



# INOXGreen

ENERGY SERVICES LIMITED

**SECTOR - INFRASTRUCTURE DEVELOPERS & OPERATORS**



Issue Opens - **NOVEMBER 11 - NOVEMBER 15**

**Price Band**

**₹ 61 to ₹65**

**Face Value**

**₹10**

**Lot Size**

**230 SHARES**

**Issue Size**

**₹ 740.00 CR**

**Issue Type**

**BOOK BUILT**

**Retail (Min)**

**1 LOT**

**₹14030**

**Retail (Max)**

**13 LOT**

**₹194,350**

**RESEARCH@GANESHSTOCK.COM**

# Important Events

Issue Size	113,846,154 SHARES , ₹740.00 CR
Fresh Issue	56,923,077 shares , ₹370.00 Cr
Offer for Sale	56,923,077shares , ₹370.00 Cr

Basis of Allotment	Nov 18, 2022
Initiation of Refunds	Nov 21, 2022
Credit of Shares to Demat	Nov 22, 2022
Inox Green IPO Listing Date	Nov 23, 2022

## Promoters

- MANOJ SHAMBHU DIXIT ,( WHOLE-TIME DIRECTOR)
- MUKESH MANGLIK ( WHOLE-TIME DIRECTOR)
- VINEET VALENTINE DAVIS(NON-EXECUTIVE DIRECTOR)
- POOJA PAUL (CS & COMPLIANCE OFFICER)

Promoters collectively hold 93.84% of the Equity Share .

## ABOUT COMPANY

- Inox Green Energy is a leading wind energy operation and maintenance ("O&M") service provider in India. Our company is engaged in the provision of long-term O&M services for wind farm projects, especially the provision of O&M services for wind turbine generators ("WTG") and wind turbines. general infrastructure in wind farm supporting the relocation of power from those WTGs.
- The company's presence spans across Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Karnataka, Andhra Pradesh, Kerala and Tamil Nadu.
- The diagram below summarizes the general process from the production of WTG, for example, IWL, to the start of Inox Green Energy O&M services.

- It also enjoys the synergistic advantage of being a subsidiary of Inox Wind Limited (IWL), which is mainly engaged in wind turbine manufacturing and providing turnkey solutions by supplying wind turbines and offers a variety of services, including wind resource assessment, site acquisition, infrastructure development, wind turbine EPC and, through the company, providing long-term operation and maintenance services. for wind projects.

## **BUSINESS MODEL**

IGESL services are divided into two categories:

- **Operations Services:** IGESL has a dedicated O&M team in place to provide 24 hours / 24/7 for their customers 's wind farms . help ensure that their wind turbines produce the highest output possible. **Maintenance services:**Wind turbine maintenance is generally classified into predictive
- maintenance and reactive maintenance. In reactive maintenance, repairs are performed after a component fails, often resulting in extended downtime. In predictive maintenance, efforts are made to detect potential component failures in advance to quickly resolve any issues and minimize downtime.

## **OBJECTS OF THE FRESH ISSUE**

**THE NET PROCEEDS FROM THE ISSUE ARE PROPOSED TO BE UTILIZED BY THE COMPANY FOR THE FOLLOWING OBJECTS:**

- **GROSS PROCEEDS FROM THE FRESH ISSUE.**
- **REPAYMENT AND/OR PRE-PAYMENT, IN FULL OR PART, OF CERTAIN BORROWINGS AVAILED BY OUR COMPANY INCLUDING REDEMPTION OF NON-CONVERTIBLE DEBENTURES IN FULL.**
- **GENERAL CORPORATE PURPOSES.**

# TRACK RECORD OF FINANCIAL PERFORMANCE

- REVENUE FROM OPERATIONS ₹172.17, ₹172.25, ₹165.32, FOR THE FY2022, 21 & 20.
- THE GROWTH IN THE REVENUE FROM OPERATIONS HAS SHOWN NEGLIGIBLE GROWTH.
- OPERATING PROFIT WAS ₹100.26, ₹77.27, ₹95.35, FOR FY2022, 21 & 20.
- The EBITDA Margins was 52.7% , 41.48% & 55.39% for FY2022, 21 & 20.
- NET LOSSES WAS ₹-93.2, ₹-153.52, ₹-52.26, FOR FY2022, 21 & 20.
- FOR THE LAST THREE FINANCIAL YEARS, THE COMPANY REPORTED AVERAGE EPS AND RONW OF (0.78) AND (21.3)%, RESPECTIVELY.
- The Debt to Equity ratio has increased from 0.73 in FY20 to 0.99 in FY22.
- Operating Activity revenue was 409.24, 111.87 , 155.12 , Investing Cash Flow revenue was -307, -175, -53 , Financing Cash Flow revenue was -99, 80.43, -77.41 for the fY 2022, 21 & 20
- NET CASH REPORTED ₹2.38, ₹16.40, ₹24.68, FOR THE , FY2022 , 21 & 20.

# **STRENGTHS**

- Existing portfolio base is solid and diversified.
- An established track record, favorable national political support and a vision for future development.
- Reliable cash flow backed by long-term O&M contracts with high credit quality partners.
- Supported and driven by our parent company, IWL.
- Establish a supply chain in place.
- Strong and experienced management team.

# **RISKS**

- Totally dependent on Inox Wind Limited, the promoter of its operations, and if it has to choose another service provider for wind turbine O&M services, operate , financial situation and outlook may be affected.
- Technology failures or advancements could disrupt the operations.
- Demand for services depends primarily on demand for electricity.
- Reliance on external parts and components suppliers.
- It may be subject to penalties and other liabilities under the operation and maintenance contract for failure of the services it provides.

# Valuation and Outlook

THE IPO WILL OPEN AT A PRICE OF ₹61 TO ₹65 PER SHARE. THE IPO REQUIRES A VALUATION OF 32.7X EV/EBITDA AND 15.6X EV/SALES ON A FISCAL YEAR 22 BASIS, WHICH SEEMS EXPENSIVE FOR A LOSS-MAKING COMPANY.

NO LISTED COMPANY IN INDIA IS COMPARABLE IN EVERY ASPECT OF THEIR BUSINESS AND THE SERVICES THEY PROVIDE. THEREFORE, IT IS NOT POSSIBLE TO PROVIDE AN INDUSTRY COMPARISON FOR OUR COMPANY.

ALTHOUGH THE COMPANY HAS MADE A LOSS IN THE PAST TWO YEARS, THE GOVERNMENT'S PROMOTION OF GREEN ENERGY WILL HELP THE COMPANY GROW. A STRONG AND DIVERSIFIED PORTFOLIO, FAVORABLE DOMESTIC POLITICAL SUPPORT, FUTURE GROWTH, SUPPORT FROM LONG-TERM O&M CONTRACTS AND SUPPORT FROM PARENT COMPANY INOX WIND ARE POSITIVES. WHILE THE VALUATION LOOKS EXPENSIVE GIVEN THE CURRENT FINANCIAL SITUATION.

WE RECOMMEND "LONG TERM SUBSCRIPTION" ON THIS MATTER"