

Ujaas Energy Ltd.
Q4FY15 / FY15
Earnings Presentation



Executive Summary

- Ujaas Energy Ltd (UEL) founded Mr. Shyam Sunder Mundra and is run today along with his two sons, Mr. Vikalp Mundra and Mr. Anurag Mundra.
- Manufacturing transformers for more than 30 years, the company diversified into the generation of Solar energy and a Solar Power turn-key project called 'UJAAS' since 2010.
- UEL was listed on both BSE and NSE in October 2011.
- Company's market capitalization as on 31st March 2015 was around INR 3,390 Mn.

Company Overview



Business Mix



UJAAS

- 'UJAAS' is UEL's flagship brand for one stop comprehensive solar turn-key projects to any potential Solar Power Producer.

Solar Power Generation

- UEL also has around 15.4 MW of solar power plant under its own books.
- The Company sells this power to commercial properties in Madhya Pradesh.

Transformer Business

- Primarily engaged in manufacture of transformers up to 25MVA capacity at 132 KV class and automatic voltage controllers.

- **UJAAS** – UEL has set up more than 110 MW of Solar Power plants for several corporate and Individual clients like KRBL, SRS, Friends Group, Rockwell, Avon cycles, NALCO, SECI etc.
- **Solar Power Generation** - UEL sells its solar power to commercial consumers like hotels, malls, industries across Madhya Pradesh.
- **Transformers** – UEL was primarily engaged in Transformer business, supplies various types of transformers to clients across public sector companies such as Coal India, BHEL and also private sector companies.

Markets



Financials

- **Total Income** in FY15 reported at INR 1,133 Mn
- **EBITDA** in FY15 reported at INR 445 Mn; **EBITDA Margins** reported at 39.28%
- **Net Profit** in FY15 reported at INR 117 Mn; **PAT Margins** reported at 10.33%



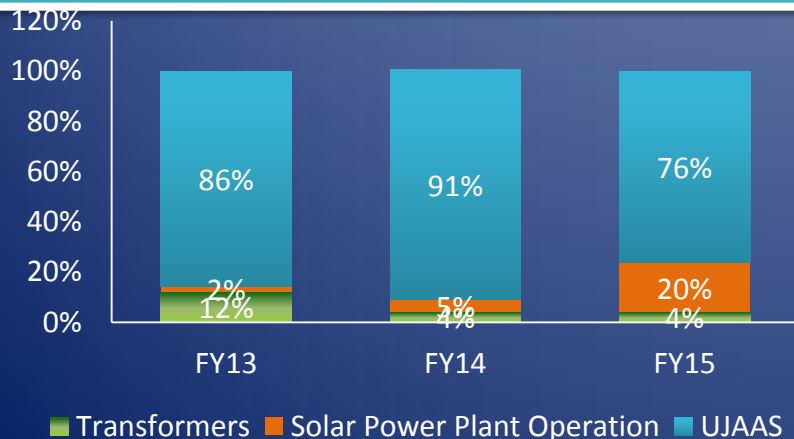


Company Overview

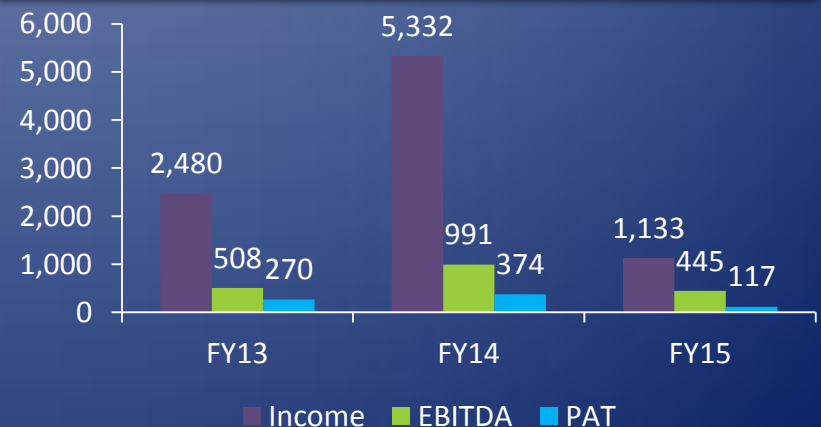
Summary

- Founded by **Mr. Shyam Sunder Mundra** in **1976**, as a sole proprietorship firm under the name of **M And B Switchgears Limited**. Effective from 19th August 2013, M And B Switchgears Limited was re-named as **Ujaas Energy Ltd**.
- Started with the manufacturing of panel meter for energy controlling & thereafter developed a technology to transform energy with the manufacturing of **Energy Transformers** viz. Distribution, Power & Furnace.
- Initially Ujaas Energy Ltd started with a capacity to manufacture 550 transformers per annum and have grown gradually to a capacity to manufacture more than **5000 transformers per annum**. Ujaas Energy Ltd sells its **transformers in more than 15 States of India**.
- Taking from its experience in the transformers and the utilities Industry, Ujaas Energy Ltd realized the huge potential in '**Green Energy**' and ventured into the generation of Solar Power. The company became pioneer in generation of green energy by becoming one of India's first public companies to enter into the **Solar Power generation and Solar Power Turnkey project management space**. Ujaas Energy Ltd also became the **first company to register under Solar-REC Mechanism**.
- Realizing the vast potential, Ujaas Energy Ltd erected and commissioned a 2.2 MW Solar Power Plant in March 2012 and has added another 13.2 MW in 2014 with the intention to divest at a suitable time and price.
- Ujaas Energy Ltd commissioned its first solar power turnkey project under its flagship brand '**UJAAS**' for M/s Gupta Sons (Jewellers, Bhopal) in March 2012. The company currently has more than **110 MW** of solar power projects under management.

Segmental Break up



Financial Performance (INR mn)



Performance Highlights

Q4 - FY15 Financial Performance:

- **Total Income*** reported at INR 503 Mn;
- **EBITDA** of INR 163 Mn; **EBITDA Margin** at 32.41%;
- **Net Profit** of INR 78 Mn; **PAT Margin** at 15.51%;
- **Diluted EPS** reported at INR 0.39 per equity share

Full Year FY15 Financial Performance:

- **Total Income*** reported at INR 1,133Mn;
- **EBITDA** of INR 445 Mn; **EBITDA Margin** at 39.28%;
- **Net Profit** of INR 117 Mn; **PAT Margin** at 10.33%;
- **Diluted EPS** reported at INR 0.59 per equity share

FY15 Key Highlights:

- The company has recommended a dividend of INR 0.05 per share (5%) on the fully paid-up 20,00,00,000 Equity Shares of Face Value of Re.1/- each for the financial year ended March 31, 2015
- Revenues have been depressed this year primarily for three reasons
 - The Ministry of Commerce had proposed to levy anti dumping duties on modules imported from the US, China, Malaysia and Chinese Taipei. This proposal was rejected by the Ministry of Finance on August 25th.
 - The price band of Solar Renewable Energy Certificates ('REC') were Rs. 9,300 and Rs. 13,400 which restricted obligated entities from meeting their Renewable Purchase Obligation ('RPO'). The floor and forbearance prices were revised to Rs. 3,500 and Rs. 5,800 from January 2015. Ever since, REC trading has seen three consecutive record high sessions for the months of January, February and March 2015.
 - The clear and prolonged lack of enforcement from the central government for the obligatory entities to purchase the required Renewable Energy Certificates.

Regulatory Highlights

Regulatory Updates

- In a recent judgement by the Appellate Tribunal for Electricity, the Tribunal has given various directions to State/Joint Commissions:
 - State Commissions shall decide the RPO targets before commencement of Multi-Year Tariff period. Further, distribution licensees should have preferential tariff for procurement of renewable energy in place before the beginning of the respective financial year.
 - The State Commissions shall obtain proposal with supporting documents for renewable energy procurement by the distribution licensee as part of the tariff petition for the ensuing year/Annual Performance Review for the current year as per the RPO Regulations. If the distribution licensee is not able to tie up procurement of renewable energy to meet the RPO target, it may plan to purchase RECs to meet its RPO target if market conditions are more favourable for it.
 - Monitoring of compliance of the RPO should be carried out periodically. State Commissions may review the RPO performance of distribution licensees after the end of each financial year and give directions accordingly.
 - Carry forward/review should be allowed strictly as per the provisions of the Regulations keeping in view of availability of REC. In case of default in fulfilling of RPO by obligated entity, the penal provisions as provided for in the Regulations should be exercised.
 - State Commissions are bound by their own Regulations and they must act strictly in terms of their Regulations.
 - Provisions in Regulations like power to relax and power to remove difficulty should be exercised judiciously under the exceptional circumstances, as per law and should not be used routinely to defeat the object and purpose of the Regulations.

Regulatory Highlights

Regulatory Updates

- In a landmark judgement by the Supreme Court, the Supreme Court upheld the Rajasthan Electricity Regulatory Commission's decision forcing the appellants to procure stipulated amounts of renewable energy or pay surcharge on non-fulfilment of the obligation.
- The implications of this judgement will have far reaching consequences with regard to enforcement of Renewable Purchase Obligations ('RPO').
 - **Stay by HC in various states may become redundant:** Till date, the enforcement of RPO regulations has been lax due to various reasons. One of the reasons has been the stay granted by various High Courts like in the case of Gujarat (recently vacated), MP and Tamil Nadu, among others. With the Supreme Court now ruling in favour of imposition of RPO, similar cases pending in lower courts may become redundant.
 - **Enable stronger enforcement:** Further, the order is likely to provide support to the state electricity regulators to impose RPO regulations more forcefully and effectively
- Further, the Supreme Court upheld the RPO regulations stating that:
 - Imposing RPO is desirable in the larger public interest
 - RPO applicability on captive and open access consumers is well within the ambit of the Electricity Act 2003
 - Cost of fulfilling the obligation cannot be held above the larger public interest

Quarterly Financial Performance

Particulars (INR. Mn)	Q4FY15	Q4FY14	Y-o-Y
Total Income *	503	2,418	(79.2)%
Operating Expenses	340	1,885	(82.0)%
EBITDA	163	533	(69.4)%
EBITDA M(%)	32.41%	22.04%	1,037 bps
Finance Cost	51	41	24.4%
Depreciation	20	23	(13.0)%
Profit Before Tax	92	469	(80.4)%
Current Tax	20	109	(81.7)%
Deferred Tax	(6)	159	(103.8)%
Profit After Tax	78	201	(61.2)%
PAT M(%)	15.51%	8.31%	720 bps
Diluted EPS(INR)	0.39	1.00	(61.0)%

*includes other income

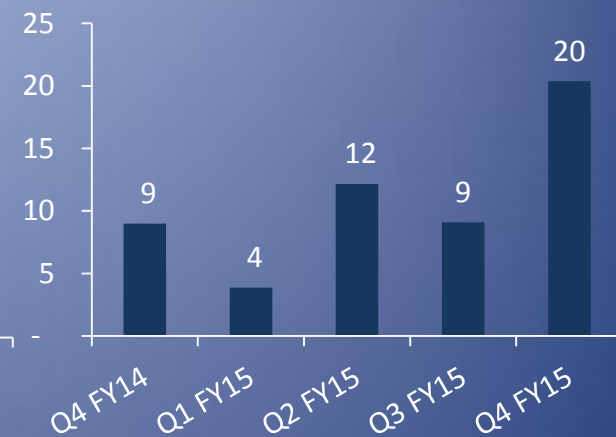
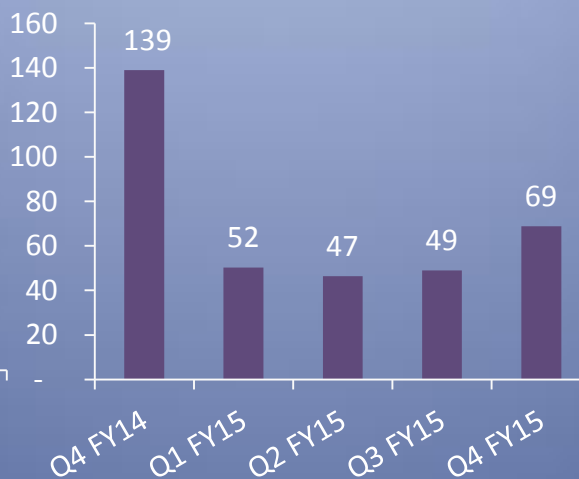
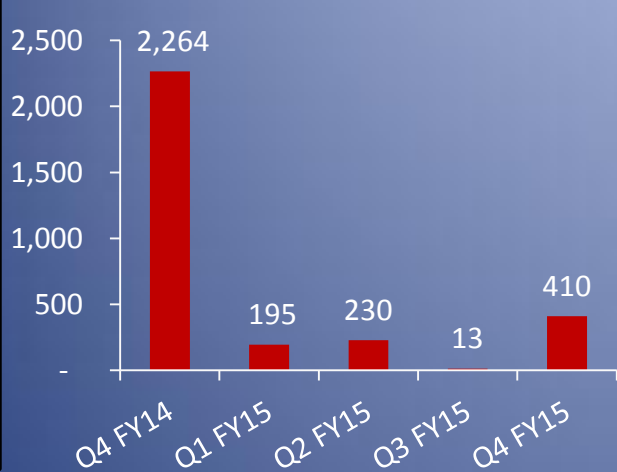
Quarterly Performance - Segmental

UJAAS

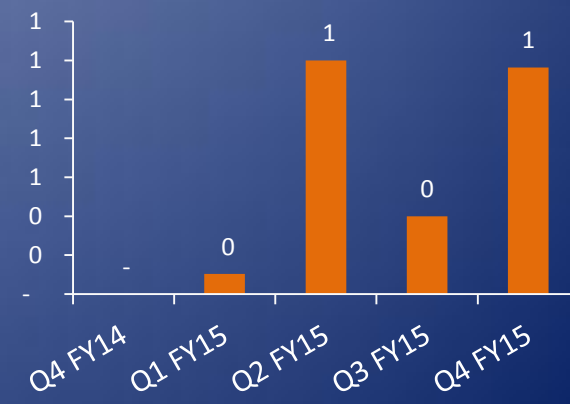
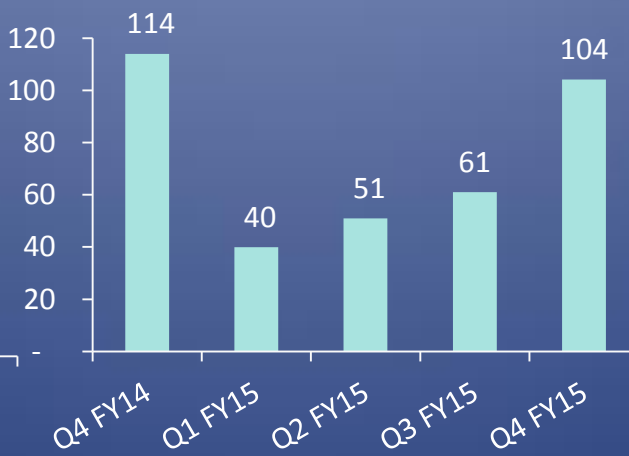
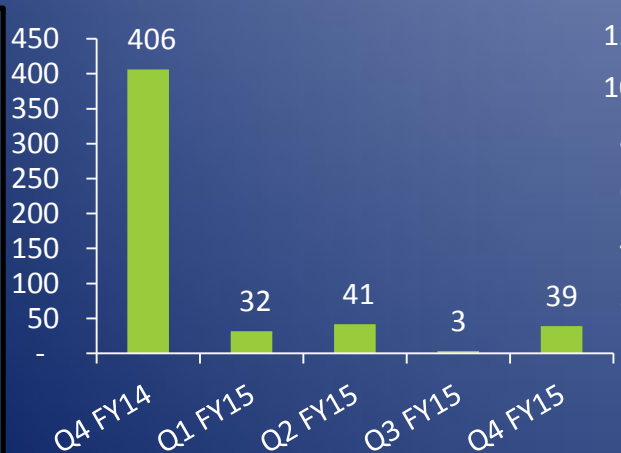
Solar Power Plant Operation

Transformers

Net Revenue (INR mn)



EBIT (INR mn)



FY15 Standalone Financial Performance

Particulars (INR. Mn)	FY15	FY14	Y-o-Y
Total Income *	1,133	5,332	(78.8)%
Operating Expenses	688	4,341	(84.2)%
EBITDA	445	991	(55.1)%
EBITDA M(%)	39.28%	18.58%	2,070 bps
Finance Cost	180	91	97.8%
Depreciation	81	47	72.3%
Profit Before Tax	184	853	(78.4)%
Current Tax	39	189	(79.4)%
Deferred Tax	28	290	(90.3)%
Profit After Tax	117	374	(68.7)%
PAT M(%)	10.33%	7.01%	332 bps
Diluted EPS(INR)	0.59	1.87	(68.4)%

*includes other income

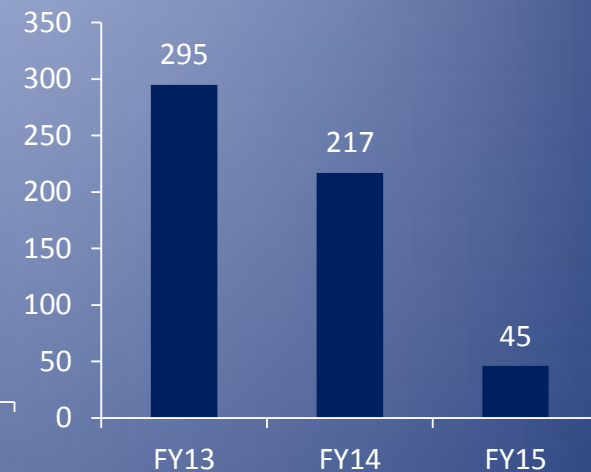
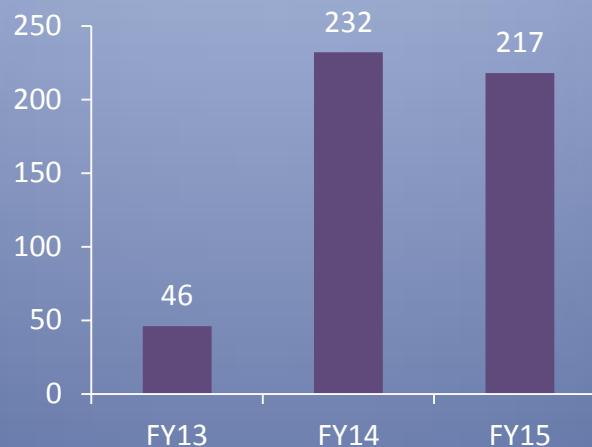
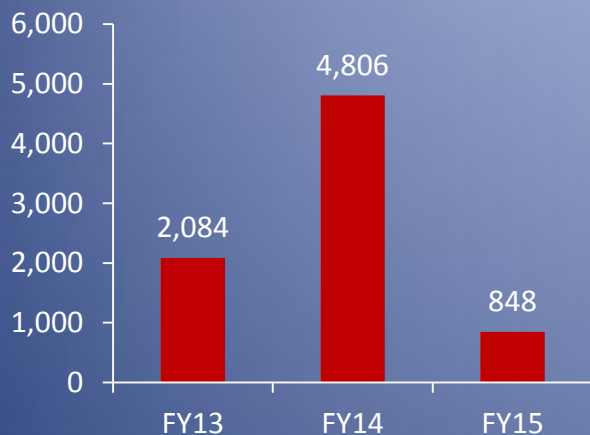
FY15 Performance - Segmental

UJAAS

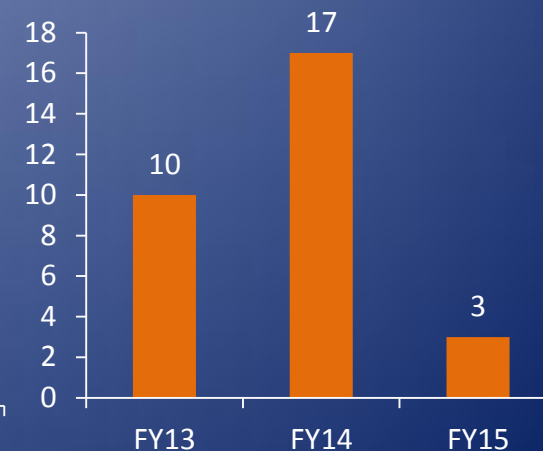
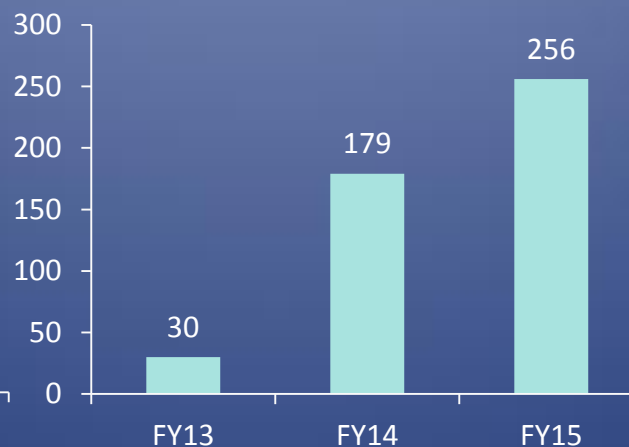
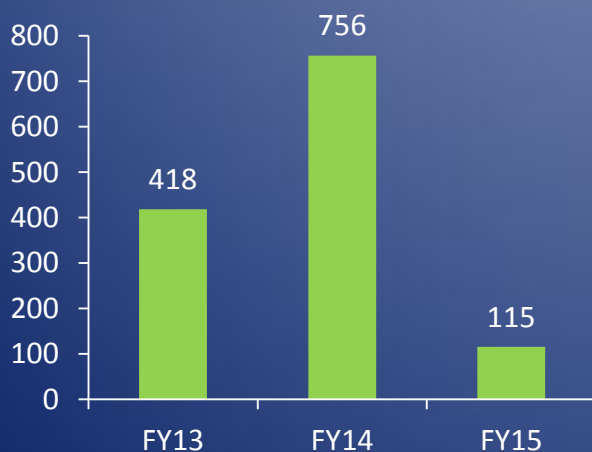
Solar Power Plant Operation

Transformers

Net Revenue (INR mn)



EBIT (INR mn)



Historical Standalone Income Statement

Particulars (INR. Mn)	FY11	FY12	FY13	FY14	FY15
Total Income *	339	370	2,480	5,332	1,133
Operating Expenses	305	336	1,972	4,341	688
EBITDA	34	34	508	991	445
EBITDA Margin (%)	10.03%	9.19%	20.48%	18.58%	39.28%
Finance Cost	19	10	50	91	180
Depreciation	3	4	19	47	81
Profit Before Tax	12	20	439	853	184
Taxation	4	11	169	479	67
Profit After Tax	8	9	270	374	117
PAT Margin (%)	2.36%	2.43%	10.89%	7.01%	10.33%
Diluted EPS (INR)	0.04	0.05	1.35	1.87	0.59

*includes other income

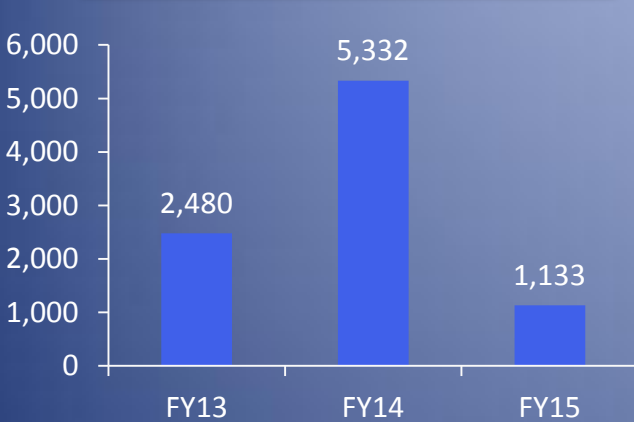
Standalone Balance Sheet

	Particulars (INR Mn)	FY13	FY14	FY15
A	EQUITIES & LIABILITIES			
Part-1	<u>Shareholder Funds</u>			
	(a) Share Capital – Equity	200	200	200
	(b) Reserves & Surplus	1,101	1,428	1,533
	Total - Shareholder Funds	1,301	1,628	1,733
Part-2	<u>Non-Current Liabilities</u>			
	(a) Long term Borrowings	210	1,112	994
	(b) Long term Provisions	1	1	1
	(d) Deferred Tax Liability	90	379	407
	Total - Non – Current Liabilities	301	1,492	1,402
Part-3	<u>Current Liabilities</u>			
	(a) Short-Term Borrowings	15	92	1
	(b) Trade Payables	805	1,431	344
	(c) Other Current Liabilities	92	142	138
	(d) Short-term provisions	69	181	16
	Total – Current Liabilities	981	1,846	499
A	GRAND TOTAL	2,583	4,966	3,634

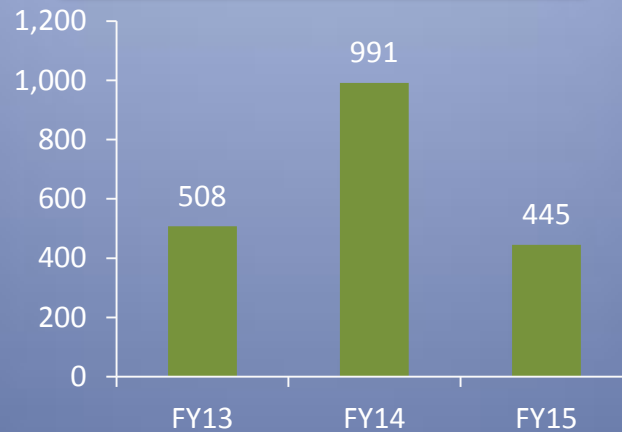
	Particulars (INR Mn)	FY13	FY14	FY15
B	ASSETS			
Part -1	<u>Non-Current Assets</u>			
	Fixed Assets			
	(a) Tangible Assets	400	1,904	1,828
	(b) Intangible Assets	0	3	2
	(c) Capital Work-in-Progress	122	-	NA
	(d) Intangible Assets under development	3	0	NA
	(e) Long Term Loans & Adv.& other current assets	370	29	41
	Total - Non – Current Assets	895	1,936	1,871
Part-2	<u>Current Assets</u>			
	(a) Inventories	255	423	637
	(b) Trade Receivables	870	1,770	824
	(c) Cash and Bank Balances	376	654	160
	(d) Short-term loans and advances	175	168	121
	(e) Other current assets & Current Investments	12	15	21
	Total – Current Assets	1,688	3,030	1,763
B	GRAND TOTAL	2,583	4,966	3,634

Financial Performance

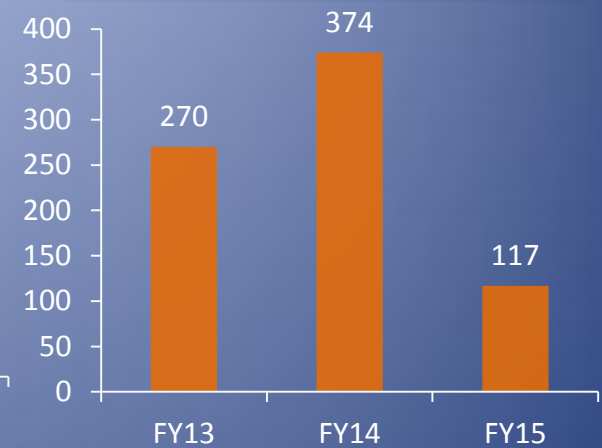
Income (INR Mn)



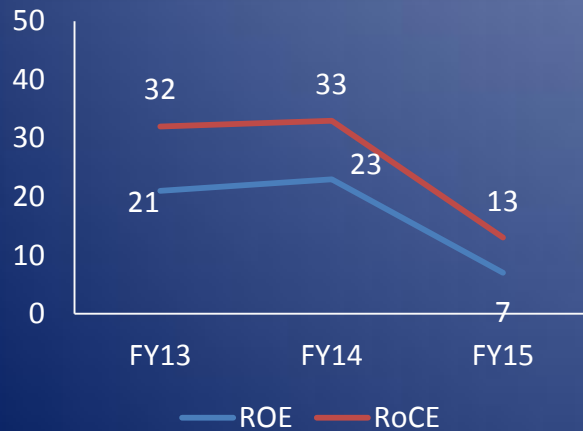
EBITDA (INR Mn)



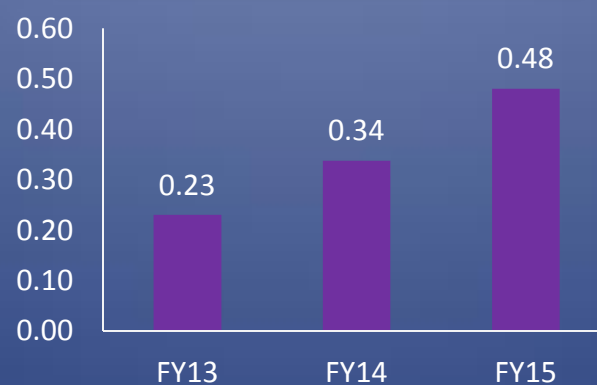
PAT (INR Mn)



ROE & RoCE (%)



Net Debt Equity (x)



Book Value per Share (INR)



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