



IPO Details

Opening Date	July 10, 2023
Closing Date	July 13, 2023
Stock Exchange	BSE SME
Lot Size	800 shares
Issue Price	₹ 157 per share
Issue Size	8,18,400 Equity Shares
Application Amount (@ upper band for retail investors)	₹ 1,25,600
Amount Raised (Issue Type)	₹12.85 Cr (Fixed Price Issue IPO)

IPO Objective

1. Development of Solar PV Plant.
2. Setting up of Electric Vehicle Charging Infrastructure.
3. Purchase of Electric Vehicle.
4. To meet Working Capital Requirements.
5. General Corporate Purpose.
6. To meet Public Issue Expenses.

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	11,39,020	50.31 %
Public	11,24,868	49.69 %

Promoter of the Company

1. Mr. Piyushkumar Vasantlal Bhatt
2. Mr. Pulkit Dhingra
3. Mr. Shatrughan Harinarayan Yadav
4. Mr. Vipin Sharma

Competitive Strengths

1. Asset Light Business Model.
2. Well-defined organizational structure.
3. Existing Supplier Relationship.
4. Experienced Promoters.

Company Background

- Ahasolar Technologies Limited was originally incorporated on July 28, 2017, and headquartered in Ahmedabad, Gujarat.
- The Company is engaged in the business of CleanTech enabling Energy Transition through Digital Transformation and henceforth empowering stakeholders to adopt renewable energy.
- The Company's primary focuses on renewable energy has been in solar industry and to cater it they developed an AI based intelligent Solar Digital Platform.
- The Company has developed Software as a Service (SaaS) products for solar companies.
- As on date of filing of Red Herring Prospectus, company has 42 employees on their payroll.

Market Capitalization (In. Cr.)

Pre-Issue	Post-Issue
36.00	48.00

Financial Summary (In Lacs.)

For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	85.47	237.37	525.56
Net Assets	10.08	78.71	405.08
Total Borrowings	24.24	58.18	-
Total Revenue	187.73	1,714.64	2,105.16
Profit After Tax	7.91	68.63	176.38

Tentative Timeline

Opening Date	July 10, 2023
Closing Date	July 13, 2023
Basis of Allotment	July 18, 2023
Initiation of Refunds	July 19, 2023
Credit of Shares to Demat	July 20, 2023
Listing Date	July 21, 2023



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Company Overview

AhaSolar Technologies Limited was incorporated on July 28, 2017. The Company is engaged in the business of CleanTech enabling Energy Transition through Digital Transformation and henceforth empowering stakeholders to adopt renewable energy. The company does this through multiple digital solutions and advisory in the field of renewable energy. The company is a DPIIT recognised startup and registered vide registration no. DIPP34701. The core idea of Ahasolar to work in the space of Climate Change, Renewable and Digital space. The company's primary focus in renewable energy has been in solar industry and to cater it the company developed an AI based intelligent Solar Digital Platform. The company has developed Software as a Service (SaaS) products for solar companies to streamline the processes, design PV, do project management and monitor generation alongwith an integrated Marketplace to connect the demand & supply digitally.

Analysis

Being in operations since 2017, the company has decent experience in the solar industry. The company provides CleanTech enabling Energy Transition through Digital Transformation. The company has developed as SaaS Software as a Service for solar companies to streamline the processes, design PV, do project management and monitor generation and monitor generation. The company has two SaaS products namely,

1. AhaSolar Unified Portal – For Government Agencies. The company has developed various such portals for various states nodal agencies like Gujarat Energy Development Agency (GEDA), Gujarat Urja Vikas Nigam Limited (GUVNL), Goa Energy Development Agency, Jammu & Kashmir Energy Development Agency etc. The GUVNL, and GEDA are connected to more than 800 DisCom offices in Gujarat with 2000+ solar companies.
2. Ahasolar Helper and Sun Analyzer – For Solar Companies. This is designed for Solar EPC companies who want to keep their Sales & Operation in order using AI to standardize, connect and automate solar and renewable operations etc.

The core services provided by the company can be divided as

1. Solar Software Service
2. Solar Marketplace
3. Solar Advisory and Consultancy Service.

In terms of the Solar Software Service the company provides services using the above-mentioned SaaS products, The Solar Marketplace is used for buying and sell products at a single platform through a data driven process and to eliminate the gap in the supply chain the company developed an integrated marketplace. Through the advisory services, the company is currently working with 38 cities like Gujarat, Punjab, Uttar Pradesh, Goa, Maharashtra, Telangana, Uttrakhand, Jharkhand, Delhi/NCR, Odisha, Karnataka, Kerala, J&K, etc.

Revenue breakup for the above-mentioned states is given below for Fiscal years 23, 22, and 21.

Particulars	FY 2022-23		FY 2021-22		FY 2020 - 21	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Dadra and Nagar Haveli and Daman and Diu	3.23	0.16	4.57	0.27	0.00	0.00
Delhi	180.54	8.74	135.18	7.89	75.70	40.35
Gujarat	1726.94	83.60	1,398.37	81.62	107.37	57.23
Haryana	57.38	2.77	74.88	4.37	0.00	0.00
Madhya Pradesh	0.13	0.01	0.00	0.00	0.00	0.00
Maharashtra	76.38	3.70	27.07	1.58	4.54	2.42
Rajasthan	1.27	0.06	69.24	4.04	0.00	0.00
Tamil Nadu	3.13	0.15	0.01	0.00	0.00	0.00
Telangana	0.65	0.03	0.00	0.00	0.00	0.00
Uttar Pradesh	16.18	0.78	0.76	0.04	0.00	0.00
West Bengal	0.00	0.00	3.25	0.19	0.00	0.00
Total	2065.83	100.00	1713.33	100.00	187.61	100.00

Business Vertical wise Revenue Bifurcation for Fiscal Years 23, 22 and 21 -

Particulars	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Advisory Services	351.2	16.69	141.15	8.24	64.18	34.21
Software License Fees	176.5	8.39	100.26	5.85	123.43	65.79
Market Place	1,576.53	74.92	1,471.92	85.91	0	0.00
Total	2104.23	100.00	1713.33	100	187.61	100

To conclude, the company provides services to various states in India and has recently exported to international markets in the Fiscal Year- 23 adding to 3.83% to the total revenue. The company's major revenue has been shifted from Software License to Market place which shows an increase in the demand for the same. The company is planning in setting up of electric Vehicle Charging Infrastructure, Development of Solar PV Plant, Purchase of Electric Vehicle as mentioned in the objectives.

Industry Charts

Exhibit 1: Installed Renewable Energy Capacity (in GW)

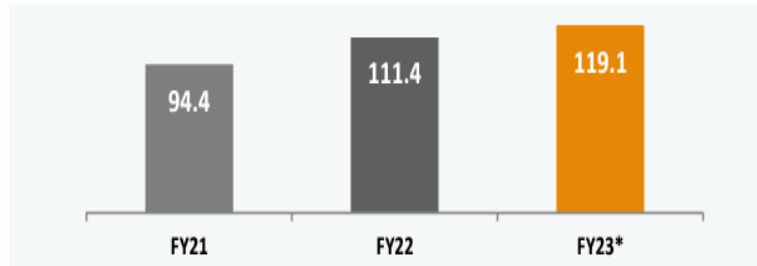


Exhibit 2: Electricity Generation from RES (billion unit)

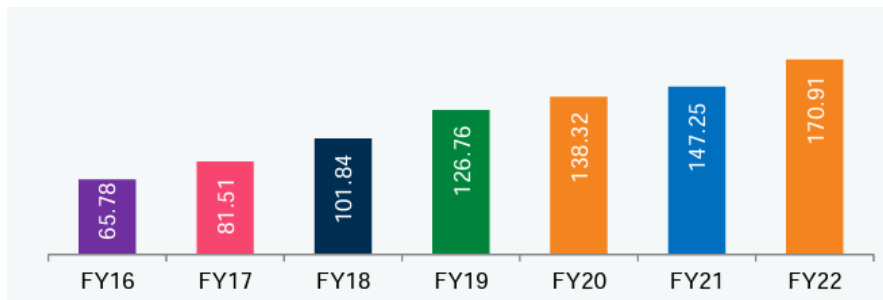


Exhibit 3: India's Services GVA as a Percentage of Total GVA



(Source- www.ibef.com)



Investment Overview

Renewable Energy

India has low conventional energy resources compared to its required energy needs driven by a huge population and a rapidly increasing economy. However, India can harness the huge potential of solar energy as it receives sunshine for most of the year. It also has vast potential in the hydro power sector, which is being explored across states, especially in the northeast. As of November 2022, India's installed renewable energy capacity (including hydro) stood at 165.94 GW, representing 40.6% of the overall installed power capacity and providing a great opportunity for the expansion of green data centres. India is the only country among the G20 countries who is on track to achieve its targets under the Paris Agreement. ICRA expects renewable energy capacity addition of 12.5 GW in FY22 and 16 GW in FY23.

Service Industry

The services sector of India remains the engine of growth for India's economy and contributed 53% to India's Gross Value Added at current prices in FY21-22*. In the healthcare sector, the telemedicine market is driving growth with the increasing demand for remote consultation. By 2025, the telemedicine market in India is expected to reach US\$ 5.5 billion. To build IT capabilities and competitive advantage over international players, Indian companies plan to deploy ~10 cloud platforms to drive business transformation in sectors such as retail, telecommunication and insurance, which is expected to boost growth in the IT & BPM sector. In the next five years, the Ministry of Electronics and Information Technology is working to increase the contribution of the digital economy to 20% of GDP. The government is working to build cloud-based infrastructure for collaborative networks that can be used for the creation of innovative solutions by AI entrepreneurs and startups.

(Source- Prospectus)



Addressable market for Ahasolar Technologies Limited

Company currently operates in various states across India, but majority of the production and revenue generated is from the state Gujarat as mentioned in the business analysis. The company can increase its revenue by increasing its sales in the various states the company operates in. The company has ventured into the international markets which can be sustained and improved along the way.

Competition

The industry in which the company operates in is very unorganized, and highly fragmented. The company generally operates in a competitive segment with customers having the bargain power. The industry in which the business operates in generally has less barrier to entry.

PEER ANALYSIS

As mentioned in the Offer Document the company has no listed peers.

Promoters' Profile and Management Analysis

Mr. Piyushkumar Vasantlal Bhatt



- Mr. Piyushkumar Vasantlal Bhatt, aged 52, is Promoter and Chairman and Managing Director of the Company.
- He has completed Bachelor of Arts and certification course as Microsoft certified Application Developer. He has as an experience of 27 years in IT industry.

Mr. Pulkit Dhingra



- Mr. Pulkit Dhingra, aged 36, is Promoter and Whole Time Director of the Company.
- He has completed Bachelor of Engineering, and Master of Business Administration
- He is having experience of more than 11 years in Renewable Energy sector.

Mr. Shatrughan Harinarayan Yadav



- Mr. Shatrughan Harinarayan Yadav, aged 36, is Promoter and Executive Director of the Company.
- He has completed Bachelor of Engineering, and Master of Business Administration
- He is having experience of more than 14 years in Renewable Energy sector.

Mr. Vipin Sharma



- Mr. Vipin Sharma, aged 35, is Promoter and Chief Operating Officer of the Company.
- He has completed Bachelor of Technology
- He is having experience of more than a decade in Information Technology Industry and 9 years in research and operations.

Analysis on the Company's Promoter and Board of Directors

Mr. Piyushkumar Vasantal Bhatt, aged 52, is Promoter and Chairman and Managing Director of the Company. He has completed Bachelor of Arts, and certification course as Microsoft certified Application Developer. He is having experience of more than 27 years in Information Technology industry.

Mr. Pulkit Dhingra, aged 36, is Promoter and Whole Time Director of the Company. He has completed Bachelor of Engineering (Electrical & Electronics) and Master of Business Administration under Energy and Infrastructure. He is having experience of more than 11 years in Renewable Energy sector.

Mr. Shatrughan Harinarayan Yadav, aged 36, is a Promoter and Executive Director of the Company. He has completed Bachelor of Engineering and Master of Business Administration under Marketing. He is having experience of more than 14 years in Renewable Energy sector. He looks after the technological matters of the Company.

Ms. Vipin Sharma, aged 35, is the Promoter and Chief Operating Officer of the Company. He has completed Bachelor of Technology. He is having experience of more than a decade in Information Technology Industry and experience of more than 9 years in research and operations. He looks after the operations of the business.

Ms. Garima Heerani, aged 31, is the Executive Director of the Company. She has completed Bachelor of Commerce, and Master of Business Administration under Energy and Infrastructure. She is having experience of more than 5 years in Sales & Marketing. She looks after the marketing related matters of the Company.

Mr. Ashokkumar Ratilal Patel, aged 64, is an Independent Director of the Company. He has completed Bachelor of Commerce, and Master of Commerce. He has also completed Cost Accountancy course. He has completed Chartered Accountants course and has an experience of more than 35 years in Accounting and Finance.

To conclude, the company has four promoters. All the promoters have good knowledge and experience in the industry which the company operates in. The remaining management also has good knowledge and experience in the fields which help in the growth of the business.

Financial Snapshot

(Amount in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2023
<u>Profit and Loss</u>			
Revenue from operations	187.61	1,713.33	2,104.23
Other income	0.12	1.31	0.93
Total Revenue	187.73	1,714.64	2,105.16
Expenses	176.69	1,619.50	1,910.59
Depreciation and Amortisation Cost	0.29	2.58	21.48
Finance Cost	-	-	-
Total Expenses	176.98	1,622.08	1,932.07
PBT	10.75	92.56	173.09
PBT Margin	5.73%	5.40%	8.23%
EBITDA	10.92	93.83	193.64
EBITDA Margin	5.82%	5.48%	9.20%
Net Profit	7.91	68.63	176.38
Net Profit Margin	4.22%	4.01%	8.38%
<u>Balance Sheet</u>			
Total Borrowings	24.24	58.18	-
Net Worth	10.08	78.71	405.08
Fixed Assets	2.20	53.94	77.52
Net Working Capital	21.90	84.72	322.14
<u>Financial Measures</u>			
Inventory Turnover Ratio	-	-	-
Receivables Turnover Ratio	8.88	12.48	7.45
Payables Turnover Ratio	-	37.57	113.68
Fixed Assets Turnover Ratio	85.28	31.76	27.14
Return on Capital Employed	31.17%	65.81%	41.26%
Return on Equity	78.47%	87.19%	43.54%
Debt-Equity Ratio	2.40	0.74	-
Interest Coverage Ratio	-	-	-

(The data has been taken and calculated from the financials given in the prospectus)



Earnings Before Interest, Taxes, Depreciation, and Amortization

The EBITDA of the company has increased from Rs. 10.92 lacs in 2021, to 93.83 lacs in 2022, and has increased to 193.64 lacs in 2023 growing at a CAGR of 321.10%. The EBITDA margin in 2021 was at 5.82%, 5.48% in 2022, and it was at 9.20% in 2023. The increase in the EBITDA during FY-23 is due to an increase in the revenue for the company. The increase in the EBITDA margin in FY-23 is due to an increase in the percentage contribution to revenue from operations.

Net Profit

The Net Profit of the company has increased from Rs. 7.91 lacs in 2021 to Rs. 68.63 lacs in 2022 and increased to 176.38 lacs in 2023 growing at a CAGR of 372.21%. The Net Profit margin in 2021 was at 4.22%, 4.01% in 2022 and in 2023 it was at 8.38%. The increase in the Net Profit is due to an increase in revenue for the company. The increase in the Net Profit margin is due to a decrease in the percentage contribution towards Total Expenses (depreciation and amortization).

Finance Cost

The company does not have any finance charges.

Financial Measures/Ratios

The RoCE of the company in 2023 is at 41.26%, 65.81% in 2022, and 31.17% in 2021. The decrease in the RoCE for FY-23 is due to an increase in the capital employed (assets) for the company. The decrease in RoCE is not a worrying point for the company as it is caused due to an increase in intangible assets and cash inflow through receivables. With the increase in the equity base of the company through IPO, the ROCE on Post-IPO basis is to fall.

The ROE of the company in 2021 is at 78.47%, 87.19% in 2022, and 43.54% in 2023. The decrease in the ROE of the company during FY-23 is due to an increase in the equity base of the company and is a good indicator for the company.

The Receivables turnover ratio in 2021 is at 8.88 times, 12.48 times in 2022, and 7.45 times in 2023, indicating a decrease in the cash inflow for the company.

The Payables turnover ratio in 2021 is nil and 37.57 times in 2022, and 113.68 times in 2023, indicating an increase for FY-23, showing an increase in the cash outflow for the company. Thus, not so effective working capital management.

Fixed Asset Turnover ratio has decreased from 85.28 times in 2021 to 31.76 times in 2022 and has reduced to 27.14 times in 2023. The decrease in the ratio is due to an increase in the intangible assets for the company.



Ahasolar Technologies Limited

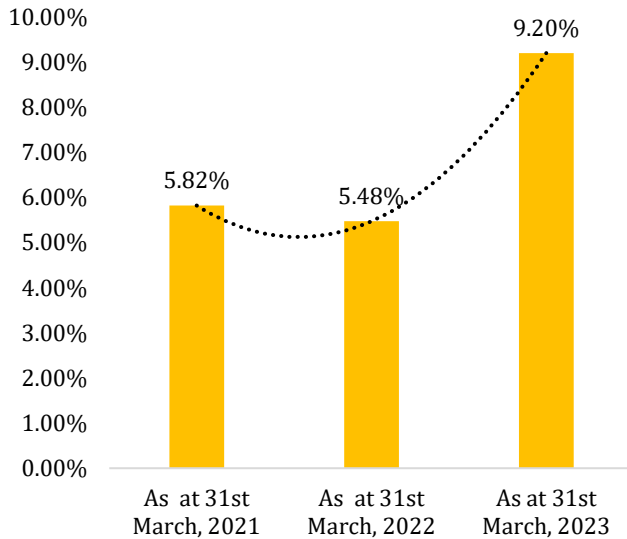
Review Report On IPO



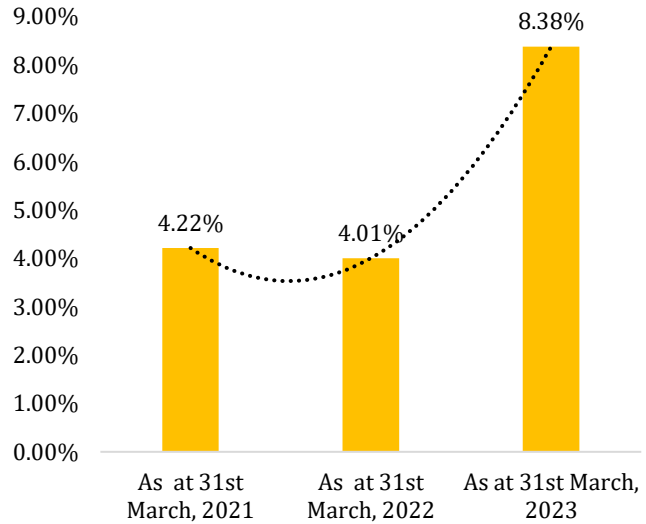
The Debt-Equity ratio in 2021 was at 2.40 times, 0.74 times in 2022, and is nil in 2023, not a good indicator for the company. The company is not leveraged at all. The company is not utilizing its debt opportunity.

Financial Charts

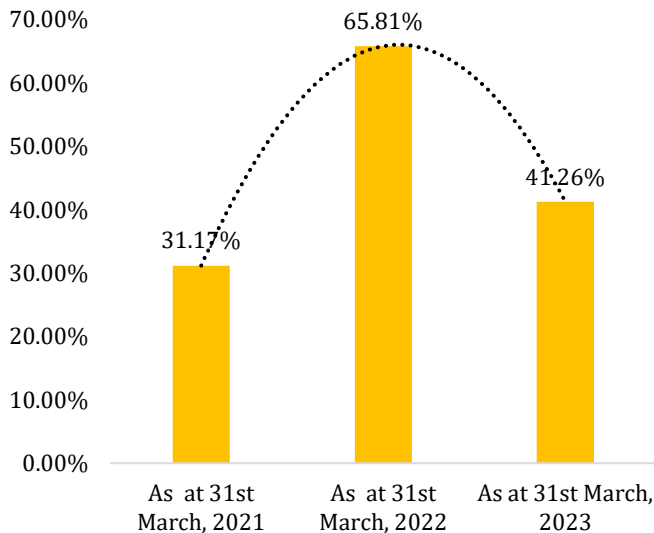
EBITDA Margin



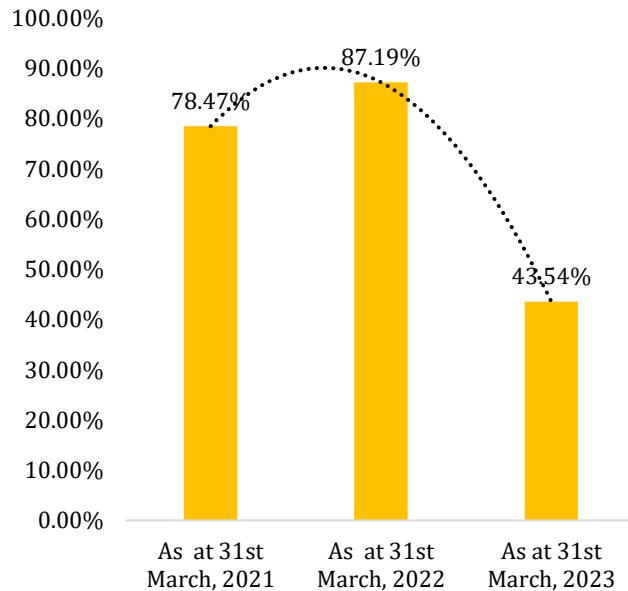
Net Profit Margin



Return on Capital Employed



Return on Equity





Key Risk Factors

1. The Company had negative cash flow from operating activity in fiscal year 2023. Sustained negative cash flow could adversely impact the business, financial condition and results of operations.

Track Record of Lead Manager

The lead manager to the issue is Beeline Capital Advisors Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Manager in recent times –

Sr. No	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing date	CMP* (INR)
1.	Remus Pharmaceuticals Limited	47.69	1,229.00	May 29, 2023	3,779.00
2.	Sotac Pharmaceuticals Limited	33.30	111.00	April 13, 2023	118.00
3.	Dev Labtech Venture Limited	11.22	51.00	March 29, 2023	60.6
4.	Vertexplus Technologies Limited	14.20	96.00	March 15, 2023	109.00
5.	Viaz Tyres Limited	20.00	62.00	March 01, 2023	48.8
6.	Transvoy Logistics India Limited	5.11	71.00	February 02, 2023	72.2**
7.	Aristo Bio-Tech and Lifescience Limited	13.05	72.00	January 30, 2023	60.9
8.	RBM Infracon Limited	8.37	36.00	January 04, 2022	57.2
9.	Vital Chemtech Limited	64.64	101.00	November 14, 2022	108.00
10.	Trident Lifeline Limited	35.34	101.00	October 10, 2022	134.00

*CMP is mentioned as on 7th July 2023

**Transvoy Logistics India Limited CMP is taken as on 6th July 2023

As per the offer document Beeline Capital Advisory Private Limited have had 13 mandates in the last two fiscal years. For Beeline Capital Advisory Private Limited out of the last 10 that are mentioned above, 1 opened at par, rest all opened at 0.39% to 39.23%.



Recommendation

The company has been into this industry since 2017 and has decent experience in the business. The company has seen a sudden surge in the growth of its profitability margins.

The business segment the company operates in is highly fragmented and competitive. The management outlook is good.

The company is getting listed with a P/E of around 27.44 times which makes the stock valued fairly.

In conclusion, the company has seen a good growth in the profitability margins. By focusing on the low revenue generated states, the company can be looking at a decent growth. With expanding to the international markets and the increase in the demand in AI industry and renewable market the company has an upper hand in growth prospects. But since it has experienced negative cashflow in the recent fiscals it may affect the overall growth if continued forward. Adding on to it the company is not leveraged at all. Overall, these factors place the company in the high-risk zone and so **Risk Averse Investors should wait, and Risk Seekers should apply.**



Disclaimer

We are not SEBI registered and not a certified Research Analyst. The information provided here is for education purposes only. We will not be responsible for any of your profit/loss with these suggestions. Consult your financial advisor before taking any decisions.

We believe an SME company needs 2-3 years to show its true potential and therefore our recommendations are for Long-term investment and not for listing gains.