

SWELECT Energy Systems

Buy | Rs.140

Potential Multi-bagger in a Futuristic Business!

- SWELECT Energy Systems is an emerging solar products company and a leading solar project implementer. Earlier known as Numeric Power Systems, company sold its UPS business for Rs 837 Cr, paid tax of Rs.135 Cr and rewarded investors with 1,280% Dividend (Rs.128 per share – Rs.150 Cr including dividend tax).
- Project Lines and Project Capabilities of SWELECT
 - Solar PV Modules
 - Solar Charge Controllers
 - Solar Inverters
 - Solar On-grid Inverters
 - Grid Interactive Inverter Systems
 - Complete range of systems for SPV projects
 - SPV Hybrid Systems with Energy Storage
 - Roof Top and Utility Scale Projects
- SWELECT is aggressively building up its solar energy business but very conservative to spend its cash chest. It is sitting on significant cash reserves (over Rs.500 Cr) and valuable real estate assets in Chennai.
- Acquired 49% equity with board control in HHV Solar Technologies, a branded solar module manufacturing company in Bangalore. Further cost effective acquisitions in solar space are expected.
- Independent Power Production is another vertical for SWELECT – plans to set up 25 MW solar power every year. SWELECT also set up Solar Parks – two of them are initiated already.
- Promoter has a track record of creating wealth, unlocking value, sharing with minority shareholders and preserving wealth for all shareholders.
- Stock is priced at Rs.140, which is only a fraction of its real value! We are confident on the business model, corporate governance, and financial discipline in SWELECT and expect the share price to quote in 4 digits in 2-3 years.

Stock Data

Market Cap (Cr.):	140
Year high:	170
Year Low:	111
EPS:	31
P/E:	4.5
Book Value:	654
P/BV:	0.21

Shareholding Pattern

Promoter:	65.36%
Institutions:	0.79%
Non Institutions:	33.86%

Financial Performance

	FY13
Revenue	155
Profit	31
EPS	31

Key Financial Data

Debt (Rs. Cr.)	47
Investments (Rs. Cr.)	281
Cash (Rs. Cr.)	203