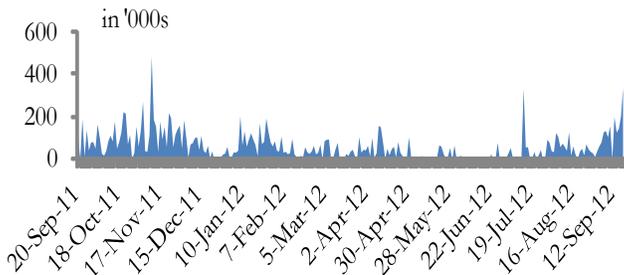


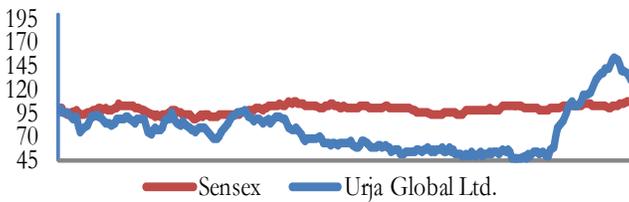
**Equity Statistics**

Current Market Price	Rs.	50.1
52 Week High / Low	Rs.	61/16.5
Market Capitalisation	Rs. crores	208.7
Free Float	Rs. crores	133.3
Dividend Yield	%	-
One Year Regression Beta	Times	0.78

**BSE Volumes Trend - Average = 61.62 Thousand**

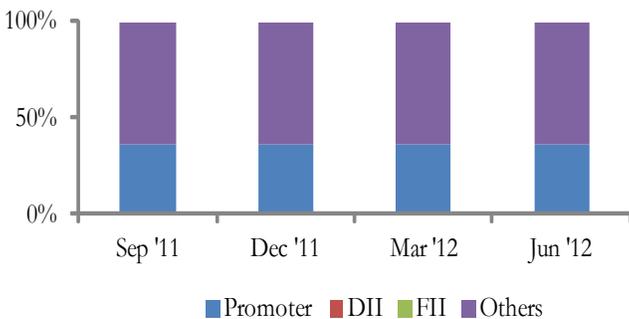


**Relative Returns**



Returns (%)	1M	3M	6M	1Yr
Absolute	14%	149%	102%	29%
Relative to Sensex	11%	128%	89%	20%

**Shareholding Pattern**



**Business Summary**

Urja Global Limited (Urja) is a vertically integrated company operating in the power sector. It is into the business of providing on-grid and off-grid power solutions through solar energy. It is engaged in power generation, coal trading, engineering, procurement and construction (EPC), and development. The company's products include solar street lights, solar water heaters, solar lantern and portable light, solar panels, solar home lighting system, solar battery charger and solar cookers. Its projects include solar projects, hydro projects and thermal projects. The company is listed on the Bombay Stock Exchange. In FY12, Urja reported net sales of Rs.105.5 crore and net profit of Rs.0.7 crore. Geographically, the Indian market continues to be the only market contributing to 100% of net sales in FY12.

Core strength for Urja is its strong brand positioning and state-of-the-art manufacturing capabilities that help the company to leverage its position in domestic market. The company is well positioned to receive special incentives from the Government of India (GOI). Key risks are in terms of high dependency on Government spending and reduction in, or elimination of subsidies and economic incentives for on-grid solar energy applications. Going ahead, the company plans to explore coal mining, trading of solar products, power distribution, etc. in its endeavor to become "an integrated Power Major".

Urja is currently trading at 294.7 times FY12 EPS and 1.9 times adjusted book value.

**Board of Directors**

Person	Role	Qualification
Puneet Mohlay	Chairman, NED	FCA
Aditya Venketesh	WTD	MBA
Vishnu Gupta	ED, WTD	MBA, BE (Electricals)
Yogesh Kumar Goyal	WTD	M.Com
Rajesh Kumar Gupta	NED, Independent	CS, ICWA
Harijanto Soepangkat Widjaja	NED, Independent	BSc (Electricals)

Source: AR and CARE Research

Note: MD: Managing Director, WTD: Whole time Director ED: Executive Director, NED: Non Executive Director,

Source: BSE, Capitaline and CARE Research

## Background

Urja Global Limited is a vertically integrated company operating in the power sector. It is into the business of providing on-grid and off-grid power solutions through solar energy. It operates power generation, coal trading, engineering, procurement and construction (EPC), and development. The company's products include solar street lights, solar water heaters, solar lantern and portable light, solar panels, solar home lighting system, solar battery charger and solar cookers. Its projects include solar projects, hydro projects and thermal projects. It has undertaken solar projects in Haryana, Gujarat, Rajasthan and Andhra Pradesh. Its hydro projects include a 250 megawatt Hydro Electric Power Project in Arunachal Pradesh, and a 200 megawatt Hydro Electric Power Project in Meghalaya. Urja Global Ltd, a public limited company incorporated in the year of 1992, is listed on the Bombay Stock Exchange and is seeking further listing at the NSE and Luxembourg Stock Exchange.

The company does not have any plant till date; however, it is developing a 100-megawatt coal-based power plant near Jamtara district of Jharkhand.

## Business overview

Urja derives its revenue primarily from electricity generating projects and generating equipment. The company develops and manages hydroelectric and thermal power plants, and manufactures photovoltaic modules. Geographically, the Indian market continues to be the only market contributing 100% of net sales in FY12.

## Strengths and growth drivers

- Core strength for Urja is its strong brand positioning and state-of-the-art manufacturing capabilities that help the company to leverage its position in the domestic market.
- Committed and experienced promoters with demonstrable track record.
- Well positioned to receive special incentives from the GOI.

## Risk and concerns

- Limited availability of resources.
- High dependency on Government spending.
- Reduction in, or elimination of, subsidies and economic incentives for on-grid solar energy applications.

## Future strategy and expansion plans

- The company plans to launch various power generation projects with a total capacity of 1,000 mw across the country by the year 2020, viz. Solar energy project - to provide off-grid power solutions through Solar energy products for domestic as well as commercial sectors; Thermal project – by using coal, petroleum and natural gas to produce thermal electricity and Wave energy project – waves are generated by wind passing over the surface of the sea, as long as the waves propagate slower than the wind speed just above the waves, there is an energy transfer from the wind to the waves, thereby generating energy.
- To explore coal mining, trading of solar products, power distribution, etc. in its endeavor to become “an integrated Power Major”.

## Industry outlook

The Indian Power Generation is the most important link in the power industry value chain. The Indian Government has been giving priority to power sector while fixing the Five Year Plan outlays. As a result, the installed generation capacity in India has grown from a mere 1.3 giga watt (GW) at the time of Independence to more than 200 GW in 2012. Along with the growth in installed generation capacity, there has also been a phenomenal increase in the transmission and distribution (T&D) capacity. Despite these achievements, the power sector capacity addition has not kept pace with the growth in demand, resulting in a near double digit deficit. India is world's 6th largest energy consumer behind U.S., China, European Union, Japan and Russia, accounting for 3.4% of global energy consumption. The Power ministry has revised its target capacity addition to 76 GW for the XIIth five year plan (2012-17) from 100 GW considering strong headwinds such as coal and gas shortage and expensive coal imports faced by Indian Power generation sector.

Being a tropical country, India has huge potential for solar power generation and as per Government estimates; India receives 5,000 tn kWh per year, with most parts of the country receiving 4-7 kWh per square meter per day. In terms of all renewable energy, India is currently ranked fifth in the world with 15,691.4 MW grid connected and 367.9 MW off-grid renewable energy-based power capacity. India's total thermal power generation grew at a healthy pace and achieved yoy growth of 8.1% in 2011-12. This is primarily on account of higher private capacity addition in 2011-12. CARE Research believes that coal-

based capacity additions are expected to dominate in 2012-13 too, the coal requirement is estimated to go up substantially; however, as Coal India is unable to supply domestic coal; it may result in substantial rise in coal imports. In the year 2011-12, nuclear power generation achieved remarkable growth rate of 22.9% due to improved availability of nuclear fuel after signing Indo-U.S. nuclear treaty.

Peer comparison	Year ended March 31, 2012		
	Urja	Websol	Orient
<b>Income statement (Rs. Crore)</b>			
Total income	105.5	146.2	30.5
Net sales	105.5	143.3	7.8
EBITDA	1.2	(177.7)	(20.1)
Ordinary PAT	0.7	(234.2)	(5.4)
Adjusted PAT	0.7	(175.5)	(5.4)
<b>Per share data (Rs.)</b>			
Adjusted BVPS	26.1	NM	24.1
Diluted EPS	0.2	NM	NM
<b>Growth (Y-o-Y) (%)</b>			
Growth in total income	22.2	(18.0)	70.9
Growth in net sales	23.1	(15.3)	-
Growth in EBITDA	28.7	NM	104.2
Growth in adjusted PAT	41.2	NM	NM
Growth in EPS	41.7	NM	NM
<b>Profitability ratio (%)</b>			
EBITDA margin	1.1	NM	NM
Adjusted PAT margin	0.7	NM	NM
<b>Valuation ratios (Times)</b>			
Price/EPS (P/E)	294.7	NM	NM
Price/Book value (P/BV)	1.9	NM	0.5
Enterprise value (EV)/EBITDA	173.6	NM	NM

Source: BSE, Capitaline and CARE Research

Note: Websol: Websol Energy System Ltd., Orient: Orient Green Power Co. Ltd.

FY12 financials are based on abridged results

NM: Not Meaningful

Quarterly financials	Quarter ended June 30, 2012				
	Q1FY13	Q4FY12	Q3FY12	Q2FY12	Q1FY12
<b>Income statement (Rs. crore)</b>					
Total income	26.3	31.3	27.5	20.7	26.0
Net sales	26.3	31.3	27.5	20.7	26.0
EBITDA	0.3	0.2	0.5	0.2	0.3
Ordinary PAT	0.2	0.2	0.5	0.1	0.3
Adjusted PAT	0.2	0.2	0.5	0.1	0.3
<b>Growth (Q-o-Q) (%)</b>					
Growth in net sales	(16.1)	13.9	32.8	(20.3)	
<b>Profitability ratio (%)</b>					
EBITDA margin	1.0	0.6	1.8	0.8	1.3
Adjusted PAT margin	0.8	0.5	1.6	0.6	1.2

Source: BSE, Capitaline and CARE Research

## Financial analysis

- In FY12, Urja reported net sales of Rs.105.5 crore – up 23.1% y-o-y. Total income witnessed a growth of 22.2% during the same period.
- The company reported EBITDA margins and adjusted PAT margins of 1.1% and 0.7%, respectively, in FY12.
- Urja had negligible levels of leverage as on March 31, 2012. The total debt as on March 31, 2012 was at Rs.2.0 crore compared with an adjusted networth of Rs.108.5 crore.
- Urja exhibited a cash conversion cycle of around 15 days in FY12.
- Operating cash flows for the company has been positive in each of the last four years (*i.e. period considered for analysis*).
- The company has paid no dividend for FY12.

Annual financial statistics	FY08	FY09	FY10	FY11	FY12
<b>Income statement (Rs. crore)</b>					
Total income	0.0	0.5	49.7	86.3	105.5
Net sales	-	0.5	49.7	85.7	105.5
EBITDA	(0.1)	0.3	0.5	0.9	1.2
Depreciation and amortization	-	-	-	-	-
EBIT	(0.1)	0.3	0.5	0.9	1.2
Interest	-	-	-	0.2	0.2
PBT	(0.1)	0.0	0.5	0.8	1.0
Ordinary PAT	(0.1)	0.0	0.4	0.5	0.7
Adjusted PAT	(0.1)	0.0	0.4	0.5	0.7
<b>Balance sheet (Rs. crore)</b>					
Adjusted networth	2.8	2.6	43.9	43.8	108.5
Total debt	-	-	-	2.0	2.0
Cash and bank	0.1	0.0	0.1	0.1	0.4
Investments	-	-	-	-	-
Net fixed assets (incl. CWIP)	-	1.4	34.5	36.2	36.2
Net current assets (excl. cash, cash equivalents)	2.7	1.1	9.4	9.6	73.9
<b>Per share data (Rs.)</b>					
Adjusted BVPS	0.7	0.6	10.6	10.5	26.1
Diluted EPS*	-	0.1	0.1	0.1	0.2
DPS	-	-	-	-	-
<b>Growth (Y-o-Y) (%)</b>					
Growth in total income		1,175.0	9,639.2	73.8	22.2
Growth in net sales		NM	10,468.1	72.5	23.1
Growth in EBITDA		NM	50.0	95.8	28.7
Growth in adjusted PAT		NM	1,233.3	27.5	41.2
Growth in EPS		NM	11.1	20.0	41.7
<b>Key financial ratio</b>					
EBITDA margin (%)		NM	1.0	1.1	1.1
Adjusted PAT margin (%)		NM	0.8	0.6	0.7
RoCE (%)		NM	1.7	1.5	1.2
RoE (%)		NM	1.7	1.2	0.9
Gross debt - equity (times)	-	-	-	0.0	0.0
Net debt - equity (times)	-	-	-	0.0	0.0
Interest coverage (times)	-	-	-	5.5	6.7
Current ratio (times)	-	-	13.7	30.1	14.7
Inventory days	-	-	-	1.3	2.5
Receivable days	-	-	-	-	11.9

Source: BSE, Capitaline and CARE Research

Note: Financial Year (FY) refers to the period April 1 to March 31.

NM: Not Meaningful

## DISCLOSURES

- Each member of the team involved in the preparation of this grading report, hereby affirms that there exists no conflict of interest that can bias the grading recommendation of the company.
- This report has been sponsored by the BSE Investors' Protection Fund.

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