan. **Rs. (28 Cr.)**

Recommendation: **APPLY**

- along with associated well pads, Vedanta Limited – Cairn Oil and Gas, Barmer, Rajasthan. **(Rs. 162 Cr.)**
- **Oil and Natural Gas Corporation Limited:** Operation & Maintenance Services of Onshore Gas Terminal (OGT) at Kakinada Asset, Andhra Pradesh. **(Rs. 15 Cr.)**
 - **Hindustan Petroleum Corporation Limited:** Operation & Maintenance of 14 T Compressed Biogas (CBG) Plant at Badaun, Uttar Pradesh. **(Rs. 15 Cr.)**

- **Shapoorji Pallonji Bumi Armada Offshore Private Limited:** Supply of Spares, Hiring Manpower, Tools, Erection, Installation, and Design Engineering. **(Rs. 6.44 Cr.)**
- **Kirloskar Pneumatic Co. Ltd.:** Operation & Maintenance of Gas Compressor plants at various locations in ONGC Ankleshwar Asset. **(Rs. 3.97 Cr.)**

3) Special Services

1. Testing & Commissioning: Company ensures safety and reliability by conducting comprehensive testing for oil, gas, and power plants. Their services include pre-commissioning (pressure testing, cleaning, electrical/instrumentation/control system testing) and commissioning (hot commissioning, load testing).

2. Overhauls & Refurbishing: They offer overhauls for rotating equipment (diesel engines, turbines, pumps). They inspect, repair or replace worn parts to ensure optimal performance.

3. Trading of Spare Parts: They trade consumables, preventive maintenance, critical, and overhaul spares, supporting their O&M services and overhauls, providing a one-stop solution for clients.

Major Special services provided by the Company:

- Asset Integrity Maintenance
- Testing and Commissioning
- Plant Maintenance and Turnaround
- Plant Shutdown and Upgrading Works
- 24*7 Technical Emergency Service
- Rotary / Static Equipment Maintenance
- Major Overhauls and Rebuilt
- Service Contracts / Preventive Maintenance
- Special Tools & Equipment

Ongoing Project:

- **Bharat Heavy Electricals Limited:** Erection, testing, and assistance during pre-commissioning and commissioning of a reactor charge heater at GAIL & USAR in Andhra Pradesh.

Completed Projects:

- **Indian Oil Corporation Limited:**
 - Miscellaneous tag jobs during revamp shutdown at Panipat Naphtha Cracker.
 - Troubleshooting and maintenance of reciprocating compressors at Mathura Refinery.
- **Vedanta Limited:** Swapping of 1250 KVA Gas Engine Generators at AGI Stations.
- **Sudelettra Nigeria Limited:** Supervision, installation, and commissioning of a water injection pumping system at Ebocha Oil revamping project.
- **Subham Inc.:** Supply of a vessel in Ahmedabad.

Total project value for completed projects: Rs. 10.44 Cr.

Business Strategies –

- **Diversification into Renewable Energy and Green Energy:**

- Align with sustainability trends.
- Explore new growth opportunities.
- Leverage expertise in EPCC for clean energy solutions.
- Seize government incentives and market demand.

- **EPCC Contract Focus:**

- Maintain competitive advantage and profitability.
- Strategically select projects.
- Enhance value chain position.
- Optimize resource utilization.

- **Relationship Building:**

- Foster long-term partnerships with clients and suppliers.
- Pre-qualify for major projects.
- Access new opportunities and synergies.

Competition -

Competitors: Organized players with stronger financial positions, market share, product ranges, and resources.

Market Share: The company acknowledges its position as a smaller player compared to larger competitors.

Adaptability: The company has demonstrated adaptability through its continuous product launches and expansion into new market segments.

Porter's Five Forces Analysis:

- **Threat of New Entrants:** Moderate. Barriers to entry, such as brand recognition and established distribution channels, can hinder new entrants.
- **Bargaining Power of Buyers:** High. Customers have multiple options and can exert significant pressure on pricing.
- **Bargaining Power of Suppliers:** Moderate. Suppliers can have some bargaining power, especially for unique or scarce resources.
- **Threat of Substitute:** Consulting and project management services can vary in quality based on the skills and expertise of the individuals involved, unless the service itself is substandard.
- **Intensity of Competitive Rivalry:** High. The presence of numerous competitors, especially larger players, creates intense competition.

Life Cycle and Business Cycle Analysis:

- **Industry Life Cycle:** The industry may be in the growth or maturity stage, characterized by increased competition and market saturation.
- **Business Cycle:** Economic fluctuations can impact demand for the company's products.

Experience Curve: The company's position on the experience curve may be less advantageous compared to larger competitors with more established operations and economies of scale.

Technological Influences: Technological advancements can impact product development, manufacturing processes, and customer preferences. The company needs to stay updated with industry trends to remain competitive.

Risk Factors -

The company, its directors, and promoters are involved in various legal proceedings. These cases involve tax-related matters and are pending before different courts. The total amount involved in these proceedings is Rs. 916.38 lakhs. Adverse decisions could negatively impact the company's reputation, business, and financial status.

Company has had negative operating cashflow in FY22, FY23 and FY24.

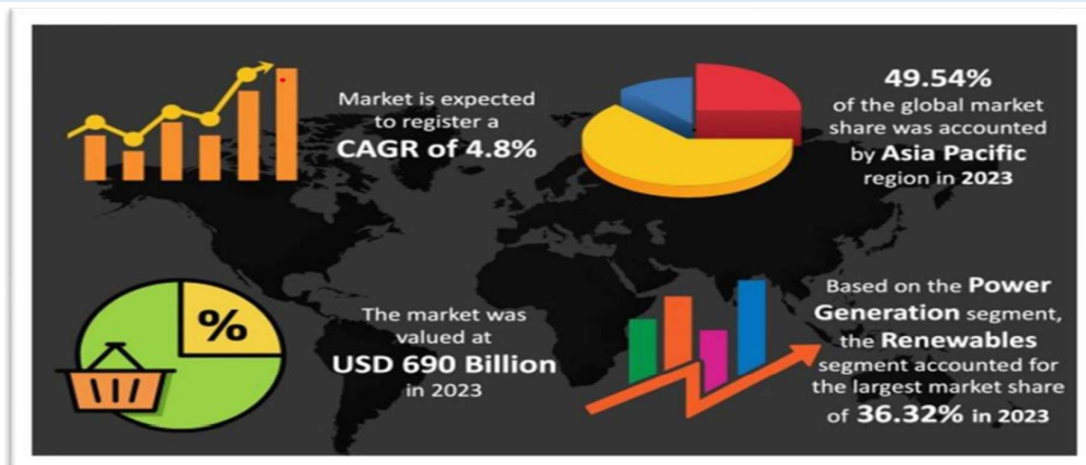
Top ten suppliers contribute 86.91%, 57.15% and 71.93% of the total purchase for the financial year / period ended on March 31, 2024, 2023, and 2022, respectively. Loss of any of them could affect the company operationally and financially.

PEER ANALYSIS -

Particulars	Lakshya Powertech Limited			Asian Energy Services Ltd.			Engineers India Ltd.		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	3.06%	5.11%	10.58%	14.74%	-38.68%	7.68%	4.59%	9.91%	12.72%
EBITDA Margin	5.89%	8.94%	14.84%	26.27%	-17.56%	14.41%	15.64%	13.57%	14.81%
RoCE	32.98%	31.95%	60.43%	16.85%	-20.69%	10.88%	25.35%	22.54%	21.00%
ROE	26.82%	41.01%	47.89%	16.05%	-22.23%	9.16%	16.75%	41.81%	38.75%
EPS (INR)	4.36	11.30	21.75	10.30	-11.77	1.14	2.48	6.16	7.92
P/E	41.28	15.93	8.28	11.60	-9.38	238.42	26.69	12.09	25.50

Key Observations:

- **Profitability:** LPTL has at par or higher NP margin and EBITDA margin among the three companies, indicating superior profitability. This is likely due to its effective cost management and pricing strategies.
- **Return on Capital:** LPTL's ROCE and ROE are significantly higher than its peers, suggesting that it is generating higher returns on its invested capital. This could be attributed to its efficient use of resources and strong operational performance.

Industry Overview
Global
Power
EPC
Market

Market Introduction

Focuses on engineering, procurement, and construction for power projects. Key services include planning, design, equipment procurement, construction, and commissioning. Renewables lead the market (36.32%) and are expected to grow rapidly due to environmental concerns and government support.

Recent Developments:

- **October 2023:** NTPC issued a tender for a 300 MW solar project with land acquisition, construction, and maintenance included.
- **June 2022:** Tata Power completed a 66 MW solar project for Vibrant Energy, expected to generate 110,029 energy units annually and reduce carbon emissions by 9 lakh tonnes.

India Power EPC Market:

- The India Power EPC market is undergoing significant changes due to a diversified power sector with conventional and renewable sources.
- India has a target of installing 500 GW of renewable energy capacity by 2030.
- Key drivers include government initiatives and rapid growth of solar and wind power projects.
- Challenges include high service costs, inadequate grid infrastructure, and lack of penetration in certain regions.

Renewables Energy Market in India:

- India's renewable energy capacity has increased significantly, reaching 125.15 GW in FY23.
- The government aims to reach 450 GW of installed renewable energy capacity by 2030, with over 60% from solar power.
- Rising power demand, huge untapped potential, and increasing investments are driving market growth.

Market Dynamics:
Drivers:

Rising energy demand across residential, commercial, and industrial sectors necessitates power infrastructure expansion and modernization.

Restraints:

- High setup and installation costs can delay or halt major EPC projects.
- Tight budget constraints faced by organizations can limit market growth.

Opportunities:

- Government initiatives promoting renewable energy offer avenues to bolster energy security and reduce reliance on fossil fuels.

Key Management



Key Management Persons Name - Age	Rajesh Anne 47
Designation and No. of years of experience	Promoter, Chairman and Managing Director, 27+ years of experience across a spectrum of industries including oil & gas, power generation, renewable energy, and industrial operations
Qualification	Diploma in Electrical and Electronics from the State Board of Technical Education and Training
Previous Associations	Employee in Andhra Sugars-Chemical & Fertilisers Division, Desein Private Limited, T D Power Systems Private Limited and Triveni Turbines Limited

Key Management Persons Name - Age	Priya Bandhavi Anne 39
Designation and No. of years of experience	Promoter and Whole Time Director, 12+ years of experience in administration
Qualification	Intermediate Public Examination from Board of Intermediate Education Andhra Pradesh

Lakshminarayana Eleswarapu, aged 55, serves as a **Whole Time Director**. He holds a Bachelor's Degree in Electrical Engineering from the University of Delhi and has over **20 years of experience in life cycle cost optimization, particularly in the Oil & Gas, Fertilizers, Chemicals, and Power industries**. He has previously worked with notable organizations such as Punj Lloyd Limited, Sathavahana Ispat Limited, Nagarjuna Fertilizer and Chemical Limited, Qatar Electricity & Water Co, and L&T Limited.

Amit Kumar Agrawal, aged 40, is the **Whole Time Director** and **Chief Financial Officer**. He has a Bachelor's and Master's Degree in Commerce from Dr. Bhimrao Ambedkar University, is a Chartered Accountant, and holds a Diploma in International Financial Reporting. With more than **13 years of experience**, he specializes in finance, corporate governance, and business valuation.

Raghurama Raju Alluri, 44 years old, is a **Non-Executive Director**. He is a **Qualified Cost Accountant**, Certified Management Accountant, and holds a Master of Business Administration. He brings over **15 years of expertise in Accounts and Finance**, including Functional Requirement, Financial Audits, risk management, and Inventory Control.

Chintan Rajeshbhai Shah, aged 38, is an **Independent Director** with a Bachelor's Degree in Commerce from Gujarat University and is a Chartered Accountant. He has **13 years of experience in finance, accounting, audits, and taxation**.

Kunal Kumar Ghosh, 61 years old, is also an **Independent Director**. He has a Bachelor's Degree in Engineering from the University of Calcutta, along with a Diploma in Statistical Quality Control, an MBA, and a Diploma in Law and Practice of Arbitration. With over **37 years of experience**, he is skilled in **Public Procurement, Contract Management, Policy Formulation**, and various aspects of material and logistic management in sectors such as petrochemicals, oil and gas. His previous employers include GAIL (India) Limited and Burn Standard Co. Limited.

Shailesh C Desai, aged 70, is another **Independent Director**. He holds both a Bachelor's Degree in Commerce and a Bachelor of Law from Gujarat University. He is also a Chartered Accountant, having passed the Inter C.A. First Group Examination.

FINANCIAL SNAPSHOT**Statement of Profit and Loss****Amt in Lakhs.**

Particulars	FY 22	FY 23	FY 24	Aug 24
Revenue from Operations	3,414.33	5,304.52	14,813.46	5,780.43
Other Income	7.06	6.69	128.46	34.95
Total Income	3,421.39	5,311.21	14,941.92	5,815.38
Expenses				
Cost of Material Consumed	-	162.59	450.00	259.18
Purchases of Stock-in-Trade	483.22	596.68	1,198.14	982.28
Direct Expenses	1,395.93	1,654.45	6,850.76	3,049.19
Changes in Inventories	-97.21	56.73	-130.47	-1,331.53
Employee Benefit Expenses	1,299.89	2,156.68	3,827.04	1,700.08
Finance Cost	29.26	54.84	229.37	157.64
Depreciation and Amortization Expense	30.9	44.24	61.43	25.01
Other expenses	131.5	203.26	418.96	200.67
Total Expenses	3,273.49	4,929.47	12,905.23	5,042.52
EBITDA	201.00	474.13	2,199.03	938.58
EBITDA Margin	5.89%	8.94%	14.84%	16.24%
Profit/(Loss) before tax	147.90	381.74	2,036.69	772.86
Tax Expense				
Current tax	48.77	119.43	463.18	183.64
Deferred Tax	-5.45	-8.78	5.74	-7.89
Total Tax	43.32	110.65	468.92	175.75
Profit/(Loss) for the year	104.58	271.09	1,567.77	597.11
Net Profit Margin	3.06%	5.11%	10.58%	10.27%

Statement of Assets and Liabilities**Amt in Lakhs.**

Particulars	FY 22	FY 23	FY 24	Aug 24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	10.00	10.00	831.11	931.11
Reserves and surplus	379.89	650.98	2,442.60	3,039.69
Total Equity	389.89	660.98	3,273.71	3970.80
2. Non-current liabilities				
Long-term borrowings	90.47	654.79	263.77	129.62
Long-term provisions	35.33	29.94	-	6.76
Total Non-current liabilities	125.80	684.73	263.77	136.38
3. Current liabilities				
Short-term Borrowings	499.96	793.88	2,636.27	2,786.97
Trade Payables				
(i) Total outstanding dues of MSME	1.18	105.09	450.92	485.63
(ii) Total outstanding dues of creditors other than MSME	612.83	592.72	873.29	1,184.20
Other Current Liabilities	122.16	420.99	491.45	470.51
Short-term provisions	7.07	76.46	256.9	381.42
Total Current liabilities	1,243.20	1,989.14	4,708.83	5,308.73
Total Liabilities	1,369.00	2,673.87	4,972.60	5,445.11
Total Equity and Liabilities	1,758.89	3,334.85	8,246.31	9,415.91
ASSETS				
1. Non-current assets				
Property, Plant & Equipment	91.74	182.39	194.42	199.42
Intangible Assets	-	-	-	8.00
Deferred Tax Assets (Net)	16.86	25.64	19.90	27.79
Long-term Loans & Advances	167.07	-	402.94	413.04

Particulars	FY 22	FY 23	FY 24	Aug 24
Other Non- current Assets	7.21	91.04	414.67	439.33
Total Non-Current assets	282.88	299.07	1,031.93	1,087.58
Inventories	176.20	119.80	251.95	1,584.22
Trade Receivables	1,045.51	2,084.89	3,366.49	2,726.98
Cash & Cash equivalents	9.92	58.43	42.27	232.71
Short-term loans and advances	105.24	515.22	1,837.20	1,908.01
Other Current Assets	139.14	257.44	1,716.47	1,876.41
Total Current assets	1,476.01	3,035.78	7,214.38	8,328.33
Total Assets	1,758.89	3,334.85	8,246.31	9,415.91

Cash Flow Statement		Amt in Lakhs.			
Particulars	FY 22	FY 23	FY 24	Aug 24	
Net Cash Flow from Operating Activities	-218.48	-645.16	-2,217.63	241.97	
Net Cash Flow from Investing Activities	-65.24	-130.25	-56.94	-18.68	
Net Cash Flow from Financing Activities	81.46	806.55	2,275.82	-32.85	

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	Aug 24	Valuation Ratios (x)	FY 22	FY 23	FY 24	Aug 24
BV per share	389.890	660.980	39.390	42.646	Market Cap / Sales	5.32	3.42	1.23	3.14
Operating Ratios					P/E	41.28	15.93	8.28	22.03
EBITDA Margins	5.89%	8.94%	14.84%	16.24%	Price to Book Value	0.46	0.27	4.57	4.22
PAT Margins	3.06%	5.11%	10.58%	10.27%	Solvency Ratios				
Inventory days	18.84	143.46	6.21	41.93	Debt / Equity	1.51	2.19	0.89	0.73
Debtor days	111.77	143.46	82.95	72.18	Current Ratio	1.19	1.53	1.53	1.57
Creditor days	463.79	335.31	292.96	120.35	Quick Ratio	1.05	0.48	1.48	1.06
Return Ratios					Asset Turnover	1.94	1.59	1.80	0.61
RoCE	32.98%	31.95%	60.43%	22.24%	Interest Coverage Ratio	5.81	7.84	9.32	5.80
RoE	26.82%	41.01%	47.89%	15.04%					

Interpretation –

Profitability Ratios:

- **EBITDA Margins:** Increased from 5.89% in FY22 to 8.94% in FY23 and further to 14.84% in FY24.
 - **PAT Margins:** Increased from 3.06% in FY22 to 5.11% in FY23 and further to 10.58% in FY24.
- Suggests that the company has successfully implemented strategies to improve its profitability. This could be due to factors like cost reduction, or operational efficiencies.

Efficiency Ratios:

- **Inventory Days:** Decreased from 143.46 in FY23 to 82.21 in FY24, a reduction of 61.25 days.
 - **Debtor Days:** Decreased from 111.77 in FY22 to 143.46 in FY23 and further decreased to 62.95 in FY24.
 - **Creditor Days:** Decreased from 463.79 in FY22 to 335.31 in FY23 and further decreased to 292.96 in FY24.
- The reduction in inventory days, debtor days, and creditor days indicate that the company has improved its operational efficiency, leading to lower costs and improved cash flow.

Return Ratios:

- **ROCE:** Increased from 32.98% in FY22 to 31.95% in FY23 and further increased to 60.43% in FY24.
 - **RoE:** Increased from 26.82% in FY22 to 41.01% in FY23 and further increased to 47.89% in FY24.
- The increase in asset turnover, ROCE, and RoE suggest that the company is effectively utilizing its resources to generate returns

Solvency Ratios:

- **Debt/Equity:** Decreased from 1.51 in FY22 to 1.53 in FY23 and further decreased to 0.89 in FY24. The decrease in debt/equity ratio indicates a healthier capital structure with lower financial risk.

LEAD MANAGER TRACK RECORD -

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

GYR Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Afcom Holdings Limited	73.83	108.00	Aug 09, 2024	548.25
2.	Sathlokhar Synergys E&C Global Limited	92.93	140.00	Aug 06, 2024	428.80
3.	S A Tech Software India Limited	23.01	59.00	Aug 02, 2024	147.30
4.	Petro Carbon and Chemicals Limited	113.16	171.00	July 02, 2024	262.00
5.	Medicamen Organics Limited	10.54	34.00	June 28, 2024	56.00
6.	HOAC Foods India Limited	5.54	48.00	May 24, 2024	132.05
7.	ABS Marine Services Limited	96.29	147.00	May 21, 2024	255.70
8.	Naman In-Store (India) Limited	25.35	89.00	April 02, 2024	199.00
9.	Koura Fine Diamond Jewelry Limited	5.50	55.00	March 14, 2024	41.10
10.	Thaai Casting Ltd	47.20	77.00	February 23, 2024	171.80

The company has handled 29 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 15th October 2024.

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

Recommendation -

The company has been in the industry since 2012 and has a good amount of experience in the industry.

The management overview of the company is satisfactory however company would benefit from having more people who are a part of this industry on its board. Most of the current directors have expertise in Finance and Accounting with few possessing experiences in Power related Industry.

The P/E on a post-IPO basis is around 11.58 times which makes it undervalued compared to its peers PE. Company has performed at-par or better than it's peers as well.

The company's financial performance has significantly improved over the past three years (growing at a CAGR of 108%), with notable increases in profitability, efficiency, and return on investment. The sudden boost and the growth in the bottom line does raises concerns about sustainability though.

Lakshya Powertech Limited plans is raising funds to for working capital requirement citing high working capital needs along with re-paying a portion of their borrowings which makes sense looking at their sky-high interest rates.

Thus, for the above-stated reasons, knowledgeable investors can APPLY to this IPO.

Disclaimer

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