

Pre-IPO Investment Research Report

Target Entity: **Onix Renewable Limited**

Sector: Renewable Energy (Solar/Hybrid EPC, Manufacturing, IPP)

Estimated Market Cap: ~₹612 Cr – ₹678 Cr

Research Desk: July 2026

1. CORPORATE PROFILE & BUSINESS MODEL

Onix Renewable Limited, headquartered in Rajkot, Gujarat, has transformed from a regional Engineering, Procurement, and Construction (EPC) contractor into a horizontally integrated clean energy platform over the last three decades under the leadership of promoter Mr. Divyesh Savaliya. The company operates across four strategic operational pillars:

- **Solar & Hybrid EPC (Turnkey Project Execution):** Providing end-to-end design, procurement, and commissioning solutions. The company has secured a notable footprint in large-scale state government contracts, specifically under the **PM-KUSUM scheme** to solarize agricultural feeders in Gujarat, Maharashtra, and Rajasthan.
- **Independent Power Producer (IPP):** Developing, financing, and operating its own renewable energy generation assets to construct a highly reliable, recurring stream of long-term power purchase agreement (PPA) revenues.
- **Solar PV Module Manufacturing:** Manufacturing high-efficiency monocrystalline, polycrystalline, and advanced N-type TOPCon solar modules. The company has put aggressive short-term targets in place to expand its baseline operational capacity to **1,200 MW**.
- **Strategic Projects & Future Tech:** Actively diversifying into adjacent green growth sectors including Electric Vehicle (EV) chargers, localized battery systems, drone-based robotic cleaning systems, and smart energy storage infrastructure.

2. FINANCIAL PERFORMANCE ANALYSIS

The company's recent audited financial statements reflect a rapid hyper-growth phase characterized by exponential top-line escalation and structural net margin expansion.

Income Statement Summary (₹ in Lakhs)

Financial Metric	FY 2023	FY 2024	FY 2025	YoY Change (%)
Revenue from Operations	~14,600.00	35,034.86	1,00,130.33	▲ 185.8%
Other Income	—	133.00	1,131.37	—
Total Income	~14,600.00	35,167.87	1,01,261.70	▲ 188.0%
EBITDA	—	~5,835.00	16,445.00	▲ 181.8%
Profit After Tax (PAT)	~900.00	3,938.89	11,479.04	▲ 191.4%
PAT Margin (%)	6.16%	11.24%	11.46%	—

Balance Sheet Strength & Key Ratios

- **Net Worth Explosion:** Reserves and surplus skyrocketed from ₹9,580.47 Lakhs in FY24 to **₹70,323.43 Lakhs** in FY25, heavily fortified by recent corporate actions, private share premiums, and strong retained earnings.
- **De-leveraging Trends:** Standalone parent Debt-to-Equity fell sharply from **1.00x** (FY24) down to **0.24x** (FY25), representing exceptionally conservative leverage parameters at the holdco level.
- **Return Profiles:** Driven by accelerated asset turnover and robust project margins, the Return on Equity (ROE) stands at a highly competitive baseline of **17% to 28%** depending on consolidation structures.

3. VALUATION & MARKET PRICING PERSPECTIVE

The company features a notable valuation arbitrage relative to public capital market equivalents:

- **Trailing P/E Ratio:** Derived from a robust FY25 performance, the company's valuation correlates to a price-to-earnings multiple of just **4.9x to 5.7x**.
- **Price to Book (P/B):** Trading at an implied P/B ratio of **0.92x**, reflecting a position near or below its underlying intrinsic book value.
- **Peer Landscape:** While frontline listed solar manufacturing and EPC players (such as Waaree Energies, Premier Energies, or Vikram Solar) trade at premium P/E multiples generally spanning 50x to over 90x, Onix is positioned at a steep unlisted liquidity discount.

4. KEY INVESTMENT THESIS & CATALYSTS

- **Extensive Order Book Visibility:** Corporate channel disclosures indicate an unexecuted near-term pipeline rumored close to **₹13,000 crores**, securing visible multi-year macro scale.
- **Capital Expansion via Rights Issue:** On 16th April 2026, the company shored up its balance sheet via a **1:1 Rights Issue** raising ₹550 crore at a base of ₹51 per share, fully backing its manufacturing integrations.
- **IPO Pipeline Strategy:** Management has moved to align compliance structures to target a **Mainboard IPO** to raise an estimated ₹1,000 to ₹1,200 crore, acting as the fundamental trigger for capital unlock.

5. RISK FACTORS & OPERATIONAL MONITORING

Working Capital Intensity

The solar infrastructure space demands heavy upfront cash cycles. Onix showed a negative cash flow from operations in FY25 due to a doubling of trade receivables to ₹26,334 Lakhs alongside substantial loans/advances extended for project sites.

Off-Balance Sheet Contingencies

Credit updates suggest the company plans to extend extensive corporate guarantees (modeled between ₹3,500 cr to ₹4,000 cr across the FY26-FY27 horizon) to cover specific debt obligations inside its Special Purpose Vehicles (SPVs). Any execution gridlocks at the project-subsidary level could pressure parent liquidity.

Final Investment Verdict

Onix Renewable Limited presents an attractive, high-growth, value-driven pre-IPO opportunity. Its fundamental sub-6x P/E multiple contrasts sharply with high-flying listed green sector peers. Given the standard liquidity conditions of unlisted equities, this counter remains highly appropriate for strategic, long-term investors seeking capital appreciation prior to a formal public board listing.

DECLARATION OF RISK

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