

Rating: Subscribe for Listing Gain

Issue Offer

Fresh Issue of 2,772,800 Equity shares aggregating up to INR 499.10 Mn

Issue Summary

Price Band (INR)	171-180
Face Value (INR)	10
Implied Market Cap (INR mn.)	1,815.1
Market Lot	800
Issue Opens on	Oct,16,2024
Issue Close on	Oct,18,2024
No. of share pre-issue	7,311,120
No. of share post issue	10,083,920
Listing	NSE,SME

Issue Break-up (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	50%

Registrar

Kfin Technologies Limited

Book Running Lead Managers

GYR Capital Advisors Private Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	95.47%	69.22%
Public & Others	4.53%	30.78%

Objects of the issue

- Prepayment or partial repayment of outstanding company borrowings.
- Funding WC requirements of the Company
- General corporate purposes

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Lakshya Powertech Ltd. has evolved from a freelancing consultancy in power generation to a multifaceted player in the Engineering, Procurement, Construction, and Commissioning (EPCC) space, with a strong presence in the Oil & Gas, Power, Renewable Energy, and Industrial sectors. Its expertise spans from EPCC services to Integrated Operation and Maintenance (O&M) solutions, ensuring sustained efficiency of client assets. With a global footprint, highlighted by an EPC contract in Malaysia's renewable energy sector, LPL has executed over 138 projects totaling INR 2,684.3mn, with 45 ongoing projects worth INR 4,319.9mn as of August 2024. The company remains focused on expanding its portfolio through competitive bidding, maintaining a commitment to operational excellence.

Investment Rationale

Project Management Excellence Driving Effectively : Design, engineering, procurement, construction, and EPC services are all included in the company's extensive project management knowledge, which gives us a huge competitive advantage. They provide exceptional quality and safety for every project by continuously upholding standards. Their ability to meet or surpass client expectations is facilitated by strict safety procedures combined with an emphasis on economy and timely completion. The organization is better able to offer results that are high-quality and on schedule while adhering to efficiency, safety, and health standards thanks to this integrated approach.

Robust Order Book Growth Driven by Strong Pre-Qualification Credentials: A strategic focus on acquiring high-margin projects across a variety of industries and geographies is shown by the company's notable order book increase over the last three years. Their primary goal is to increase contract profitability, but they are not only concerned with growing their order book. With the ability to bid on EPC projects with a contract value of up to INR 290.00 Lakhs, the company's improved pre-qualification credentials have been a major factor in its growth. This heightened capacity for pre-qualification has grown. Market segment that the organization targets, adding to the order book's momentum.

Diversified Operations Across Industries and Geographies: Advanced technological integration and careful engineering are the cornerstones of the company's experience in providing full EPC services, especially for the oil and gas industry. They guarantee accuracy and quality throughout the project lifespan, from sophisticated system installation to civil and structural design. Project value is further increased by a stringent procurement procedure that prioritizes vendor certification and cost reduction. They minimize risks by diversifying into different industries and geographical areas and lowering their dependency on certain markets or economies by upholding strict HSE regulations and sustaining operational excellence.

Proactive Bidding Strategy Driving Business Development: A proactive approach to bidding on high-value projects in both the public and private sectors has strengthened the Company's corporate development plan. They have greatly improved the company's participation in tenders, evaluating projects worth over INR 2,684.3mn in the last eight years, by leveraging their strong pre-qualification credentials and considerable experience in EPCC. They are in charge of projects that are worth INR 2,659.5mn as of August 2024. The company's ability to take advantage of possibilities that complement its expertise and build stronger client connections while preparing itself for long-term growth in a dynamic industry is made possible by its strategic focus on growing its project pipeline.

Valuation and View : With a strong focus on efficiency, quality, and safety, Lakshya Powertech Ltd. maintains a competitive advantage through project management experience that encompasses design, engineering, procurement, and EPC services. Acquiring high-margin projects in a variety of industries has been made possible by their strong pre-qualification credentials, which have enabled substantial order book development. Their proactive bidding strategy, particularly in the oil and gas sector, has expanded their market reach, with ongoing projects valued at INR 2,659.5mn (~4.5x of FY24 revenue). This strategic focus on quality and diversification positions the company for sustained growth and enhanced profitability. At the upper band of INR 180, the issue is valued at a P/E ratio of 11.58x, based on a FY24 EPS of INR 15.55. We are recommending a "Subscribe for Listing Gain" for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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