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Title : Ujaas Gets More Shine, Experts Feel it's a Buy

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# Ujaas Gets More Shine, Experts Feel it's a Buy

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**Mumbai:** The climate may be getting colder, but companies affiliated to the solar power generation industry are getting a lot of warmth recently. Shares of Ujaas Energy gained 11.82% to ₹34.05 on Tuesday after it received an order from Airports Authority of India (AAI), and better than expected September quarter results. Ujaas Energy could be a good long-term bet according to analysts who advise investors to accumulate on every dip.

"It's a good time for retail investors to enter this counter as the stock price is not perfectly reflecting the order volumes that the company is getting," said Ankit Soni, analyst at Karvy Stock Broking. "The stock will fetch good returns as we expect demand to pick up." Soni expects EBITDA and PAT margins to improve to 14.6% and 8.9%, respectively, by FY18.

Ujaas received an order for design, manufacturing and commissioning of rooftop grid-connected



## EARNINGS BOOST



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solar photovoltaic system on Tuesday. It reported a net profit of ₹9.7 crore for the September quarter on Friday versus ₹3.3 crore a

year ago, much ahead of analyst expectations.

JP Morgan India Mid & Smallcap fund owns 1.15% in the company. Since the first week of March, Ujaas Energy shares have gone up by 47% compared to a 17.46% gain in the broader index, Sensex. The BSE Smallcap index rose by 38% during the same period. The stock is currently trading at 25 times its trailing 12-month earnings as against one year average of 26.

"Rooftop solar projects awarded by AAI are good for the company though it is a small in size. However, this could help them to get many more such projects in the rooftop solar space," said Soni of Karvy.

Ujaas is said to be the biggest player in the erection, positioning and commissioning (EPC) space. With the government's increased projections on solar power production, specifically a capacity target of 48 GW generation by early 2019, the company is positioned well to receive big orders in the absence of many other players in the EPC space according to analysts.