



IPO Note

Yash Highvoltage Limited

Recommendation: **APPLY!**

Company Background -

- **Incorporation:** Yash Highvoltage Limited was originally incorporated on June 06, 2002. The registered office is located at Vadodara, Gujarat, India.
- **Business Activity:** The company is engaged in the manufacturing and distribution of wide range of transformer bushings – Oil Impregnated Paper [OIP] condenser bushing, Resin Impregnated Paper [RIP] / Resin Impregnated Synthetic [RIS] condenser bushing, High Voltage and High Current bushing, OIP Wall bushing and Oil to Oil bushing.
- **Human Resource:** The company has 157 full-time employees as on November 30, 2024.

Objects of the Issue -

- Setting up a new factory to manufacture Resin Impregnated Paper (RIP) / Resin Impregnated Synthetic (RIS) transformer condenser graded bushings.
- General Corporate Purposes.
- Offer for Sale.

Promoters Name -

Keyur Girishchandra Shah

Rationale for recommendation -

- ✓ The company has a P/E of 33.87 times post issue which is fairly valued
- ✓ The top and bottom line of the company has increased over the years.
- ✓ The company has good objects of the Issue by utilizing the funds for capital expenditure.
- ✓ The company has good strategies planned out.
- ✓ The company has positive operating cashflow for all the three years.
- ✓ The company is operating in the power sector which is expected to have a robust growth in the future.
- ✓ The company has a good track record of existence.

IPO Details

Opening Date	Dec 12, 2024
Closing Date	Dec 16, 2024
Allotment Date	Dec 17, 2024
Listing Date	Dec 19, 2024
Stock Exchange	BSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹138 to ₹146
Issue Size	110.01 Cr.
Fresh Issue	93.51 Cr.
Offer for Sale	16.50 Cr.
Application Amt	₹ 1,46,000 (1,000 shares)

INDUSTRY - Power Transformer

Avg. P/E ratio of peers - 194.2

	KPIs			(In Lakhs)
KPI's	FY 22	FY 23	FY 24	Jun-24
Revenue	6,505.71	9,036.21	10,848.08	2,762.88
EBITDA	1,451.15	1,915.72	2,015.08	522.48
Net Profit	871.21	1,142.23	1,206.27	312.75
RoCE	45.87%	46.54%	37.59%	8.97%
ROE	35.55%	35.60%	28.63%	6.91%
P/E	37.15	28.29	26.79	33.87*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
79.49%	57.70%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	5.45	4.31
BVPS	136.98	48.61
P/E	26.79	33.87
P/BV	1.07	3.00
Mkt Cap (In Cr)	323.34	416.85

*Annualized

Lead Managers -

Indorient Financial Services Limited

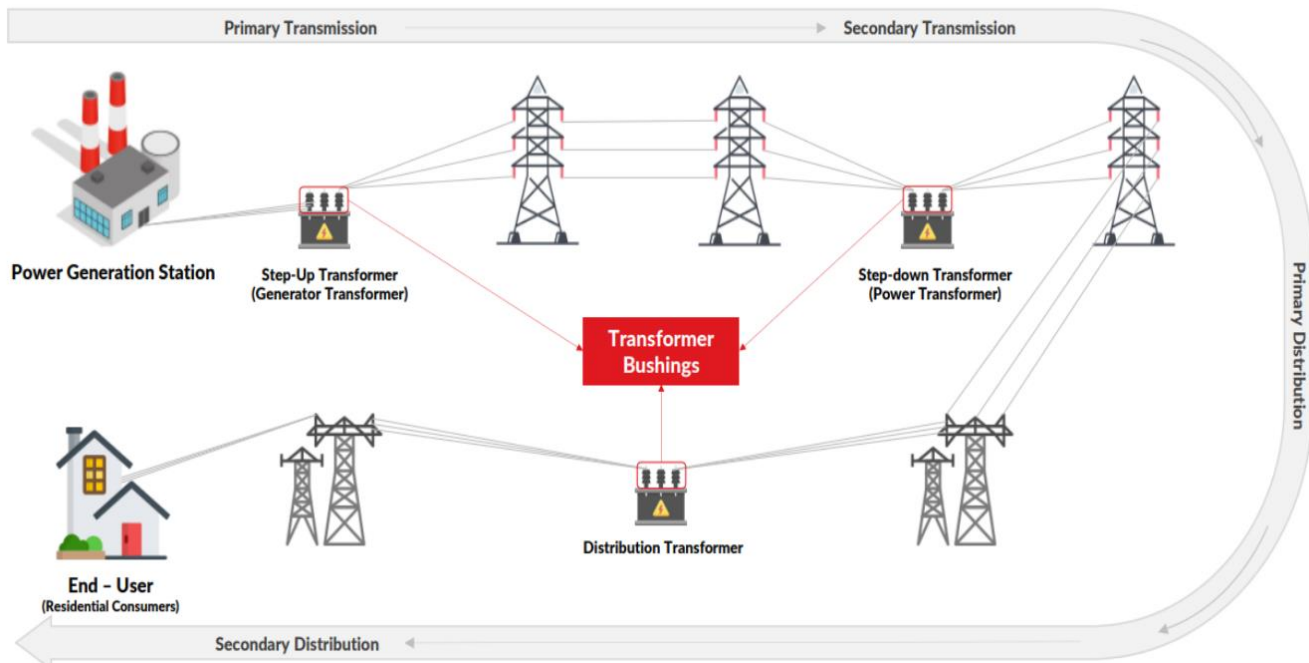
Registrar -

Bigshare Services Private Limited

Business Overview -



Yash Highvoltage Limited has been in the industry since 2002 and has vast experience in the industry. The company is engaged in the manufacturing and distribution of a wide range of transformer bushings – Oil Impregnated Paper [OIP] condenser bushing, Resin Impregnated Paper [RIP] / Resin Impregnated Synthetic [RIS] condenser bushing, High Voltage and High Current bushing, OIP Wall bushing and Oil to Oil bushing. The Company also undertakes repairing, retrofitting and replacement services of old bushings.

Transformer Bushings Play a Critical Role in the Power Transmission Value Chain -



Product Portfolio -

Products	Features
<p>High Current Bushings</p>	<ul style="list-style-type: none"> • Insulation: Oil-impregnated paper/ Oil filled - Hermetically Sealed/Oil Communicating • Rated Voltage - 24Kv ~ 52Kv • Rated Current – upto 25000 A • Type: Oil to Air • Standard: IEC 60137:2017/IEEE C.57.19.00/01 • Used in Generator step – up (GSU) transformers.
<p>OIP Condenser Bushings</p>	<ul style="list-style-type: none"> • Insulation: Oil-impregnated paper Hermetically sealed • Rated Voltage - 24 kV - 245 kV for IEC range OR 25 kV - 230 kV for IEEE range • Rated Current – 400 A ~ 3150 A (customized rated current >3150 A are made upon request) • Application: Transformer Outdoor • Type: Oil to Air / Oil to Oil / Air to Air • Tested as per IEC 60137: 2017/ IEEE C57.19.00/01 standards • Insulator: Porcelain / Hollow Composite - Silicone • Standard: IEC 60137: 2017/ IEEE C57.19.00/01 • Used in power transformers

<p>OIP Wall Bushings / Oil to Oil Bushings</p> 	<ul style="list-style-type: none"> • Rated Voltage - 24 kV - 245 kV for IEC range OR 25 kV - 161 kV for IEEE range • Rated Current – 400 A to 3150 A (customized rated current >3150 A are made upon request) • Standard: IEC-60137:2017 OR IEEE C.57.19.00/01 • Type of Insulation – Oil-Impregnated Paper Hermetically sealed • Used in power transformers
<p>RIP / RIS Condenser Bushings</p> 	<ul style="list-style-type: none"> • Insulation: Resin Impregnated Paper / Synthetic • Rated Voltage - 24Kv ~ 245Kv • Rated Current – 400 A to 6300 A (customized rated current >6300 A are made upon request) • Standard: IEC 60137:2017 • Type: Oil to air dry • Used in power transformers

Manufacturing Facility –

The company's manufacturing facility spans approximately 65,000 square feet (approximately 6,050 Sq Mts), complemented by an open area of about 85,000 square feet (approximately 7,900 Sq Mts) that includes spaces for storage, warehousing, parking and canteen facilities. The land and facility are wholly owned by the Company.

Particulars	FY 2022	FY 2023	FY 2024	June 2024
OIP Condenser Bushing	78.68%	82.30%	78.30%	18.62%
RIP Condenser Bushings	64.65%	64.66%	96.83%	14.80%
High Current Bushings	73.33%	55.66%	30.00%	5.33%

Revenue Bifurcation –

Particulars	FY 2022		FY 2023		FY 2024		Jun-2024	
	Amt	%	Amt	%	Amt	%	Amt	%
High Current Bushings	250.40	3.85	664.00	7.35	368.35	3.40	120.06	4.35
OIP Condenser Bushings	759.92	11.68	1,201.15	13.29	1,419.08	13.08	376.27	13.62
RIP Condenser Bushings	5,374.00	82.60	7,072.55	78.27	8,841.21	81.50	2,094.71	75.82
Others	121.38	1.87	98.51	1.09	219.45	2.02	171.84	6.22
Total	6,505.70	100.00	9,036.21	100.00	10,848.09	100.00	2,762.88	100.00

Net Proceeds Utilization –

Particulars	Amount in Lakhs	Usage of Funds
Setting up a new factory to manufacture RIP/RIS transformer condenser-graded bushings.	Rs. 7,033.98	<ul style="list-style-type: none"> - Land - Construction of Factory Building - Plant and Machinery - Construction of Extra High Voltage (EHV) Testing Lab - Project Management Consultancy

Competition -

1. **Market Competition, High** - Competition is intense, especially in the HV transformer bushing segment, with established players like Hitachi Energy, Crompton Greaves, and BHEL dominating the market.
2. **Threat of New Entrants, Low** - High capital intensity, material expertise requirements, and stringent compliance standards deter new players from entering the market.
3. **Bargaining Power of Buyers, Moderate** - Buyers can exert pressure by evaluating suppliers based on product quality, price, and innovation, though their options are limited by market concentration.
4. **Bargaining Power of Suppliers, Moderate** - Dependence on specialized raw materials like porcelain and conductivity-enhancing metals gives suppliers some leverage, though established manufacturers maintain long-term relationships.
5. **Threat of Substitutes, Low** - High technical and compliance requirements make substitutes less viable in the transformer bushing market.

Business Strategies -

1. The company plans to launch new Indigenous dry RIP bushings of up to 245kV
2. The company intends to expand its global footprint.
3. The company aims to capitalize on the growing demand by developing and delivering customized bushing products that precisely meet customer requirements. The bushing replacement and retrofit market offers significant growth opportunities, driven by the substantial demand for customized solutions tailored to meet specific customer needs.

Risk Factors -

The company's top 5 suppliers contributed 68.35%, 74.87%, 70.37%, and 75.03% for the FY ended 2022, 2023, 2024 and June 2024 respectively.

The company gets the majority of its raw materials from international suppliers. Switzerland contributed to 51.04%, 56.87%, 52.72%, and 57.86% for FY ended 2022, 2023, 2024, and June 2024 respectively.

The company's top 10 customers contributed 85.78%, 86.83%, 80.47%, and 84.03% for the FY ended 2022, 2023, 2024, and June 2024 respectively.

The company has certain contingent liabilities amounting to Rs. 312.36 lakhs.

The company has 3 tax proceedings against the company amounting to Rs. 49.80 lakhs.

INDUSTRY OVERVIEW -

Global Power Transformer Industry -

Global Power transformer market reached INR 6,233.5 hundred crores in 2024, which is expected to witness a CAGR of 5.1% from 2024 to 2034F. The expansion of market highlights the rising investments in upgrading aging electrical grids and integrating renewable energy sources into the power supply chain.

Indian Power Sector Overview -

The Indian power sector is marked by a diverse mix of energy sources, with a total installed capacity of 441.97 GW in FY'24, comprising 57% from fossil fuels and 43% from non-fossil fuels. The electricity generation target for the year 2023-24 is set at 1,734.4 billion units (BU), representing a growth of around 7.2% in 2022-23.

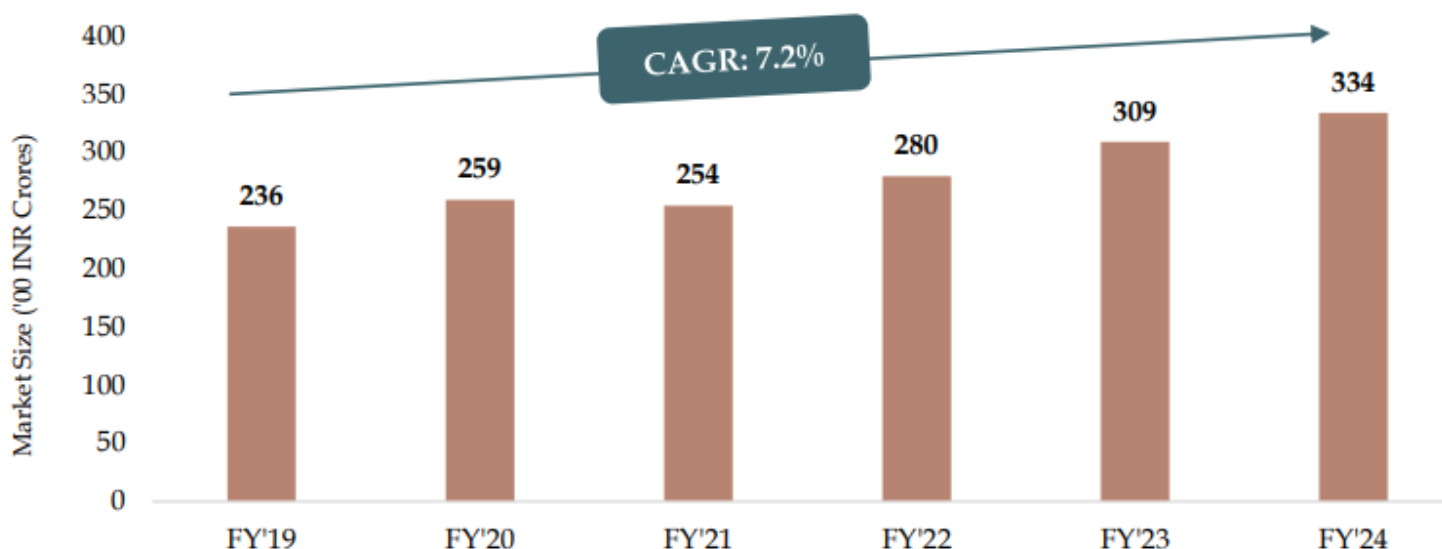
The sector is steadily witnessing high demand for electricity, driven by rapid industrialization, with manufacturing and infrastructure projects requiring substantial power; urbanization, as cities expand and consume more energy for residential and commercial use; and an improving standard of living, leading to increase per capita electricity consumption and greater adoption of electrical appliances and technologies.

Indian Power Transformer Industry Overview -

The power transformer market in India has grown from INR 236.2 hundred crores in FY'19, reaching INR 334.0 hundred crores in FY'24. This growth is primarily fueled by the government's aggressive push towards electrification and renewable energy integration, alongside the modernization of aging power systems. Additionally, India's commitment to renewable energy necessitates a robust grid infrastructure capable of integrating intermittent sources like solar and wind, driving the demand for both traditional and smart transformers.

The Indian transformer industry is also witnessing significant technological advancements. The integration of digital solutions enables enhanced monitoring and maintenance capabilities, improving the reliability and efficiency of power distribution.

India Power Transformer Market Size on the Basis of Revenue in Hundred INR Crores, FY'19 - FY'24



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

(Source: RHP)

Key Management -



Key Management Persons Name -	Keyur Girishchandra Shah
Age	47
Designation	Promoter, Chairman and Managing Director, 16 years of experience
Qualification	Diploma in Civil Engineering
Responsibility	overseeing & controlling the overall administration and finance.
Other Directorships	Yash Swisstech Private Limited
Key Management Persons Name -	Twinkle Keyur Shah
Age	45
Designation and No. of years of experience	Non-Executive Director, 7 years of experience
Qualification	Bachelor of Commerce
Responsibility	-
Other Ventures	Yash Swisstech Private Limited
Key Management Persons Name -	Suril Saumil Mehta
Age	35
Designation and No. of years of experience	Independent Director, 12 years of experience in Finance
Qualification	Chartered Accountant
Responsibility	-
Other Directorships	KJC Management Private Limited
Key Management Persons Name -	Hartmuth Udo Erich Fethke
Age	73
Designation and No. of years of experience	Non-Executive Director, 26+ years of experience
Qualification	Qualified main examination of Electronics Technology of Engineering College.
Other Directorships	-
Key Management Persons Name -	Rabindra Nath Nayak
Age	69
Designation and No. of years of experience	Independent Director, 24 years of experience
Qualification	Bachelor of Science (Electrical Engineering)
Other Directorships	
Key Management Persons Name -	Sanjoy Kumar Goel
Age	61
Designation and No. of years of experience	Independent Director, 34+ years of experience
Qualification	Chartered Accountant and Certified Associate of Indian Institute of Bankers
Other Directorships	Carnelian Capital Private Limited

- The overall management of the company is decent.
- The promoter and management have decent experience in the industry.
- Sumit Poddar is the Chief Financial Officer of the Company. He has cleared the final examination of Institute of Cost and Works Accountant of India and has more than 17 years of experience in industries across Pharma & Life Science, Procurement, Project Financing and Investment Banking. He plays a strategic financial advisory role to MD, overseas overall financial planning.

FINANCIAL SNAPSHOT

Statement of Profit and Loss Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	6,505.71	9,036.21	10,848.08	2,762.88
Other Income	32.19	24.95	64.17	14.96
Total Income	6,537.90	9,061.16	10,912.25	2,777.84
Expenses				
Cost of Material Consumed	3,798.69	5,122.61	6,170.11	1,415.67
Changes in Inventory, Finished Goods, and Work in Progress	-72.60	-80.80	-150.35	105.19
Employee Benefit Expenses	565.19	1,019.24	1,188.72	282.29
Finance Cost	103.62	114.42	206.99	46.92
Depreciation and Amortization Expenses	138.05	202.82	222.54	59.69
Other expenses	763.28	1,059.44	1,624.52	437.25
Total Expenses	5,296.23	7,437.73	9,262.53	2,347.01
EBITDA	1,451.15	1,915.72	2,015.08	522.48
EBITDA Margin	22.31%	21.20%	18.58%	18.91%
Profit/(Loss) before tax	1,241.67	1,623.43	1,649.72	430.83
Tax Expense				
Current tax	378.10	486.93	449.53	124.46
Deferred Tax	-7.64	-5.73	-6.08	-6.38
Total Tax	370.46	481.20	443.45	118.08
Profit/(Loss) for the year	871.21	1,142.23	1,206.27	312.75
Net Profit Margin	13.39%	12.64%	11.12%	11.26%

Statement of Assets and Liabilities Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Jun-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	307.59	307.59	307.59	738.21
Reserves and surplus	2,143.06	2,900.62	3,905.86	3,787.99
Total Equity	2,450.65	3,208.21	4,213.45	4,526.20
2. Non-current liabilities				
Long-term borrowings	382.54	424.11	495.53	556.88
Long-term provisions	27.63	45.95	51.30	63.40
Other Long-term Liabilities	2.07	2.47	8.94	10.54
Total Non-current liabilities	412.24	472.53	555.77	630.82
3. Current liabilities				
Short-term Borrowings	361.95	353.49	212.11	700.09
Trade Payables				
(i) Total outstanding dues of MSME	79.77	87.66	65.40	102.63
(ii) Total outstanding dues of creditors other than MSME	692.74	1,344.61	1,510.79	1,291.78
Other Current Liabilities	233.07	391.59	423.90	663.98
Short-term provisions	85.41	56.50	57.89	168.87
Total Current liabilities	1,452.94	2,233.85	2,270.09	2,927.35
Total Liabilities	1,865.18	2,706.38	2,825.86	3,558.17
Total Equity and Liabilities	4,315.83	5,914.59	7,039.31	8,084.37
ASSETS				
1. Non-current assets				
Property Plant & Equipment's	1,438.99	1,663.92	1,817.89	1,792.54
Intangible Assets	9.48	8.40	18.03	17.41
Capital Work-In-Progress	19.36	-	494.80	974.72

Particulars	FY 22	FY 23	FY 24	Jun-24
Intangible Assets Under Development	-	-	13.50	84.30
Deferred Tax Assets (Net)	13.05	18.78	24.86	31.25
Long-term Loans and Advances	-	90.00	402.58	327.89
Other Non- current Assets	27.74	136.78	376.16	76.16
Total Non-Current assets	1,508.62	1,917.88	3,147.82	3,304.27
2. Current assets				
Inventories	1,239.18	1,641.03	2,127.34	2,252.01
Trade Receivables	945.31	1,644.39	1,252.32	1,692.94
Cash & Cash equivalents	548.84	600.97	263.88	454.75
Short term loans and advances	73.87	110.32	247.92	380.39
Total Current assets	2,807.20	3,996.71	3,891.46	4,780.09
Total Assets	4,315.82	5,914.59	7,039.28	8,084.36

Cash Flow Statement

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	727.90	912.22	1,026.64	258.38
Net Cash Flow from Investing Activities	-980.71	-411.43	-525.06	-977.81
Net Cash Flow from Financing Activities	283.25	-465.97	-477.97	502.40

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	3.93	5.16	5.45	EV/EBITDA	1.82	1.77	2.31
BV per share	79.67	104.30	136.98	Market Cap / Sales	6.41	4.61	3.84
Operating Ratios				P/E	37.15	28.29	26.79
EBITDA Margins	22.31%	21.20%	18.58%	Price to Book Value	1.83	1.40	1.07
PAT Margins	13.39%	12.64%	11.12%	Solvency Ratios			
Inventory days	69.71	66.47	71.77	Debt / Equity	0.30	0.24	0.17
Debtor days	53.04	66.42	42.14	Current Ratio	1.93	1.79	1.71
Creditor days	66.79	96.03	88.43	Quick Ratio	1.08	1.05	0.78
Return Ratios				Asset Turnover	1.51	1.53	1.54
RoCE	45.87%	46.54%	37.59%	Interest Coverage Ratio	12.67	14.97	8.66
RoE	35.55%	35.60%	28.63%				

PEER ANALYSIS -

Particulars	Yash Highvoltage Limited			Crompton Greaves Power and Industrial Solutions Limited			Hitachi Energy India Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	13.39%	12.64%	11.12%	10.58%	6.68%	5.96%	4.08%	2.09%	3.12%
EBITDA Margin	22.31%	21.20%	18.58%	15.17%	12.07%	10.58%	8.52%	5.91%	7.02%
RoCE	45.87%	46.54%	37.59%	22.87%	18.41%	16.23%	27.72%	14.63%	19.65%
ROE	35.55%	35.60%	28.63%	23.58%	16.39%	13.89%	17.96%	7.73%	12.04%
EPS (INR)	3.93	5.16	5.45	9.17	7.30	6.88	47.99	22.16	38.64
P/E	37.15	28.29	26.79	40.67	40.14	38.88	72.86	150.88	180.43

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is Indorient Financial Services Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

Indorient Financial Servies Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Chatha Foods Limited	34.00	56.00	March 27, 2024	140
2.	Plada Infotech Services Limited	12.36	48.00	October 13, 2023	26.6
3.	Canarys Automations Limited	47.03	31.00	October 11, 2023	38.8
4.	Newjaisa Technologies Limited	39.93	47.00	October 05, 2023	84.1
5.	Techknowgreen Solutions Limited	16.72	86.00	September 27, 2023	250
6.	eMudra Limited	412.79	256.00	June 01, 2022	947
7.	SecMark Consultancy Limited	15.04	135.00	October 01, 2020	125

The company has handled 7 mandates in the past four years (including the current year)

*CMP for the above-mentioned companies is taken as of 13th December 2024.

As per the offer document, from the above-mentioned mandates, SecMark Consultancy Limited was opened at a premium and the mandates have opened at premiums on the listing day.

Recommendation -

Yash Highvoltage Limited has been in the industry since 2002 and has good experience in the industry. The management overview of the company is decent.

The P/E on a post-IPO basis is around 33.87 times which makes it fairly priced compared to the peer companies.

Yash Highvoltage has extensive experience in the power industry, which is expected to grow significantly in the coming years. The company's revenue and net income improved in FY 2024, but its profitability margins declined. A peer, Crompton Greaves Power and Industrial Solutions Limited showed a similar trend, while Hitachi performed better, adding to the competition.

The power industry remains highly competitive, with well-established players dominating the market. Despite this, Yash Highvoltage has maintained a commendable performance. The company is planning significant capital expenditures funding from its net proceeds which will help in the growth of the company and increase the order book. A portion of net proceeds will focus on expanding capacity for its high-demand RIP product line.

While the company demonstrates strong potential, it faces risks such as high supplier and customer concentration.

Investors seeking long-term returns can **APPLY** for this company.

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