

IPO Details	
Opening Date	Aug 21, 2023
Closing Date	Aug 23, 2023
Stock Exchange	NSE SME
Lot Size	1600 Shares
Issue Price	₹ 83 per share
Issue Size	Aggregating up to 5.31 Cr.
Fresh Issue	Aggregating up to 5.31 Cr.
Offer for Sale	-
Application Amount	₹ 1,32,800

IPO Objective	
Working Capital Requirements	
Issue Expenses	
General corporate purposes.	

Pre-Issue Shareholding			
Category	No. of Shares	% of Total Shares	
Promoter & Promoter Group	14,25,875	84.94 %	
Public	2,52,875	15.06 %	

Promoter of the Company	
1	Sumit Tiwari
2	Snigdha Tiwari

Competitive Strengths	
1	Experienced Management Team.
2	Quality Assurance and Standards.
3	Cordial Relationships with the suppliers.

Company Background	
○	Company was incorporated in the year 2015 and has its registered office in Tamil Nadu
○	Company is an integrated solar energy solutions provider offering engineering, procurement and construction (“EPC”) services to the customers.
○	Company is also into manufacturing of Solar Inverters, Online UPS Systems, EV Chargers, and Lead Acid Batteries
○	The company has also obtained WMI code for manufacturing of EV Vehicles
○	As on March 31, 2023, Company has 54 employees on its payroll.

Market Capitalization		
(In Cr.)		
	Pre-Issue	Post-Issue
	₹ 14	₹ 19

Financial Summary				
(In Lacs)				
For the Period Ended	Mar-21	Mar-22	Mar-23	
Total Assets	318.19	675.26	1,014.67	
Net Assets	98.73	156.23	320.54	
Total Borrowings	103.78	226.62	424.11	
Total Revenue	536.43	797.66	1,765.33	
Profit After Tax	15.76	57.51	74.32	

Tentative Timeline	
Opening Date	Aug 21, 2023
Closing Date	Aug 23, 2023
Basis of Allotment	Aug 28, 2023
Initiation of Refunds	Aug 29, 2023
Credit of Shares to Demat	Aug 30, 2023
Listing Date	Aug 31, 2023

Company Background and Analysis

The Company was originally incorporated on April 30, 2015. The company is an integrated solar energy solutions provider offering engineering, procurement and construction (“EPC”) services to the customers. The company started its journey as a Design Engineering and Solar EPC company and gradually company also diversified into Manufacturing of Power Electronics and Energy Storage Products. Today the company is also into manufacturing of Solar Inverters, Online UPS Systems, EV Chargers, and Lead Acid Batteries. The company has also obtained WMI code for manufacturing of EV (Electronic Vehicles) but the company has only developed prototype and not yet started the full-scale manufacturing of EV Vehicles. The company’s vision is to become a Premier engineering organization and a leader for all power requirements globally offering power generation and energy conservation solutions under one roof with cutting edge technology.

The company recognized the need for an R&D facility in 2017 and staffed with experts who will help the company in development of efficient power electronics products such as solar inverter, EV Charges, harmonic filters, BMS system, Lithium Iron batteries. Further the R&D activities focus on the innovation of new products or services in a company. Among the primary purposes of R&D activities is for a company to remain competitive as it produces products that advance and elevate its current product line.

The company’s products are available through its distributors and the company has also established its distribution network in some of the key markets like Haryana, UP, Bihar, Rajasthan, and Assam. Today the company has 6 service Centres in India - Delhi, UP Haryana, Bihar Assam, Bengal. The company is also in the process of expanding its footprint further by appointing additional 500 Franchisee to cover all major Districts of India by end of 2025 along with this the company has also started exports in the last 2 years and has exported its products to Nigeria, Lebanon, Nepal, Dubai and Bhutan. Some components of the company’s raw material are imported from Germany, US, China and Taiwan and which is purchased by the Company through agents in the India.

The company’s product portfolio includes –

1. Solar Invertors - It's a device that converts direct current (DC) electricity, which is what a solar panel generates, to alternating current (AC) electricity, which the electrical grid uses.
2. Rooftops - Solar rooftop are solar panels placed on top of roofs of commercial, institutional or residential buildings. They capture the light energy emitted by the sun and convert it into electrical energy.
3. Inverter Batteries - An inverter battery is designed to provide a small amount of current for a longer duration of time. All the power backup solutions, like inverters, and UPS operate by converting the DC current into AC current as all of the company’s electrical appliances run on AC power.
4. Online UPS - Online UPS systems provide uninterrupted power to critical loads that require the highest level of protection. They are commonly used in telecommunication, hospitals, and certain commercial or industrial facilities.
5. PV Module - A solar module is normally series connected sufficient number of solar cells to provide required standard output voltage and power.

The company’s clients include – i) Devyani Food Industries Limited ii) Shapoorji Pallonji Group iii) Applied Solar Tech Private Limited iv) ITC Hotels v) V.N. Dyers & Processors Private. Limited.

The following table sets forth a geographical breakdown of the contribution towards revenue from operations for financial year ended 2021, 2022, and 2023 are as follows –

(Amount in Lakhs)

State Name	For the period ended 31st March 2021		For the period ended 31st March 2022		For the period ended 31st March 2023	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Domestic Sales						
Andhra Pradesh	-	-	-	-	141.42	8.01
Assam	88.80	16.55	93.55	11.73	121.88	6.90
Bihar	51.35	9.57	103.66	13.00	88.75	5.03
Chandigarh	-	-	0.42	0.05	-	-
Delhi	4.12	0.77	50.20	6.29	27.72	1.57
Haryana	60.36	11.25	95.21	11.94	370.58	20.99
Jammu & Kashmir	-	-	0.41	0.05	-	-
Jharkhand	-	-	0.41	0.05	0.44	0.02
Madhya Pradesh	0.88	0.16	0.20	0.03	-	-
Maharashtra	-	-	20.85	2.61	-	-
Odisha	-	-	-	-	0.65	0.04
Punjab	-	-	0.62	0.08	0.79	0.04
Rajasthan	9.19	1.71	10.14	1.27	5.45	0.31
Tamil Nadu	-	-	1.62	0.20	-	-
Uttar Pradesh	55.32	47.60	368.42	46.19	701.38	39.73
Uttarakhand	19.20	3.58	6.20	0.78	83.37	4.72
West Bengal	-	-	0.01	0.00	9.78	0.55
Total (A)	489.22	91.20	751.92	94.27	1,552.21	87.93
Exports						
Afghanistan	-	-	-	-	39.95	2.26
Bhutan	47.21	8.80	45.70	5.73	7.67	0.43
Dubai	-	-	-	-	0.66	0.04
Lebanon	-	-	-	-	92.81	5.26
Nepal	-	-	-	-	17.20	0.97
Nigeria	-	-	-	-	54.83	3.11
Total (B)	47.21	8.80	45.70	5.73	213.12	12.07
Total Sales	536.43	100.00	797.62	100.00	1,765.33	100.00

To conclude, the company has been in the operation since 2015. The company is an integrated solar energy solutions provider. Majority of the company's revenue is generated from the state of Uttar Pradesh contributing to almost 40% of the total revenue for the FY ended 2023. The company is raising Rs. 531.20 lakhs out of which Rs. 350.00 lakhs are to be utilized for working capital requirements of the company, Rs. 111.20 lakhs to be utilized for general corporate purposes and the remaining are to use for the issue related expenses which is Rs. 70 lakhs.

Business Strategies

1. Improving operational efficiencies.

The company is making continuous efforts to improve efficiencies to achieve cost reductions so that the company can be competitive in market. The company believes that it can achieve the same by gaining economies of scale in the operations and continuous research and development.

2. Expand geographical reach.

The company seeks to expand and enhance the presence in the existing business segments by identifying markets where the company can provide cost-effective and quality products to prospective consumers. The company seeks to capitalize on the existing experience, established contacts with suppliers and entering in the new products market considering the local working conditions.

3. Strengthening the brand.

The company intends to invest in developing and enhancing recognition of the brand through brand building efforts, communication and promotional initiatives such as participation in industry events, public relations and investor relations efforts. The company believes that the branding exercise will enhance the recall value and trust in the minds of the customers and will help in increasing demand for the products.

4. Training the employees.

The company believes that the successful implementation of the business and growth strategies depends on the employees' commitment to the company's vision. As the company expands the business into other geographical region, the ability to successfully train the existing and new employees will play a crucial role.

5. Future Business Plan.

The company is now working to expand its retail and export business in 8 States and 7 Countries in next financial year and is continuously focusing to R &D to provide efficient and latest technology products to its Retail and B2B Customers, e.g., Lithium-Ion batteries, EV Chargers, Solar Air Conditioners etc.

6. To build-up a professional organization.

The company believes in transparency, commitment and coordination in the work, with the suppliers and customers and also consult with external agencies on a case-to-case basis on technical and financial aspects of the business.

Competitive Scenario and Peer Mapping

Competition

The company operates in a highly competitive industry. The company faces tough competition from a large number of unorganized and a few organised players. The industry in which the company operates in has less barrier to entry increasing the threat of competition from new entrants. The bargaining power with the suppliers is generally high in this industry.

Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below -

Particulars	Sungarner Energies Limited	Insolation Engery Limited	Veer Energy and Infrastructure Limited	V Guard Industries Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	4.29%	2.32%	0.78%	4.42%
EBITDA Margin	7.25%	4.63%	2.95%	7.43%
Return on Capital Employed	30.17%	14.49%	-0.86%	12.80%
Return on Equity	23.19%	12.24%	0.08%	11.27%
EPS (INR)	10.41	2.95	0.03	4.15

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below -

Particulars	Sungarner Energies Limited	Insolation Engery Limited	Veer Energy and Infrastructure Limited	V Guard Industries Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	7.24%	3.26%	15.33%	6.53%
EBITDA Margin	11.91%	6.51%	-1.72%	9.63%
Return on Capital Employed	23.65%	40.00%	-1.67%	19.58%
Return on Equity	36.81%	31.82%	1.26%	16.19%
EPS (INR)	5.31	4.61	0.53	5.26

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below -

Particulars	Sungarner Energies Limited	Insolation Engery Limited	Veer Energy and Infrastructure Limited	V Guard Industries Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.94%	4.29%	4.23%	7.37%
EBITDA Margin	6.99%	7.98%	5.29%	11.37%
Return on Capital Employed	24.55%	50.00%	-0.90%	21.29%
Return on Equity	15.96%	46.67%	0.51%	16.47%
EPS (INR)	2.25	27.60	0.21	4.63

Industry Overview

Exhibit 1: Logistics Market Size, 2023 to 2030 (USD Trillion)

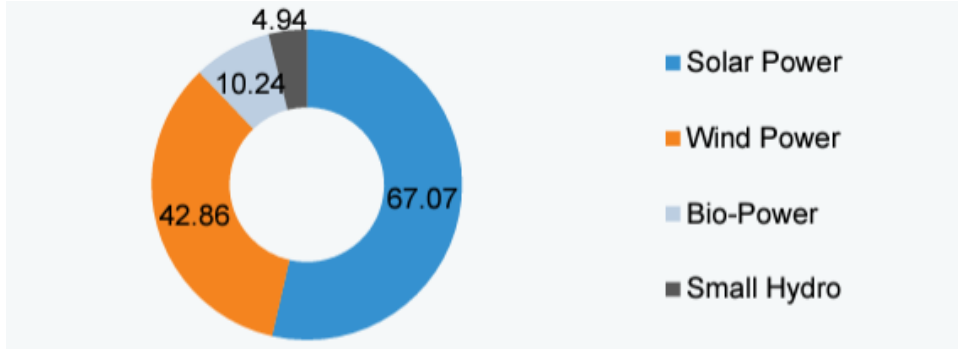


Exhibit 2: Logistic market size Estimated by region, 2030.

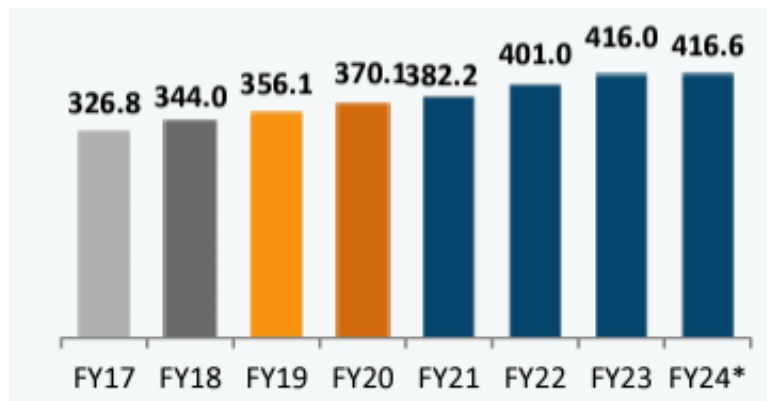
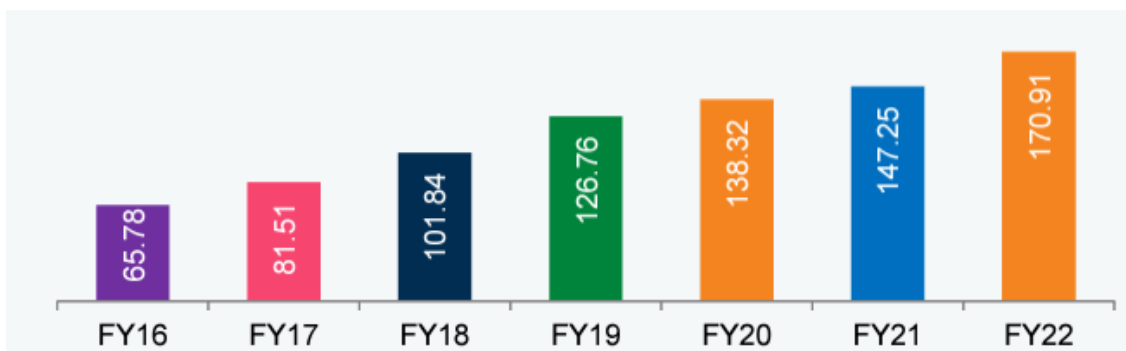


Exhibit 2: Logistic market size Estimated by region, 2030.



(Source: ibef.com)

Solar Power Industry -

Solar power is a fast-developing industry in India. The country's solar installed capacity was 63.303 GWAC as of 31 December 2022. Solar power generation in India ranks fourth globally in 2021. The Indian Government had an initial target of 20 GW capacity for 2022, which was achieved four years ahead of schedule. In 2015 the target was raised to 100 GW of solar capacity (including 40 GW from rooftop solar) by 2022, targeting an investment of US\$100 billion. India has established nearly 42 solar parks to make land available to the promoters of solar plants.

Rooftop solar power accounts for 2.1 GW in 2018, of which 70% is industrial or commercial. In addition to its large-scale grid-connected solar photovoltaic (PV) initiative, India is developing off-grid solar power for local energy needs. Solar products have increasingly helped to meet rural needs; by the end of 2015 just under one million solar lanterns were sold in the country, reducing the need for kerosene. That year, 118,700 solar home lighting systems were installed and 46,655 solar street lighting installations were provided under a national programme; just over 1.4 million (1.4 million) solar cookers were distributed in India

Battery Industry -

India is one of the largest automobile markets in the world, and, in 2021, the total passenger vehicles production reached 22,652,108 units. The country produced 624,000 commercial vehicles in FY-2021. The two-wheeler segment dominates the automotive market owing to a growing middle class and a young population. Organized companies sell branded batteries with warranties, while unorganized companies provide no warranty or after-sales, sell recycled batteries, and offer products at a 30-35% discount to branded ones. The Indian automotive replacement battery market is leading the lead-acid battery market. The government's efforts to boost automotive battery manufacturing in India will drive the segment's growth. On November 11, 2020, the Indian government announced incentives worth INR 3 trillion (approximately USD 40 billion) to encourage companies in ten sectors to boost local manufacturing and increase exports. The incentive scheme worth INR 180 billion (about USD 2.4 billion) will be directed toward advanced cell chemistry, aimed at bringing at least 50 GW of lithium-ion batteries to be manufactured in India.

Electrical Accessories Industry -

India electrical materials market was valued at USD 5969.13 Million in FY2020 and is projected to grow at double digit CAGR of 17.88% during the forecast years, to reach USD 9714.33 Million through FY2026. To accommodate the rapidly growing population of India, there has been a significant rise in construction activities, which has been led to a boost in demand for electrical materials market in India. Growing number of commercial spaces and short-term expansion of construction activities driven by fiscal support and government policies is creating a market opportunity for electrical materials manufacturers in India. Innovations in electrical materials by major market player, adapting sustainable technologies is also one of the factors attributing to growth of India electrical market.

(Source: Prospectus)

Key Managerial Personnel

Sumit Tiwari, aged 41, is one of the Promoters, Managing Director, and the Founder of the Company. He Holds a Degree in B.E. He has more than 18 Years of experience in the Electrical & Electronics domain and he has engaged with companies like Tata BP Solar, Emerson Network Power & Delta.

Snigdha Tiwari, aged 38, is one of the Promoters, and Director of the company. She holds a degree of postgraduate in pharmacy. She has more than 15 years of experience in the Marketing and Branding.

Amit Tiwari, aged 46, is a Non-Executive Director of the Company. He is an IIT-IIM graduate, having over 22 years of experience across multiple industries including in the senior management for last 14 years. He advises on and is considered a launch & turnaround specialist for the company.

Rajnish Gaur, aged 42, is an Independent Director of the Company. He holds degree in B.E Computer Science, and he is having an experience of More than 18 years in the designing multi-tiered, scalable and fault tolerant application architectures. He is well conversant with building and implementation of scalable analytics solutions & visualization dashboards with data engineering workflows and complex data pipelines.

Sudha Singh, aged 40, is an Independent Director of the Company. She holds degree in Bachelor's degree and MBA in Marketing and Human Resources. She is having over 15 years of experience in Education, Corporate Training and Administrative field.

To conclude, the company has two promoters and they have good knowledge and experience in the industry in which the company operates in. The remaining directors of the company also have good experience and knowledge in the fields which helps in the growth of the business.

Financial Snapshot

Profit and Loss Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	536.43	793.79	1,731.80
Other Income	-	3.87	33.53
Total Income	536.43	797.66	1,765.33
Expenses			
Cost of Material Consumed	330.87	399.35	1,053.72
Changes in Inventories	-	-25.28	-33.43
Employee benefits expense	107.56	189.31	277.86
Finance costs	8.57	14.27	26.96
Depreciation and Amortization expense	6.07	6.87	11.14
Other expenses	60.50	135.85	308.17
Total Expenses	513.57	720.37	1,644.42
Earnings Before Interest, Taxes, Depreciation & Amortization	37.50	94.56	125.48
EBITDA Margin	7%	12%	7%
Profit/(Loss) before tax	22.86	77.29	120.91
Tax Expense			
Provision for taxation	5.26	17.88	35.10
Current tax for earlier year	-	-	0.19
Provision for Deferred tax	1.84	1.90	11.30
Total Tax Expense	7.10	19.78	46.59
Profit/(Loss) for the year	15.76	57.51	74.32
Net Profit Margin	3%	7%	4%

Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	132.72	164.98	189.89
Intangible Assets	-	0.67	0.54
Capital Work in Progress	-	1.40	-
Non-current Investments	-	-	-
Deferred Tax Assets (Net)	-	-	-
Long Term Loans and Advances	-	-	-
Other Non-current Assets	-	-	-
Total Non-Current assets	132.72	167.05	190.43
Current Assets			
Inventories	79.68	209.83	435.05
Trade Receivables	92.06	129.19	277.53
Cash and Cash Equivalents	5.04	3.88	7.71
Short Term Loans and advances	8.60	20.84	74.98
Other current assets	0.09	5.47	28.97
Total Current assets	185.47	369.21	824.24
Total Assets	318.19	536.26	1,014.67
EQUITY AND LIABILITIES			
Equity			
Share Capital	46.50	46.50	167.88
Reserves and Surplus	52.23	109.73	152.66
Total Equity	98.73	156.23	320.54
Liabilities			
Non-current liabilities			
Borrowings	25.46	56.60	20.85
Deferred Tax Liability	3.87	5.77	17.07
Other Non-Current Liabilities	-	-	-

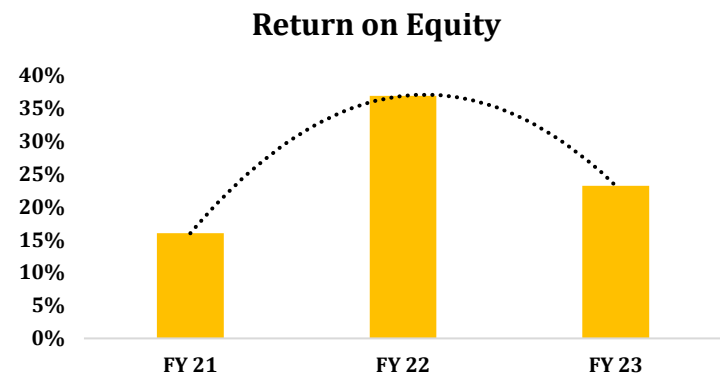
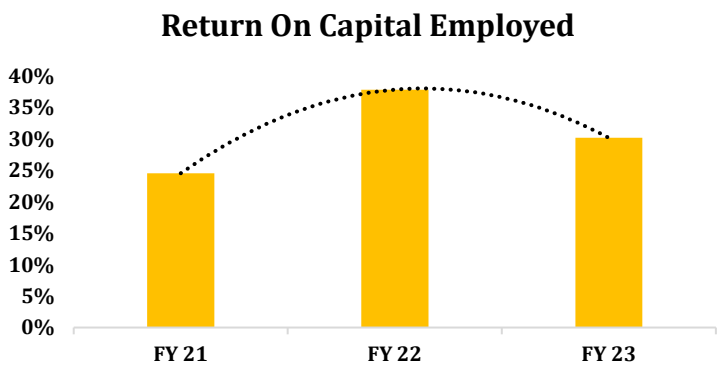
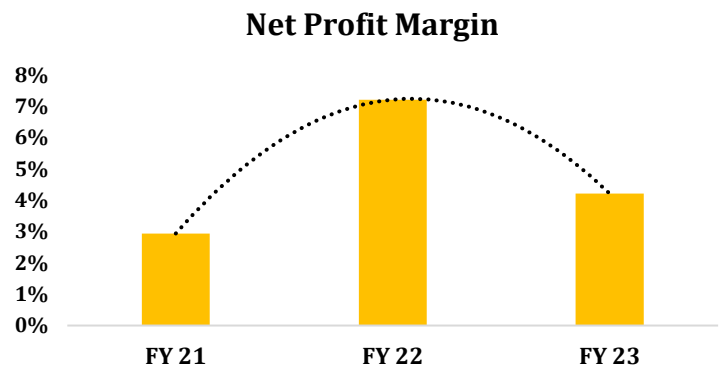
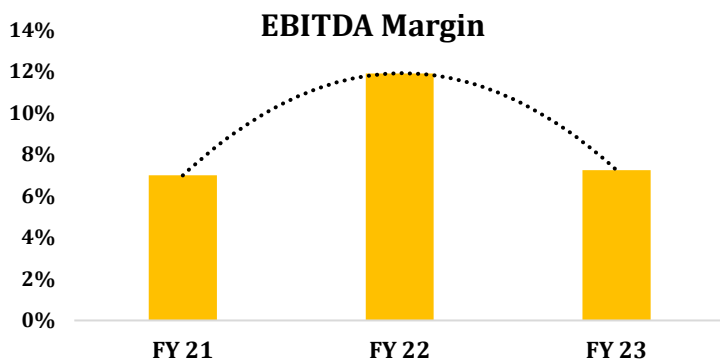
Balance Sheet			(In Lacs)
Long Term Provisions	-	13.14	20.47
Total Non-current liabilities	29.33	75.51	58.39
Current liabilities			
Short Term Borrowings	78.32	170.02	403.26
Trade Payables	82.10	93.51	143.88
Other Current Liabilities	24.94	28.76	66.37
Short Term Provisions	4.78	12.24	22.23
Total Current liabilities	190.14	304.53	635.74
Total Liabilities	219.47	380.04	694.13
Total Equity and Liabilities	318.20	536.27	1,014.67

*The company had certain miscalculations/misprinting in the financials provided in the offer document.

Cash Flow Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	
Net Cash Flow from Operating Activities	9.51	-68.52	-222.18	
Net Cash Flow from Investing Activities	-12.36	-41.20	-34.53	
Net Cash Flow from Financing Activities	7.40	108.57	260.53	

Ratio Sheet			
Particulars	FY 21	FY 22	FY 23
Per Share Data			
Diluted EPS	3.38	12.36	6.35
BV per share	4.26	6.74	13.82
Operating Ratios (%)			
EBITDA Margins	7%	12%	7%
PAT Margins	3%	7%	4%
Inventory days	54.22	96.48	91.69
Debtor days	62.64	59.40	58.49
Creditor days	78.26	67.69	42.16
Return Ratios (%)			
RoCE	25%	38%	30%
RoE	16%	37%	23%
Valuation Ratios (x)			
EV/EBITDA	5.27	4.01	5.87
Market Cap / Sales	3.59	2.42	1.11
P/E	24.56	6.72	13.07
Price to Book Value	19.49	12.32	6.00
Solvency Ratios			
Debt / Equity	1.05	1.45	1.32
Current Ratio	0.98	1.21	1.30
Quick Ratio	0.56	0.52	0.61
Asset Turnover	1.69	1.48	1.71
Interest Coverage Ratio	3.67	6.15	4.24

Financial Charts



Key Risk Factors

1. The company has negative cash flows from its operating activities, investing activities in the current and past years. Sustained negative cash flow could impact the growth and business. The company’s negative operation cashflow for the fiscal year ended 2022, and 2023 stood at Rs. -68.52, and Rs. -222.18 lakhs respectively.
2. The company’s revenue’s substantial portion has been dependent upon the Top 5/10 customers. Top 10 customers for the financial year 2021, 2022, and 2023 contributed to 93.89%, 88.87%, and 83.01% respectively. Similarly, the dependence on Top 5/10 suppliers for procurement is substantially high. The top 5 suppliers for the financial year ended 2021, 2022, and 2023 stood at 54.34%, 83.08% 47.17% respectively. The loss of any one or more of the major clients would have a material adverse effect on the business operations and profitability.

Track Record of Lead Manager

The lead manager to the issue is Fast Track Finsec Private Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Managers in recent times –

JM Financial Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Dat	CMP* (INR)
1.	Pearl Green Clubs and Resorts Limited	11.71	186.00	July 07, 2022	191
2.	Globesecure Technologies Limited	10.12	29.00	June 02, 2022	121
3.	Jeena Sikho Lifecare Limited	55.50	150.00	April 19, 2022	1,073
4.	SBL Infratech Limited	2.37	111.00	September 28, 2021	81.4
5.	Trekkingtoes.com Limited	4.54	105.00	August 28, 2020	29.2**
6.	Ascom Leasing & Investments Limited	6.32	30.00	December 06, 2019	266 ***
7.	Goblin India Limited	15.20	52.00	October 15, 2019	55
8.	Kranti Industries Limited	8.58	37.00	February 28, 2019	98

*CMP for all the above-mentioned company is taken as on 21st August 2023.

** Trekkingtoes.com Limited last closing price was on 11th April 2022

***Ascom Leasing & Investments Limited CMP is taken as on 4th August 2023

As per the offer document Fast Track Finsec Private Limited have had 10 mandates in the last three fiscal years. For Fast Track Finsec Private Limited out of the 8 mentioned above, 1 opened at par, 2 opened at discount and the remaining all opened at premiums.

Recommendation

The company has been into the industry since 2015 thus has decent experience in the industry. The company has seen a consistency in its increase of bottom line and top line of the financials which can be sustained going forward. The management outlook of the company is good.

The PE on an annualised and Post IPO basis is around 25.29 times which seems to be fairly priced looking at the financial performance of the company and its peers.

The company faces majority of the competition from unorganized players in India. The company has seen a consistency in its growth and can be sustained going forward with the upcoming projects from the company. The company has a good reach in India and has expanded its boundaries outside India which shows growth potential for the company. Thus, one can **APPLY** to this IPO for a long-term investment.

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