

IPO Details			Company Background				
Opening Date	Jan 11, 2024		<ul style="list-style-type: none"> ○ Australian Premium Solar (India) Limited was originally incorporated in the year 2013 and has its registered office in Sabarkantha, Gujarat, India. ○ The company is in the business of manufacturing Monocrystalline and Polycrystalline Solar Panels and Engineering, procurement, and construction (“EPC”) services. ○ The company also provides installation services for solar panels and solar pumps and undertakes installation services under this segment for household and industrial end-users. ○ As of 31st July 2023, the Company had 169 employees on its payroll. 				
Closing Date	Jan 15, 2024						
Stock Exchange	NSE SME						
Lot Size	2,000 Shares						
Issue Price	₹ 51 to ₹ 54 per share						
Issue Size	Aggregating up to 28.08 Cr.						
Fresh Issue	Aggregating up to 28.08 Cr.						
Offer for Sale Application	-						
Amount	₹ 1,08,000						
IPO Objective			Market Capitalization (In Cr.)				
Funding Capital Expenditure.			Pre-Issue		Post-Issue		
Funding Working Capital Requirements.			₹ 79		₹ 107		
General Corporate Purpose.							
Meet Public Issue Expenses.							
Pre-Issue Shareholding			Financial Summary (In Lacs)				
Category	No. of Shares	% of Total Shares	For the Period Ended	Mar-21	Mar-22	Mar-23	Jul-23
Promoter & Promoter Group	1,45,37,092	99.98 %	Total Assets	3,501.67	3,468.38	3,918.90	4,416.90
Public	2,908	0.02 %	Net Assets	847.10	1,113.19	1,446.62	1,563.37
Promoter of the Company			Total Borrowings	328.95	299.37	222.13	196.23
1	Chimanbhai Ranchhodbhai Patel		Total Revenue	7,443.97	9,832.92	9,495.86	5,027.28
2	Savitaben Chimanbhai Patel		Profit After Tax	180.11	270.47	333.43	113.17
3	Nikunj Kumar Chimanlal Patel		Tentative Timeline				
Competitive Strengths			Opening Date	Jan 11, 2024			
1	Experienced Promoters and Management Team.		Closing Date	Jan 15, 2024			
2	Long-term relationship with the clients.		Basis of Allotment	Jan 16, 2024			
3	Scalable business model.		Initiation of Refunds	Jan 17, 2024			
			Credit of Shares to Demat	Jan 17, 2024			
			Listing Date	Jan 18, 2024			

Company Background and Analysis

The Company was originally incorporated on 23, May 2013. The company is primarily engaged in the manufacturing of Solar Panels and EPC Services of solar systems. The industry term for solar panels is PV Module (Photovoltaic modules) which refers to a setup for generating electricity from sunlight, using semiconductor materials in devices called photovoltaic cells or solar cells. Currently, in the solar panel segment, the company manufactures both monocrystalline and polycrystalline solar panels at its manufacturing facility spread across 25,375 square meters, located at Sabarkantha, Gujarat having a capacity of 200 MW per annum.

The company also provides installation services for solar panels and solar pumps. The company undertakes installation services under this segment for household and industrial end users, while also providing solar pump installation services for agricultural end users which enables them to supply the manufactured solar panels along with solar pumps.

The company's core business can be divided into the following categories and the revenue bifurcation for the same is provided below –

1. Manufacturing of solar panels – The company manufactures two types of solar panels such as i) Monocrystalline Solar Panel and ii) Polycrystalline Solar Panel. Under this company procures solar cells and other raw materials from domestic or international markets, depending upon the end-use requirement, and processes them at the company's manufacturing facility to make solar modules.
2. EPC Services – Under this segment, the company provides installation services for rooftop solar and solar pumps –
 - i) Installation Services for rooftop solar - The company provides installation services for Rooftop solar for residential and commercial usage. The team provides on-grid rooftop installation services to the customers as per the locational requirement to maximize the harvesting of energy.
 - ii) Installation Services for solar pump - Under this segment, the company provides installation services for solar pumps across the country. Solar pump consists of a submersible pump and Solar modules along with other necessary spare parts.

Product-wise revenue bifurcation of the company for the last three years and period ended July 2023 -

(Amount in Lakhs)

Particulars	Mar-21		Mar-22		Mar-23		Jul-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Manufacturing of Solar Panels	3,945.23	53.20	3,233.94	32.96	6,403.04	67.71	3,367.13	67.11
Installation Services for Solar rooftop	3,438.27	46.36	6,448.77	65.72	2,696.08	28.51	1,403.43	27.97
Installation Services for Solar pump	32.74	0.44	129.42	1.32	356.79	3.77	246.76	4.92
Total	7,416.24	100.00	9,812.13	100.00	9,455.91	100.00	5,017.32	100.00

To conclude, the company has good experience in the industry. The company generates the majority of its revenue from the manufacturing segment. The company has not made any export sales after the financial year 2021. The company is also slightly concentrated in the state of Gujarat for revenue generation but has also over the years seen an increase in revenue from the state of Maharashtra.

Business Strategies

1. Expanding EPC vertical -

The company is engaged in two verticals i.e., Manufacturing of Solar Modules and EPC Services of rooftop solar and solar pumps. The company derives the majority of its revenue from the manufacturing vertical and is planning to expand aggressively into EPC services of solar systems and solar pump verticals, as it has higher margins.

2. Improve Domestic Presence -

The company intends to increase its domestic footprints with the introduction of a new product range and expansion of the EPC vertical and also intends to enter into new geographies in India with the solar pumps vertical.

3. Leveraging the market skills and relationships -

The company aims to leverage its marketing skills and relationships and further enhance customer satisfaction.

4. Optimal Utilization of Resources -

The company regularly analyses its existing processes to identify the areas of bottlenecks and improve them. This helps the company in improving its services to reap the optimum satisfaction of the clients.

5. Customer Satisfaction -

The company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complaints.

Competitive Scenario and Peer Mapping

Competition

The company competes with organized players in the industry with better financial position, market share, product ranges, and human and other resources. The company faces competition in business from domestic as well as global competitors. The industry in which the company is operating is highly and increasingly competitive. The company has medium barriers to entry. The bargaining power with the customers is medium in the sector in which the company operates. The bargaining power with the suppliers is medium in this sector.

Peer Analysis

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

Particulars	Australian Premium Solar (India) Limited	Zodiac Energy Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	4%	2%
EBITDA Margin	6%	6%
Return on Capital Employed	27%	15%
Return on Equity	23%	8%
EPS (INR)	2.29	2.18

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

Particulars	Australian Premium Solar (India) Limited	Zodiac Energy Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	3%	3%
EBITDA Margin	5%	6%
Return on Capital Employed	27%	19%
Return on Equity	24%	15%
EPS (INR)	1.86	3.73

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

Particulars	Australian Premium Solar (India) Limited	Zodiac Energy Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.4%	4.0%
EBITDA Margin	4.8%	7.0%
Return on Capital Employed	20.4%	23.3%
Return on Equity	21.3%	14.3%
EPS (INR)	1.24	3.02

Industry Overview

Exhibit 1: Installed capacity for different RES (April 2023 cumulative achievement) (GW)

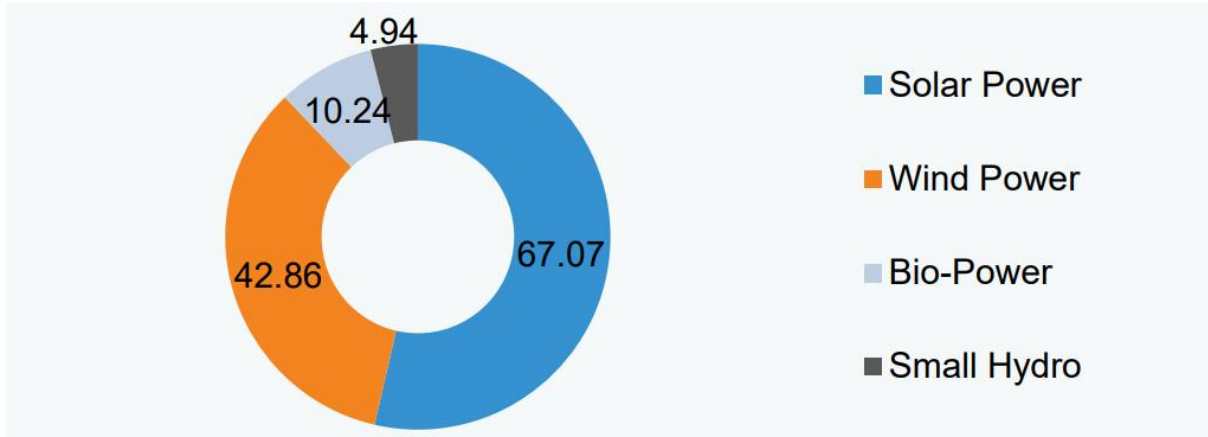
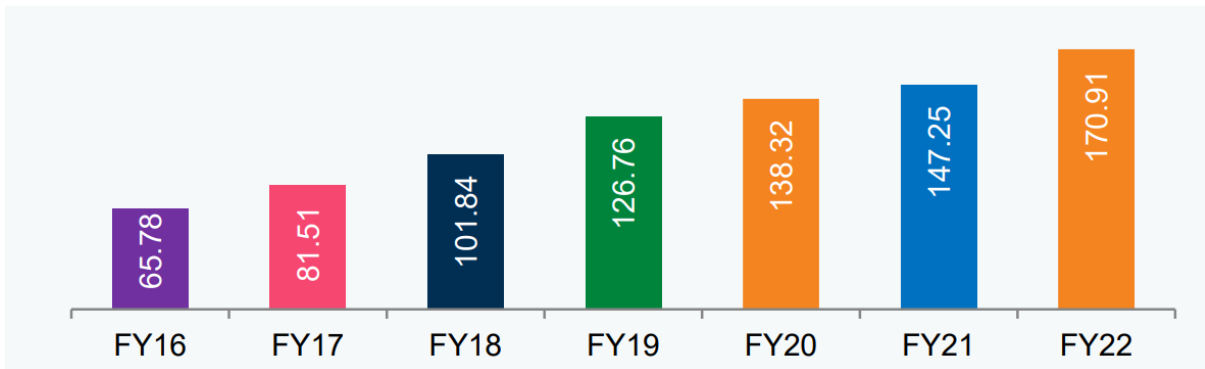


Exhibit 2: Electricity Generation from RES (billion unit)



(Source: ibef.org)

Renewable Energy Sector –

The International Energy Agency's World Energy Outlook projects a growth of renewable energy supply to 4,550 GW in 2040 on a global basis. Installed renewable power-generation capacity has increased at a fast pace over the past few years, posting a CAGR of 14.58% between FY16 and FY23*. India has 119.09 GW of renewable energy capacity in FY23. 975.60 MW of renewable energy capacity was added in January 2022. As of October 2022, 40.6% of the total power installed capacity is from non-fossil based sources, which fulfills the target of 40% by the end of 2022.

The country plans to reach 450 GW of installed renewable energy capacity by 2030, with 280 GW (over 60%) expected from solar power. The ambitious target of 450 GW will provide investment opportunities worth US\$ 221 billion by 2030. Power generation from renewable energy sources (not including hydro) stood at 16.18 billion units (BU) in September 2022, up from 14.49 BU in September 2021. Power generation from renewable energy sources stood at 92.88 billion units (BU) between April-August 2022, up from 79.13 BU in the same period in the previous year. The country ranks fourth worldwide in terms of the total installed wind power capacity. Off-grid renewable power capacity has also increased. From April 2015-February 2021, India has added 117.9 GW of power generation capacity, which includes 64.5 GW from conventional sources and 53.4 GW from renewable sources. In July 2021, the Ministry of New and Renewable Energy (MNRE) gave the go-ahead to NTPC Renewable Energy Ltd., a 100% subsidiary of NTPC, to build a 4,750 MW renewable energy park at the Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be developed by the country's leading power producer.

Solar Power Sector –

Due to its favourable location in the solar belt (400 S to 400 N), India is one of the best recipients of solar energy with abundant availability. Solar power installed capacity has increased by more than 18 times, from 2.63 GW in March 2014 to 63.3 GW at the end of 2022. In 2022, till November, India has added 12 GW of solar power capacity. In the first half of 2022, India has saved US\$ 4.2 billion in fuel costs through solar power generation, as well as 19.4 million tonnes of coal. India has generated 70.24 BU of solar power in the first nine months of 2022, a 36% YoY increase.

The Bhadla Solar Park in Rajasthan's Jodhpur district is the largest solar power plant in the world. Spanning 14,000 acres, the power plant is fully operational and has a capacity of 2,250 MW. Delhi's Indira Gandhi International Airport (IGIA) has become the first Indian airport to run entirely on hydro and solar power. Around 6% of the airport's electricity requirement is met from the onsite solar power plants. In November 2021, the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to RS. 24,000 crore (US\$ 3.17 billion) from the existing Rs. 4,500 crore (US\$ 594.68 million) to make India an exporting nation.

The world's largest floating 600 MW solar energy project will be constructed at the Omkareshwar Dam in the Khandwa district of Madhya Pradesh at the estimated cost of Rs. 3,000 crore (US\$ 3.84 billion). The project is expected to begin power generation by FY23.

(Source: prospectus)

Key Managerial Personnel

Nikunj Kumar Chimanlal Patel, aged 42 years, is one of the Promoters, Chairman and Executive Director of the Company. He holds Degree of Master of Engineering. He has more than 10 years in the Solar Industry. He plays a key role in the overall operation of the company.

Dhaval Jayeshkumar Suthar, aged 40 years, is the Whole-Time Director of the Company. He holds the Degree of Bachelor of Commerce. He has more than 8 years in the Solar Industry. He plays a significant role in the production department of the company.

Chimanbhai Ranchhodbhai Patel, aged 69 years, is one of the Promoters, and Non-Executive Director of the Company. He holds the Degree of Bachelor of Education (B.E). He has more than 9 years of experience in the Solar industry.

Chetan Babaldas Patel, aged 46 years, is the Independent Director of the Company. He holds the Degree of Company Secretary from the Institutes of the Company Secretaries of India. He has more than 21 years of experience in the field of secretarial and compliance-related activities.

Anupriya Tripathi, aged 33 years, is the Independent Director of the Company. She holds the degree of Company Secretary from The Institute of Company Secretaries of India. She has an Experience of more than 2 years in the field of Secretarial and compliance-related activities.

To conclude, the company has 3 promoters, out of which 2 promoters are also involved in the management and have good experience in the industry in which the company operates. The Directors of the company have good experience in fields directly linked to the operations of the company and different industries which helps in the growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jul-23
Revenue from Operations	7,416.24	9,812.13	9,455.92	5,017.32
Other Income	27.73	20.79	39.94	9.96
Total Income	7,443.97	9,832.92	9,495.86	5,027.28
Expenses				
Cost of Material Consumed	6,065.00	7,868.02	7,605.35	4,435.88
Purchase of Stock in Trade	-	-	-	-
Change in inventories of finished goods, work in progress and stock in trade.	-159.48	44.27	149.14	42.57
Employee benefits expense	291.16	377.74	382.21	112.23
Finance costs	25.53	29.43	40.68	19.30
Depreciation and Amortization expense	113.61	140.95	129.71	38.85
Other expenses	866.96	1,006.66	736.46	226.99
Total Expenses	7,202.78	9,467.07	9,043.55	4,875.82
Earnings Before Interest, Taxes, Depreciation & Amortization	352.60	515.44	582.76	199.65
EBITDA Margin	5%	5%	6%	4%
Profit/(Loss) before tax	241.19	365.85	452.31	151.46
Tax Expense				
Current Tax	42.09	85.55	108.43	39.87
Deferred Tax	18.99	9.83	10.45	-1.58
Total Tax Expense	61.08	95.38	118.88	38.29
Profit/(Loss) for the year	180.11	270.47	333.43	113.17
Net Profit Margin	2%	3%	4%	2%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jul-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	2.00	2.00	2.00	1,454.00
Reserve and Surplus	845.10	1,111.19	1,444.62	109.37
Total Equity	847.10	1,113.19	1,446.62	1,563.37
Minority Interest				
Total Equity	847.10	1,113.19	1,446.62	1,563.37
2. non-current liabilities				
Long Term Borrowings	260.03	184.52	110.11	90.29
Long Term Provisions	9.81	17.71	24.22	29.24
Deferred Tax Liabilities (Net)	54.21	64.04	74.49	72.92
Total non-current liabilities	324.05	266.27	208.82	192.45
3. Current liabilities				
Financial Liabilities				
Short-term borrowings	68.92	114.85	112.02	105.94
Trade payables				
Due to MSME	-	-	-	-
Due to Others	1,902.96	1,447.25	1,874.12	2,037.01
Other Current Liabilities	316.17	440.77	166.64	477.22
Short-term Provisions	42.47	86.04	110.68	40.90
Total Current liabilities	2,330.52	2,088.91	2,263.46	2,661.07
Total Liabilities	2,654.57	2,355.18	2,472.28	2,853.52
Total Equity and Liabilities	3,501.67	3,468.37	3,918.90	4,416.89

Balance Sheet					(In Lacs)
ASSETS					
1. non-current assets					
Property, Plant and Equipment					
Tangible Assets	799.40	663.62	692.35	654.23	
Intangible Assets	2.46	1.65	0.08	0.05	
Non-current Investments	84.77	144.33	258.46	265.51	
Other Non-Current Assets	59.13	58.25	72.99	72.99	
Total non-current assets	945.76	867.85	1,023.88	992.78	
2. Current assets					
Current Investments					
Inventories	824.00	647.84	470.86	268.78	
Trade receivables	275.70	284.36	971.81	1,500.40	
Cash and Bank Balances	206.91	357.89	218.93	204.11	
Short-term loans and advances	191.89	155.39	39.09	80.06	
Other Current Assets	1,057.41	1,155.04	1,194.33	1,370.76	
Total Current assets	2,555.91	2,600.53	2,895.02	3,424.11	
Total Assets	3,501.67	3,468.37	3,918.90	4,416.89	

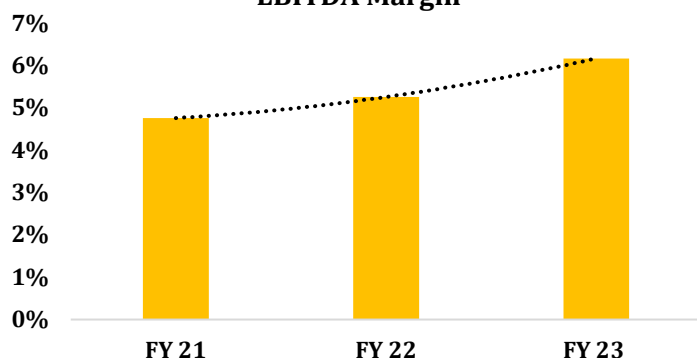
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jul-23	
Net Cash Flow from Operating Activities	504.50	267.30	253.20	37.25	
Net Cash Flow from Investing Activities	-557.15	-57.31	-274.25	-6.87	
Net Cash Flow from Financing Activities	180.53	-59.02	-117.92	-45.20	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Jul-23*
Per Share Data				
Diluted EPS	1.24	1.86	2.29	1.72
BV per share	4.29	5.64	7.33	23.29
Operating Ratios				
EBITDA Margins	4.75%	5.25%	6.16%	3.98%
PAT Margins	2.42%	2.75%	3.51%	2.25%
Inventory days	40.55	24.10	18.18	6.54
Debtor days	13.57	10.58	37.51	36.48
Creditor days	111.80	68.28	90.27	58.11
Return Ratios				
RoCE	20%	27%	27%	10%
RoE	21%	24%	23%	7%
Valuation Ratios (x)				
EV/EBITDA	2.75	2.05	2.49	7.60
Market Cap / Sales	1.44	1.09	1.13	0.71
P/E	43.55	29.03	23.58	31.35
Price to Book Value	12.58	9.58	7.37	2.32
Solvency Ratios				
Debt / Equity	0.39	0.27	0.15	0.13
Current Ratio	1.10	1.24	1.28	1.29
Quick Ratio	0.74	0.93	1.07	1.19
Asset Turnover	2.12	2.83	2.41	1.14
Interest Coverage Ratio	9.36	12.72	11.14	8.33

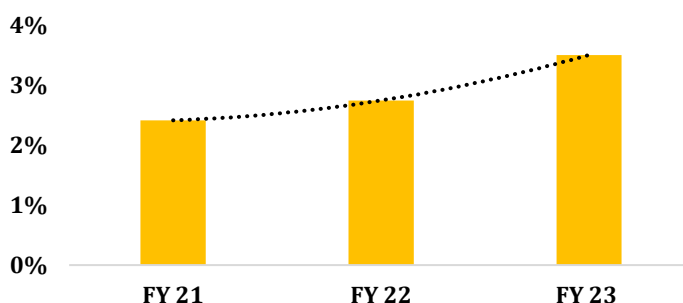
*Ratio sheet for Jul-23 is annualized.

Financial Charts

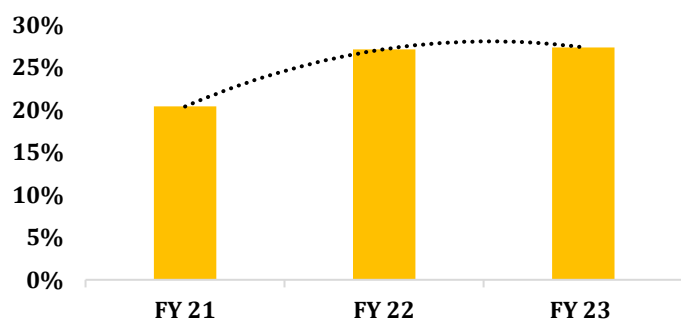
EBITDA Margin



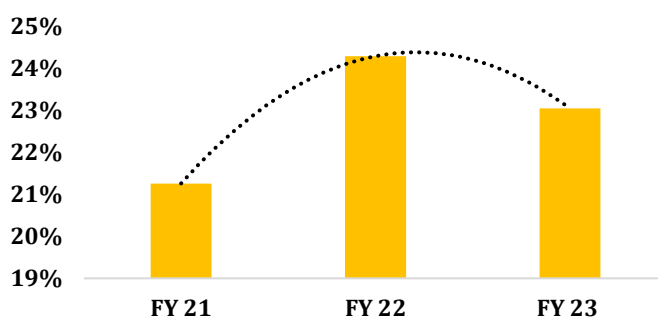
Net Profit Margin



Return On Capital Employed



Return on Equity



Key Risk Factors

1. The Company, Promoters, Promoters Group and Group Companies are party to certain litigation and claims amounting to Rs. 20.37 lakhs and one of the entity amounts is not ascertainable. Any adverse decision may make them liable to liabilities/penalties and may adversely affect their reputation, business and financial status.
2. The company's revenues are highly dependent on its operations in the geographical region of the state of Gujarat. Any adverse development affecting the operations in this region could have an adverse impact on the business, financial condition and results of operations.
3. Top 10 suppliers contribute 79.15%, 72.51% 74.53%, and 64.43% of the total purchase for period / financial year ended on July 31, 2023, March 31, 2023, 2022 and 2021, respectively. If a company is unable to procure adequate amounts of raw materials, at competitive prices the business, results of operations and financial condition may be adversely affected.

Track Record of Lead Manager

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

Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Indifra Limited	14.04	65.00	December 29, 2023	55.70
2.	Benchmark Computer Solutions Limited	12.24	66.00	December 21, 2023	70.97
3.	Sheetal Universal Limited	23.80	70.00	December 11, 2023	84.25
4.	Rajgor Castor Derivatives Limited	47.81	50.00	October 31, 2023	46.95
5.	Arvind and Company Shipping Agencies Limited	14.74	45.00	October 25, 2023	63.05
6.	Karnika Industries Limited	25.07	76.00	October 12, 2023	152.70
7.	Hi-Green Carbon Limited	52.80	75.00	September 28, 2023	182.15
8.	Kody Technolab Limited	27.52	160.00	September 27, 2023	678.50
9.	Chavda Infra Limited	43.26	65.00	September 25, 2023	89.30
10.	Vinsys IT Services Limited	49.84	128.00	August 11, 2023	271.0

The company has had 25 mandates in the past three years including the current Year.

*CMP for the above-mentioned companies is taken as of 8th January 2024.

As per the offer document, from the above-mentioned mandates, all the mandates have opened at premiums on the listing date.

Recommendation

The company has been in the industry since 2013 and has good experience in the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on a post-IPO basis is 31.97 times which seems to be slightly highly priced by looking at the performance of the company and the sector. The Sector P/E is 38.5 times.

The company has seen consistency in the increase of its bottom line of the financials. The top line has also seen a slight decrease for FY 2023 but can be increased going forward by looking at the future outlook of the company. The company also operates in an industry which has huge demand in the coming future. Sustained earnings can yield good growth for the company. Thus, we recommend well-informed and knowledgeable investors who have experience in the industry can **APPLY** for this IPO.



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