



## IPO Note

# Ola Electric Mobility Limited

Recommendation: **AVOID**

### Company Background -

- Incorporated in 2021, Ola Electric is a vertically integrated electric vehicle (EV) manufacturer focused on the electrification of mobility in India, with future plans to expand into select international markets and has its registered office in Bangalore, Karnataka.
- It designs, develops, and manufactures EVs and core EV components, including battery packs, motors, and vehicle frames, at its state-of-the-art Ola Future factory.
- The company had 959 permanent employees as of March 31, 2024.

### Objects of the Issue -

- Capital expenditure to be incurred by its Subsidiary, OCT for expansion of the capacity of its cell manufacturing plant from 5GWh to 6.4 GWh, classified as phase 2 under the expansion plan (the "Project").
- Repayment or pre-payment, in full or part, of the indebtedness incurred by its Subsidiary, OET.
- Investment into research and product development.
- Expenditure to be incurred for organic growth initiatives.
- General Corporate Purposes.

### Promoters Name -

Bhavish Agarwal

### Rationale for recommendation -

- ✓ Negative Cashflows.
- ✓ High Leverage.
- ✓ Dependence on Govt. subsidy for maintaining product price levels.
- ✓ Low-Capacity Utilisation.
- ✓ Limited Operating History.

### IPO Details

|                       |                      |
|-----------------------|----------------------|
| Opening Date          | August 2, 2024       |
| Closing Date          | August 6, 2024       |
| Allotment Date        | August 7, 2024       |
| Listing Date          | August 9, 2024       |
| Stock Exchange        | NSE, BSE             |
| Lot Size              | 195 Shares           |
| Issue Price Per Share | ₹72 to ₹76           |
| Issue Size            | 6,145.56 Cr.         |
| Fresh Issue           | 5,500.00 Cr.         |
| Offer for Sale        | -                    |
| Application Amt       | ₹14,820 (195 shares) |

### KPIs

(Amt in Lakhs.)

| KPI's      | FY 22   | FY 23     | FY 24     |
|------------|---------|-----------|-----------|
| Revenue    | 373.42  | 2,630.93  | 5,009.83  |
| EBITDA     | -800.39 | -1,252.45 | -1,267.58 |
| Net Profit | -784.15 | -1,472.08 | -1,584.40 |
| RoCE       | -20.04% | -44.05%   | -43.60%   |
| ROE        | -21.42% | -62.47%   | -78.46%   |
| P/E        | -179.82 | -102.56   | -92.18    |

### Promoter Share Holding Pattern

| Pre-Issue | Post Issue |
|-----------|------------|
| 45.14%    | 35.18%     |

### Valuation Parameters

| Particulars     | Pre-Issue   | Post Issue  |
|-----------------|-------------|-------------|
| EPS             | -4.35       | -3.59       |
| BVPS            | 5.48        | 65.79       |
| P/E             | -92.18      | -111.63     |
| P/BV            | 73.22       | 6.09        |
| Mkt Cap (In Cr) | 1,47,851.60 | 1,76,871.33 |

### Lead Managers -

**Kotak Mahindra Capital Company Limited; Bofa Securities India Limited; Axis Capital Limited; SBI Capital Markets Limited; Citigroup Global Markets India Private Limited; Goldman Sachs (India) Securities Private Limited; ICICI Securities Limited and Bob Capital Markets Limited**

### Registrar -

**Link Intime India Pvt. Ltd.**

**Business Overview -**

**Product Philosophy: best design, best performance, and best technology**

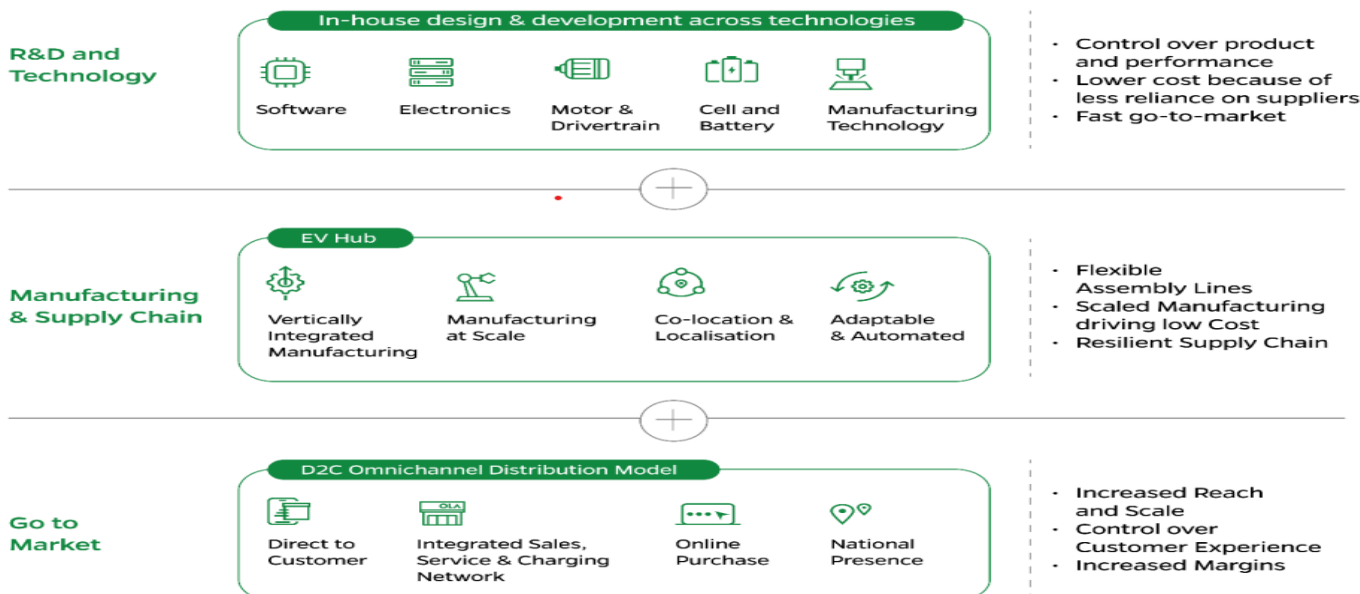


| Gen 2 Platform       | Ola S1 Pro                  | Ola S1 (Air)         | Ola S1 X+            | Ola S1 X (4kWh)      | Ola S1 X (3kWh)      | Ola S1 X (2kWh)      |
|----------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Vehicle Retail Price | c.INR 147,499               | c.INR 119,999        | c.INR 109,999        | c.INR 109,999        | c.INR 89,999         | c.INR 79,999         |
| Motor                | 11kW                        | 6kW                  | 6kW                  | 6kW                  | 6kW                  | 6kW                  |
| Range                | 195 km                      | 151 km               | 151 km               | 190 km               | 151 km               | 91 km                |
| Top Speed            | 120 km/h                    | 90 km/h              | 90 km/h              | 90 km/h              | 90 km/h              | 85 km/h              |
| Battery Capacity     | 4 kWh                       | 3 kWh                | 3 kWh                | 4 kWh                | 3 kWh                | 2 kWh                |
| Drive Modes          | Eco, Normal, Sports & Hyper | Eco, Normal & Sports | Eco, Normal & Sports | Eco, Normal & Sports | Eco, Normal & Sports | Eco, Normal & Sports |

**Product Portfolio and Milestones:**

- **Scooters:** Launched seven models since August 2021, including Ola S1 Pro (Dec '21), Ola S1 (Sept '22), Ola S1 Air (Aug '23), Ola S1 X+ (Dec '23), and Ola S1 X (2 kWh, 3 kWh, and 4 kWh) (May '24).
- **Motorcycles:** Announced a line-up of four motorcycle models (Diamondhead, Adventure, Roadster, Cruiser) expected to launch in first half of Fiscal 2026.

**Business Model**



**Market Leadership:**

- **Highest Revenue:** Achieved the highest revenue among all Indian-incorporated E2W OEMs from E2W sales in Fiscal 2023.
- **Best-Selling Brand:** Became the best-selling E2W brand in India by monthly registrations on the VAHAN portal within nine months of launch.

**Market Opportunity:**

- **Large and Growing Domestic Market:** India is the 2nd largest 2W market globally with E2W penetration expected to grow significantly (5.4% in FY24 to 41-56% by FY28).
- **Significant Export Potential:** Total addressable market for 2W exports from India is ₹7.20 - ₹8.00 trillion, with a global export opportunity of 100-110 million units.

### Technology Focus

- **Core Technologies:** Ola Electric focuses on five key technologies: software (including MoveOS), electronics, motor and drivetrain, cells and battery packs, and manufacturing technology.
- **In-house Development:** These technologies are developed internally, giving the company control over product performance and supply chain resilience.
- **R&D Investment:** Ola Electric has a significant R&D workforce (959 employees as of March 31, 2024) and invests heavily in R&D activities across India, the UK, and the US.
- **MoveOS:** Proprietary operating system powering all Ola Electric vehicles, with features like navigation, call filter, anti-theft alert, etc.
- **4680-form factor cell:** Developed in-house and received BIS certification, manufactured at the Ola Gigafactory since March 22, 2024.
- **Intellectual Property:** Ola Electric actively protects its innovations through a robust portfolio of patents, trademarks, and designs, securing its technological advancements and brand identity. As of July 24, 2024, the company holds 88 registered patents and 217 patent applications pending in India, along with 17 registered patents and 57 patent applications pending internationally. Additionally, it has 75 registered designs and 9 design applications pending in India, as well as 26 registered designs and 107 design applications pending globally.

### Manufacturing and Supply Chain

- **Ola Futurefactory:** The largest integrated E2W manufacturing plant in India, with a capacity of 1 million units per year.
- **EV Hub:** A 2,000-acre hub in Tamil Nadu, housing the Ola Futurefactory, the upcoming Ola Gigafactory, and co-located suppliers.
- **Supplier Relationships:** Direct relationships with suppliers ensure quality control and cost optimization, with a focus on local suppliers for most components.
- **In-house vs. Outsourced Manufacturing:** Decisions are based on control over technology, customization needs, and return on investment.
- **Supplier Co-location:** Three suppliers are currently co-located in the EV hub, promoting just-in-time manufacturing and supply chain control.

### D2C Pan India Network and Omnichannel Customer Experience

- **Extensive Network:** Ola Electric operates India's largest company-owned network of experience centres (870) and service centres (431) as of March 31, 2024.
- **Omnichannel Experience:** Customers can interact with the brand and make purchases both online and offline.
- **High Engagement:** The company boasts 32.14 million unique users online and high app usage among EV scooter owners.
- **Value-added services:** Ola Care and Ola Care+ subscription programs offer additional benefits.
- **Charging Network:** A network of 250 hypercharge guns and 764 standard charger guns provides exclusive charging services to Ola EV scooter owners.

### Eligibility for the PLI Schemes

- **Unique Beneficiary:** Ola Electric is the only EV manufacturer in India eligible for both the Automobile and Cell PLI schemes.
- **Incentives:** All advanced chemistry cells and EVs manufactured and sold qualify for cash incentives under the schemes.
- **Certifications:** Ola S1 Air and Ola S1 Pro (Gen2) scooters have received certifications for eligibility under the Automobile PLI Scheme.
- **Cell PLI Scheme:** Awarded 20 GWh capacity, the highest among recipients. Incentives are tied to achieving capacity milestones and domestic value addition thresholds.

## Competition -

The Indian E2W market is witnessing intense competition shaped by several factors. Technological advancements in battery and software are driving innovation and product differentiation. Social influences like increasing environmental awareness and desire for sustainable transportation are boosting demand. Macroeconomic factors such as rising fuel prices and government incentives further favour E2Ws.

### Porter's Five Forces:

- **Rivalry:** High, with numerous players vying for market share.
- **Threat of New Entrants:** Moderate, barriers to entry include technology and manufacturing expertise.
- **Bargaining Power of Buyers:** High, customers have a wide range of choices and are price sensitive.
- **Bargaining Power of Suppliers:** Moderate but can increase with dependence on imported components.
- **Threat of Substitutes:** Moderate, ICE two-wheelers remain a significant competitor, but the threat is diminishing with advancements in EV technology and infrastructure.

### Industry Lifecycle and Business Cycle:

- The E2W industry is in its growth stage, characterized by rapid technological advancements, increasing adoption, and expanding market size.
- The industry is currently experiencing a boom cycle, driven by favourable government policies and growing consumer demand.

### Experience Curve:

As the industry matures and production scales up, players are likely to move down the experience curve, benefiting from cost reductions and improved efficiency.

### Conclusion:

The Indian E2W market is highly competitive but offers significant growth potential. Players with strong technological capabilities, established brands, and efficient supply chains are likely to succeed in this dynamic landscape.

## Business Strategies -

1. **Build “India” Centric EV Products with an “India First” Strategy**
    - **Market Potential:** India's 2W production market reached ~19 million units in FY2023, with a 15% EV penetration rate.
    - **Future Plans:** Develop and launch next-gen EVs for various price points and uses, leveraging the Ola S1 platform and new platforms.
  2. **Invest in R&D to Advance Technological Capabilities and Optimize Costs**
    - **Focus on R&D:** Continuous investment has led to the Ola S1 Pro (Gen 2) with a 22.55% lower BOM and improved performance.
    - **Product Line:** New models like Ola S1 Air, S1 X+ benefited from cost improvements.
    - **Software and Battery Development:** Enhancing MoveOS and developing cell technology at the Ola Gigafactory.
  3. **Build an EV Hub with Vertically Integrated Manufacturing and Supply Chain**
    - **Infrastructure:** Constructing the Ola Gigafactory and Ola Futurefactory in Tamil Nadu.
    - **Goals:** Increase vertical integration, foster innovation, and manage costs.
- ### Develop Cell Technology and Strengthen In-House Manufacturing
- **Cell Manufacturing:** Started producing 4680-form factor cells in March 2024.
  - **Cost Control:** In-house cell manufacturing to improve battery quality, supply, and cost.
4. **Expand Product Portfolio to Drive Market Penetration**
    - **Strategic Launches:** Target both premium and mass-market categories to reach a broader consumer base.
    - **Future Models:** Plan to introduce affordable mass-market Ola S1 models and motorcycles by FY2026.
  5. **Strengthen D2C Omnichannel Network Across Sales, Service, and Charging**
    - **Expansion:** Increase experience and service centres in rural and urban areas.
    - **Charging Network:** Strategically expand Ola branded charging stations.
  6. **Efficient Capital Allocation and Focus on Growth**
    - **Investment Focus:** Emphasize R&D, technology, and cell manufacturing capabilities.
    - **Financials:** Significant investments in property, plant, equipment, and intangible assets over FY2022-2024.
  7. **Leverage Global EV Opportunity**
    - **Export Strategy:** Assess opportunities in ASEAN, Latin America, and Africa.
    - **Brand Positioning:** Appeal to international markets with a focus on technology and sustainability.

## Risk Factors -

Ola Electric and its subsidiaries have incurred losses and negative cash flows since inception, including in FY22, FY23, and FY24. They may continue to incur losses in the near future due to ongoing investments and expansion plans.

Ola Electric has a limited operating history in EV manufacturing, with its first scooter delivered in December 2021. While revenue and sales have grown rapidly, the company faces risks and challenges as a new entrant in the EV industry, including technology advancement, manufacturing capabilities, supply chain management, and adapting to a dynamic market.

Ola Electric's EVs currently qualify for EMPS 2024 subsidies of up to ₹10,000 or 15% of ex-factory price. If eligibility is lost, higher prices could impact competitiveness and financial performance. Additionally, under the Cell PLI Scheme, failure to achieve the committed cell manufacturing capacity milestones (1 GWh in FY24, scaling up to 20 GWh by the fourth year) could result in reduced subsidies or even termination of the subsidy and appropriation of performance security.

Ola Futurefactory's 49% capacity utilization in FY24 could limit economies of scale and impact profitability if demand doesn't increase.

Ola Electric has received customer complaints about product quality, including instances of scooters catching fire.

Ola Electric's borrowings have increased to ₹23,892.10 million as of FY24. Its negative interest coverage ratio of -13.29 raises concerns about meeting financial obligations and potential operational impact.

Ola Electric's Promoter and certain related parties have potential conflicts of interest with lessors and suppliers crucial for its operations, which could negatively impact the company.

Ola Electric uses commissioned industry data, which may have limitations. Investors should exercise caution and conduct independent research.

Company is subject to exchange rate risks.

## PEER ANALYSIS

| Particulars   | Ola Electric Mobility Limited |         |        | TVS Motors Company Limited |       |       | Eicher Motors Limited |       |        | Bajaj Auto Limited |        |        |
|---------------|-------------------------------|---------|--------|----------------------------|-------|-------|-----------------------|-------|--------|--------------------|--------|--------|
|               | FY 22                         | FY 23   | FY 24  | FY 22                      | FY 23 | FY 24 | FY 22                 | FY 23 | FY 24  | FY 22              | FY 23  | FY 24  |
| NP Margin     | -210%                         | -56%    | -32%   | 3%                         | 4%    | 4%    | 15%                   | 18%   | 22%    | 17%                | 16%    | 17%    |
| EBITDA Margin | -214%                         | -48%    | -25%   | 11%                        | 13%   | 14%   | 24%                   | 27%   | 32%    | 22%                | 21%    | 22%    |
| RoCE          | -19%                          | -50%    | -44%   | 15%                        | 21%   | 22%   | 19%                   | 25%   | 29%    | 25%                | 26%    | 33%    |
| ROE           | -21%                          | -62%    | -78%   | 17%                        | 24%   | 25%   | 15%                   | 20%   | 24%    | 21%                | 21%    | 27%    |
| EPS (INR)     | -2.23                         | -3.91   | -4.35  | 15.93                      | 27.97 | 35.50 | 58.02                 | 95.91 | 137.02 | 213.08             | 211.78 | 274.25 |
| P/E           | -179.82                       | -102.56 | -92.18 | 39.47                      | 38.51 | 60.62 | 42.76                 | 30.75 | 29.33  | 17.55              | 18.34  | 33.36  |

## Indian Overview -

### India's Automotive Industry: An EV-Led Transformation

#### Overview

- India's automotive market, valued at ₹1.4-1.6 trillion (US\$17-20 billion) in FY2023, is central to the economy, contributing ~35% to manufacturing GDP.
- The market is undergoing a tech-driven shift towards EVs, software integration, and domestic manufacturing.
- India holds a significant global position, accounting for 15-20% of 2W production and being the 3rd largest 4W-Passenger Vehicle market.

#### Growth Drivers:

1. **EV Penetration:** Advancements in cell technology are driving EV adoption, with E2Ws (electric two-wheelers) leading the charge due to lower TCO (~55% less than ICE counterparts). E2W penetration is projected to grow from 5.4% in FY2024 to 41-56% by FY2028. E4W (electric four-wheeler) penetration is expected to reach 11-13% by FY2028.
2. **Software & Electronics Integration:** Evolving customer needs and safety regulations are increasing the importance of software and electronics in vehicles, projected to reach 25-30% of 4W BOM cost by 2030.
3. **Government Support:** Initiatives like the PLI schemes (budget: ₹2.73 trillion) and FAME scheme are incentivizing domestic manufacturing and EV adoption.

#### Market Segmentation:

- **2Ws:** The dominant segment, with India being the 2nd largest 2W market globally. E2Ws are witnessing rapid growth, driven by affordability, infrastructure suitability, and expanding use-cases (last-mile delivery, ride-hailing).
- **3Ws & 4Ws:** While still nascent, the E3W and E4W segments are expected to grow significantly, supported by government initiatives and increasing product availability.

## Global Trends and Opportunities

- **Disruptor OEMs:** Pure-play EV manufacturers are leading the global EV market with their focus on innovation and vertical integration.
- **Localization:** Domestic sourcing and manufacturing are crucial for cost efficiency and regulatory compliance in India.
- **Export Potential:** India has a strong export opportunity in the E2W segment, particularly in emerging markets and potentially in mature western markets.

#### Challenges:

- **Economic and Geopolitical Factors:** Economic downturns, inflation, and geopolitical tensions can impact the industry.
- **Policy Changes:** Regulatory shifts can create uncertainty and impact business operations.
- **Competition:** The growing EV market is attracting significant investment and competition.

#### Conclusion

India's automotive market is undergoing a significant transformation, led by the rapid adoption of electric vehicles. Ola Electric, with its strong focus on technology, vertical integration, and a comprehensive product portfolio, is well-positioned to capitalize on this growth opportunity and contribute to India's sustainable mobility future.

**Key Management -**



|   |   |
|---|---|
| <b>Key Management Persons Name - Age</b>          | <b>Bhavish Aggarwal</b><br>38   |
| <b>Designation and No. of years of experience</b> | Promoter, Chairman and Managing Director  |
| <b>Qualification</b>                              | Bachelor’s degree of technology in computer science and engineering from the Indian Institute of Technology, Bombay   |
| <b>Roles and Responsibility</b>                   | -   |
| <b>Interest in other entities:</b>                | ANI Technologies Private Limited, Krutrim SI Designs Private Limited, Ola Cell Technologies Private Limited, Ola Electric Technologies Private Limited and Ola Financial Services Private Limited |

|   |  |
|---|--|
| <b>Key Management Persons Name - Age</b>          | <b>Krishnamurthy Venugopala Tenneti</b><br>79  |
| <b>Designation and No. of years of experience</b> | Non-Executive Director, 25+ years of experience  |
| <b>Qualification</b>                              | Bachelor’s degree in technology in electrical engineering (H.C.) from the Indian Institute of Technology, Madras and a post-graduate diploma in business administration from Indian Institute of Management, Ahmedabad   |
| <b>Experience</b>                                 | Advisor to the board of ANI Technologies Private Limited since 2017 and a director on the board of Indegene Limited since 2008 having experience in management advisory.   |
| <b>Interest in other entities:</b>                | ANI Technologies Private Limited, Indegene Limited, Krutrim SI Designs Private Limited, Krutrim Silicon Private Limited, Ola Cell Technologies Private Limited, Ola Electric Charging Private Limited, Ola Financial Services Private Limited, Swarn Aayu Foundation |

|   |  |
|---|--|
| <b>Key Management Persons Name - Age</b>          | <b>Arun Sarin</b><br>69  |
| <b>Designation and No. of years of experience</b> | Non-Executive Director   |
| <b>Qualification</b>                              | Bachelor’s degree of technology in metallurgical engineering from the Indian Institute of Technology, Kharagpur and a master’s degree in science, materials science and engineering and in business administration from the University of California at Berkeley |
| <b>Previous Associations</b>                      | Vodafone Group Plc as chief executive officer.   |
| <b>Interest in other entities:</b>                | <i>Indian</i> : ANI Technologies Private Limited, Krutim SI Designs Private Limited, Ola Financial Services Private Limited;<br><i>Foreign</i> : Accenture PLC , Cerence Inc., The Charles Schwab Corporation  |

|   |  |
|---|--|
| <b>Key Management Persons Name - Age</b>          | <b>Manoj Kumar Kohli</b><br>65   |
| <b>Designation and No. of years of experience</b> | Independent Director   |
| <b>Qualification</b>                              | Bachelor's degree in commerce (honours) and a master's degree in business administration from the University of Delhi. He has also received a diploma in training and development from the Indian Society for Training and Development and a post-graduate diploma in personnel management from the New Delhi YMCA Institute of Management Studies.                                  |
| <b>Previous Associations</b>                      | SoftBank Group International as country head and Bharti Enterprises Limited as the managing director   |
| <b>Interest in other entities:</b>                | Carnation Acreage Private Limited, B9 Beverages Limited, Elara Capital (India) Private Limited, Exicom Tele – Systems Limited, Inbrew Beverages Private Limited, Ola Electric Technologies Private Limited, Sunsure Energy Private Limited, SEW Private Limited, Triveni Engineering and Industries Limited, Unicommerce Esolutions Limited, Wework India Management Private Limited |

|   |   |
|---|---|
| <b>Key Management Persons Name - Age</b>          | <b>Ananth Sankaranarayan</b><br>47  |
| <b>Designation and No. of years of experience</b> | Independent Director  |
| <b>Qualification</b>                              | Master's degree of science in engineering (industrial and operations engineering) from the University of Michigan, USA.   |
| <b>Roles and Responsibility</b>                   | Associated with McKinsey & Company, Inc. as a senior partner, Medlife International Private Limited as a co-founder and chief executive officer and Myntra Designs Private Limited as the chief executive officer.  |
| <b>Experience</b>                                 | <i>Indian</i> : Archernar Brand Technologies Private Limited, Birlasoft Limited, Caelum Arpit Brand Technologies Private Limited, Cephus Brand Technologies Private Limited, Helea Technology Private Limited, Lepus Brand Technologies Private Limited, Marico Limited, Mensa Brand Technologies Private Limited, Ola Cell Technologies Private Limited, Prita Designs Private Limited, Pyxis Brand Technologies Private Limited and Renee Cosmetics Private Limited<br><br><i>Foreign Companies:</i> Bergwelt Pte Ltd • Mensa Brands Technologies Pte Ltd |

|   |   |
|---|---|
| <b>Key Management Persons Name - Age</b>          | <b>Shradha Sharma</b><br>44   |
| <b>Designation and No. of years of experience</b> | Independent Director  |
| <b>Qualification</b>                              | Post-graduate certificate in design communications management from the Mudra Institute of Communications, Ahmedabad.                                  |
| <b>Experience</b>                                 | founder and chief executive officer of YourStory Media Private Limited since July 2011 and is also a member of the National Startup Advisory Council. |
| <b>Previous Associations</b>                      | Content For Good Private Limited, YourStory Media Private Limited   |



## FINANCIAL SNAPSHOT

Statement of Profit and Loss Amt in Lakhs.

| Particulars   | FY 22           | FY 23            | FY 24            |
|---|-----------------|------------------|------------------|
| Revenue from Operations   | 373.42          | 2630.93          | 5009.83          |
| Other Income  | 82.84           | 151.77           | 233.44           |
| <b>Total Income</b>   | <b>24450.96</b> | <b>25524.98</b>  | <b>32701.29</b>  |
| <b>Expenses</b>   |                 |                  |                  |
| Cost of Material Consumed   | 584.93          | 2504.79          | 4390.91          |
| Purchase of stock-in-trade  | 56.18           | 139.26           | 69.75            |
| "Changes in Inventories of WIP,<br>Finished Goods & Stock in Trade" | -160.22         | -73.64           | -81.14           |
| Employee benefits   | 17.62           | 107.92           | 186.57           |
| Finance Cost  | 48.98           | 167.06           | 357.64           |
| Depreciation and Amortization expense                               | 410.43          | 886.24           | 1459.02          |
| Other expenses  | 584.93          | 2504.79          | 4390.91          |
| <b>Total Expenses</b>   | <b>1,240.41</b> | <b>4,158.36</b>  | <b>6,821.62</b>  |
| <b>EBITDA</b>   | <b>-800.39</b>  | <b>-1,252.45</b> | <b>-1,267.58</b> |
| <b>EBITDA Margin</b>  | <b>-214.34%</b> | <b>-47.60%</b>   | <b>-25.30%</b>   |
| Exceptional Items   | -               | 96.42            | 6.05             |
| <b>Profit/(Loss) before tax</b>                                     | <b>353.01</b>   | <b>418.98</b>    | <b>686.89</b>    |
| <b>Tax Expense</b>  |                 |                  |                  |
| Current tax   | -               | -                | -                |
| Deferred Tax Expenses/(credit)                                      | -               | -                | -                |
| <b>Total Tax</b>  | <b>-</b>        | <b>-</b>         | <b>-</b>         |
| <b>Profit/(Loss) for the year</b>                                   | <b>-784.15</b>  | <b>-1,472.08</b> | <b>-1,584.40</b> |
| <b>Net Profit Margin</b>  | <b>-171.86%</b> | <b>-52.90%</b>   | <b>-30.22%</b>   |

Statement of Equity, Assets and Liabilities Amt in Lakhs.

| Particulars                               | FY 22           | FY 23           | FY 24           |
|---|-----------------|-----------------|-----------------|
| <b>EQUITY AND LIABILITIES</b>             |                 |                 |                 |
| <b>1. Shareholders' funds</b>             |                 |                 |                 |
| Share Capital                             | 1955.45         | 1955.45         | 1955.45         |
| Instruments entirely equity in nature     | 1804.25         | 1809.70         | 2973.32         |
| Other Equity                              | 0.00            | 0.00            | 0.00            |
| (i) Other components of equity            | -27.42          | -27.42          | -27.42          |
| (ii) Reserves and Surplus                 | -68.83          | -1380.03        | -2882.54        |
| (iii) Items of other comprehensive income | -1.87           | -1.25           | 0.53            |
| <b>Total Equity</b>                       | <b>3,661.58</b> | <b>2,356.44</b> | <b>2,019.34</b> |
| <b>3. Non-current liabilities</b>         |                 |                 |                 |
| Financial Liabilities                     |                 |                 |                 |
| (i) Borrowings                            | 523.79          | 700.33          | 1318.60         |
| (i) Lease Liabilities                     | 49.04           | 39.86           | 215.00          |
| Provisions                                | 5.07            | 5.05            | 15.35           |
| Other non-current liabilities             | 0.00            | 120.58          | 159.23          |
| <b>Total non-current liabilities</b>      | <b>577.90</b>   | <b>865.82</b>   | <b>1,708.18</b> |
| <b>4. Current liabilities</b>             |                 |                 |                 |
| Financial Liabilities                     |                 |                 |                 |
| (i) Borrowings                            | 4.36            | 10.16           | 106.19          |

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| (ii) Lease Liabilities                                  |                 |                 |                 |
| (iii) Trade Payables                                    | 34.92           | 45.10           | 195.99          |
| (a) Outstanding Dues to MSME                            | 321.92          | 648.24          | 1152.48         |
| (b) Outstanding Dues to other than MSME                 | 171.51          | 391.17          | 888.89          |
| (iv) Other Financial Liabilities                        | 338.63          | 230.96          | 421.46          |
| Other current liabilities                               | 58.55           | 79.88           | 172.27          |
| Provisions  | 226.62          | 945.42          | 1070.61         |
| <b>Total Current liabilities</b>                        | <b>1,156.51</b> | <b>2,350.94</b> | <b>4,007.89</b> |
| <b>Total Liabilities</b>                                | <b>1,734.41</b> | <b>3,216.76</b> | <b>5,716.07</b> |
| <b>Total Equity and Liabilities</b>                     | <b>5,395.99</b> | <b>5,573.21</b> | <b>7,735.41</b> |
| <b>ASSETS</b>   |                 |                 |                 |
| <b>1. Non-current assets</b>                            |                 |                 |                 |
| Property, Plant and Equipment                           | 751.07          | 881.12          | 1564.72         |
| Capital Work-in-progress                                | 18.35           | 130.91          | 419.40          |
| Right-of-Use Assets                                     | 139.00          | 129.79          | 395.55          |
| Goodwill  | 6.19            | 6.19            | 8.52            |
| Other Intangible Assets                                 | 128.27          | 201.78          | 522.27          |
| Intangible assets under development                     | 64.65           | 376.26          | 293.22          |
| Financial Assets  |                 |                 |                 |
| (i) Investments   | 37.86           | 37.86           | 37.86           |
| (ii) Other financial assets                             | 25.16           | 153.31          | 188.01          |
| Other tax assets (net)                                  | 8.91            | 5.29            | 13.45           |
| Other non-current assets                                | 152.86          | 201.03          | 245.80          |
| <b>Total non-current assets</b>                         | <b>1,332.33</b> | <b>2,123.54</b> | <b>3,688.80</b> |
| <b>2. Current assets</b>                                |                 |                 |                 |
| Inventories   | 284.29          | 583.96          | 693.99          |
| Financial Assets  |                 |                 |                 |
| (i) Investments   | 1064.58         | 238.15          | 25.86           |
| (ii) Trade receivables                                  | 15.22           | 84.25           | 158.48          |
| (iii) Cash and cash equivalents                         | 1235.00         | 242.91          | 107.11          |
| (iv) Bank balances other than cash and cash equivalents | 861.76          | 1286.38         | 1555.97         |
| (v) Other financial assets                              | 62.64           | 546.31          | 755.89          |
| Other Current Assets                                    | 540.04          | 467.67          | 749.31          |
| <b>Total Current assets</b>                             | <b>4,063.53</b> | <b>3,449.63</b> | <b>4,046.61</b> |
| <b>Total Assets</b>                                     | <b>5,395.86</b> | <b>5,573.17</b> | <b>7,735.41</b> |

| <b>Cash Flow Statement</b>              |              |              | <b>Amt in Lakhs.</b> |
|---|--------------|--------------|----------------------|
| <b>Particulars</b>                      | <b>FY 22</b> | <b>FY 23</b> | <b>FY 24</b>         |
| Net Cash Flow from Operating Activities | -884.95      | -1,507.27    | -633.09              |
| Net Cash Flow from Investing Activities | -1,321.83    | -318.55      | -1,136.28            |
| Net Cash Flow from Financing Activities | 3,084.83     | 658.70       | 1,589.96             |

| <b>Key Ratios</b>              |              |              |              |
|--------------------------------|--------------|--------------|--------------|
| <b>Particulars</b>             | <b>FY 22</b> | <b>FY 23</b> | <b>FY 24</b> |
| <b><u>Per Share Data</u></b>   |              |              |              |
| Diluted EPS                    | -2.23        | -3.91        | -4.35        |
| BV per share                   | 9.93         | 6.39         | 5.48         |
| <b><u>Operating Ratios</u></b> |              |              |              |
| EBITDA Margins                 | -214.34%     | -47.60%      | -25.30%      |

Recommendation: **AVOID**

|                             |          |         |         |
|-----------------------------|----------|---------|---------|
| PAT Margins                 | -171.86% | -52.90% | -30.22% |
| Inventory days              | 277.88   | 81.02   | 50.56   |
| Debtor days                 | 14.88    | 11.69   | 11.55   |
| Creditor days               | 171.26   | 88.26   | 109.88  |
| <b>Return Ratios</b>        |          |         |         |
| RoCE                        | -20.04%  | -44.05% | -43.60% |
| RoE                         | -21.42%  | -62.47% | -78.46% |
| <b>Valuation Ratios (x)</b> |          |         |         |
| EV/EBITDA                   | -2.89    | -1.97   | -2.17   |
| Market Cap / Sales          | 473.65   | 67.23   | 35.30   |
| P/E                         | -179.82  | -102.56 | -92.18  |
| Price to Book Value         | 40.38    | 62.74   | 73.22   |
| <b>Solvency Ratios</b>      |          |         |         |
| Debt / Equity               | 0.20     | 0.70    | 1.18    |
| Current Ratio               | 3.51     | 1.47    | 1.01    |
| Quick Ratio                 | 3.27     | 1.22    | 0.84    |
| Asset Turnover              | 0.07     | 0.47    | 0.65    |
| Interest Coverage Ratio     | -48.21   | -8.63   | -13.29  |

**LEAD MANAGER TRACK RECORD -**

The lead manager to the issue are Kotak Mahindra Capital Company Limited; Bofa Securities India Limited; Axis Capital Limited; SBI Capital Markets Limited; Citigroup Global Markets India Private Limited; Goldman Sachs (India) Securities Private Limited; ICICI Securities Limited and Bob Capital Markets 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 –

**Kotak Mahindra Capital Company Limited –**

| Sr. No. | Company Name                   | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--------------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Emcure Pharmaceuticals Limited | 1952.03           | 1,008.00                   | Jul 10, 2024 | 1,255.80   |
| 2.      | Aadhar Housing Finance Limited | 3000.00           | 315.00                     | May 15, 2024 | 406.40     |
| 3.      | Indegene Limited               | 1841.76           | 452.00                     | May 13, 2024 | 554.85     |

The company has handled 24 mandates in the last three years (including current year)

**Bofa Securities India Limited –**

| Sr. No. | Company Name              | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Tata Technologies Limited | 3042.51           | 500.00                     | Nov 30, 2023 | 976.60     |
| 2.      | Nexus Select Trust        | 3200.00           | 100.00                     | May 19, 2023 | 144.12     |
| 3.      | Campus Activewear Limited | 1400.14           | 292.00                     | May 09, 2022 | 294.00     |

The company has handled 6 mandates in the last three years (including current year)

**Axis Capital Limited -**

| Sr. No. | Company Name                   | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--------------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Emcure Pharmaceuticals Limited | 1952.03           | 1,008.00                   | Jul 10, 2024 | 1,255.80   |
| 2.      | Stanley Lifestyles Limited     | 537.02            | 369.00                     | Jun 28, 2024 | 553.15     |
| 3.      | Le Travenues Technology Ltd    | 740.10            | 93.00                      | Jun 18, 2024 | 166.95     |

The company has handled 35 mandates in the last three years (including current year).

**SBI Capital Markets Limited -**

| Sr. No. | Company Name                      | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|-----------------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Bansal Wire Industries Limited    | 745.00            | 256.00                     | Jul 10, 2024 | 359.05     |
| 2.      | Stanley Lifestyles Limited        | 537.02            | 369.00                     | Jun 28, 2024 | 553.15     |
| 3.      | DEE Development Engineers Limited | 418.01            | 203.00                     | Jun 26, 2024 | 354.25     |

The company has handled 22 mandates in the last three years (including current year).

**Citigroup Global Markets India Private Limited-**

| Sr. No. | Company Name                            | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---|-------------------|----------------------------|--------------|------------|
| 1.      | Akums Drugs and Pharmaceuticals Limited | 1856.74           | 679.00                     |              |            |
| 2.      | Aadhar Housing Finance Limited          | 3000.00           | 315.00                     | May 15, 2024 | 406.40     |
| 3.      | Indegene Limited                        | 1841.76           | 452.00                     | 570.65       | 554.85     |

The company has handled 10 mandates in the past three years (including the current year)

**Goldman Sachs (India) Securities Private Limited -**

| Sr. No. | Company Name                              | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---|-------------------|----------------------------|--------------|------------|
| 1.      | TBO Tek Limited                           | 1550.81           | 1,404.85                   | May 15, 2024 | 1,661.30   |
| 2.      | Life Insurance Corporation of India (LIC) | 21008.48          | 875.45                     | May 17, 2022 | 1,106.80   |
| 3.      | One 97 Communications Limited             | 18300.00          | 1,564.15                   | Nov 18, 2021 | 498.80     |

The company has handled 2 mandates in the past three years (including the current year)

**ICICI Securities Limited-**

| Sr. No. | Company Name                           | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--|-------------------|----------------------------|--------------|------------|
| 1.      | Allied Blenders and Distillers Limited | 1500.00           | 281.00                     | Jul 02, 2024 | 286.05     |
| 2.      | Stanley Lifestyles Limited             | 537.02            | 369.00                     | Jun 28, 2024 | 553.15     |
| 3.      | Awfis Space Solutions Limited          | 598.93            | 383.00                     | May 30, 2024 | 625.75     |

The company has handled 48 mandates in the past three years (including the current year)

**Bob Capital Markets Limited-**

| Sr. No. | Company Name                                   | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--|-------------------|----------------------------|--------------|------------|
| 1.      | Bharti Hexacom Limited                         | 4275.00           | 570.00                     | Apr 12, 2024 | 1,114.70   |
| 2.      | Indian Renewable Energy Development Agency Ltd | 2150.21           | 32.00                      | Nov 29, 2023 | 238.95     |
| 3.      | IRM Energy Limited                             | 545.40            | 505.00                     | Oct 26, 2023 | 447.10     |

The company has handled 3 mandates in the past three years (including the current year)

\*CMP for the above-mentioned companies is taken as of 6<sup>th</sup> August 2024.

As per the offer document, from the above-mentioned mandates only one mandate has opened at a discount and rest all have opened at premium on the listing day.

**Recommendation -**

The company has been in the industry since 2021 and is fairly new to the industry.

Ola Electric presents a compelling story of rapid growth and ambition in India's burgeoning electric vehicle (EV) market. The company has achieved significant milestones in a short period, establishing itself as a market leader with the highest revenue among Indian E2W OEMs and the best-selling E2W brand. Its vertically integrated business model, focus on in-house technology development, and extensive distribution network have contributed to its success.

However, the company also faces significant challenges and risks. Its financial performance is a major concern, with persistent losses, negative cash flows, and high debt levels. Dependence on government subsidies and incentives adds further uncertainty. Its peers have fared much better even though they are not comparable on an apple-to-apple basis. Additionally, the company's limited operating history in EV manufacturing and reported product quality issues raise questions about its long-term sustainability and ability to compete effectively in a rapidly evolving market.

For the above stated reasons, we would recommend to **AVOID** this IPO for now, investors should wait and see how the company fairs in the coming few years.

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