



MaxVolt Energy[®]
Energizing future



IPO Note

Maxvolt Energy Industries Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Maxvolt Energy Industries Limited was originally incorporated on May 09, 2019. The registered office is located at East Delhi, India.
- **Business Activity:** The company is engaged in the business of manufacturing of lithium-ion batteries. They also supply Graphene Battery packs and Battery Chargers designed and developed by them in their own brand name "Maxvolt Energy".
- **Revenue Stream:** The major revenue steam for the company is from sale of battery for e-scooter.
- **Human Resource:** The company has 97 permanent employees as on Sep 30, 2024.

Objects of the Issue -

- Repayment or prepayment, in full or in part, of borrowings availed by the Company from banks, financial institutions and non-banking financial companies
- Funding of capital expenditure requirements of the Company towards purchase of Plant and Machineries
- General Corporate Expenses

Promoters Name -

Bhuvneshwar Pal Singh, Vishal Gupta and Sachin Gupta

Rationale for recommendation -

- ✓ The company's bottom line had seen a sudden increase in FY23 and FY24 both.
- ✓ The EBITDA and PAT margins have seen a sudden increase in FY24 which looks unsustainable.
- ✓ The company had negative cash flow from operations for FY22, FY23, FY24 and Sep-24.
- ✓ The company has high concentration for customers and suppliers.
- ✓ The company has high geographic concentration.
- ✓ The promoter holding post issue is low.
- ✓ The company has limited experience in the industry.
- ✓ The industry is highly fragmented and competitive.

IPO Details

Opening Date	Feb 12, 2025
Closing Date	Feb 14, 2025
Allotment Date	Feb 17, 2025
Listing Date	Feb 19, 2025
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price Per Share	₹171 to ₹180
Issue Size	54.00 Cr.
Fresh Issue	43.20 Cr.
Offer for Sale	10.80 Cr.
Application Amt	₹ 1,44,000 (800 shares)

INDUSTRY - Lithium Batteries (EV)

Avg. P/E ratio as per RHP - 88.52

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Sep-24
Revenue	615.01	1,367.95	4,837.15	4,027.71
EBITDA	16.03	54.61	662.26	536.88
Net Profit	1.41	27.87	520.81	477.02
RoCE	11.91%	27.92%	50.03%	14.08%*
ROE	3.85%	43.24%	45.09%	13.27%*
P/E	2,571.43	135.34	25.46	20.57*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
57.24%	39.14%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	7.07	8.75
BVPS	14.88	65.95
P/E	25.46	20.57
P/BV	12.10	2.73
Mkt Cap (In Cr)	153.07	196.27

*Annualized

Lead Managers -

Smart Horizon Capital Advisory Private Limited

Registrar -

Bigshare Services Private Limited










Business Overview -



Maxvolt Energy Industries Limited is engaged in the business of manufacturing of lithium-ion batteries of various range supplied through a sales & distribution mix viz. authorised dealers and distributors and OEMs under brand name of “**MaxVolt Energy**” widely used in Electric Vehicles (i.e., E-Scooter, E- Rickshaw, ECycle), Energy Storage and Electronics Gadgets etc. They also manufacture customised batteries packs as per the requirement of manufacturers of different industries. In addition to manufacturing, they also supply Graphene Battery packs and Battery Chargers designed and developed by them in their own brand name. As on Sep 30, 2024, they have services centre in the states Uttar Pradesh, Delhi, Bihar, Madhya Pradesh and Gujarat across, dealers and distributors.

Manufacturing Facility: The company has one unit located at Ghaziabad, Uttar Pradesh spread across in 18,000 square feet. They manufacture a variety of batteries and have combined capacity to manufacture up to 97.2 MWh batteries. The capacity utilization remained at 89.00%, 75.00%, 94.00% and 52.00% in FY22, FY23, FY24 and Nov-24 respectively.



Product Portfolio:

Product	Description	Application
E-Scooter/ Bike Battery 	It is a rechargeable, lightweight, high-energy-density power source, offering fast charging, long lifespan, and efficient performance for sustainable mobility.	
E-Rickshaw Battery 	It offer high safety, long lifespan, fast charging, and stable performance, making them a reliable, low-maintenance, and eco-friendly power source.	
E-Cycle Battery 	It is a lightweight, rechargeable power source offering high energy density, long lifespan, and efficient performance for smooth and extended rides.	
Battery for Energy Storage 	It offers high safety, long lifespan, fast charging, and thermal stability, making them ideal for reliable and efficient energy storage applications.	Solar/ Inverter/UPS/ Power Backup systems etc.
Battery for Electronic Gadgets 	Lithium batteries power electronic gadgets with high energy density, fast charging, and long lifespan, offering lightweight, efficient, and rechargeable solutions for smartphones, laptops, and wearables.	Drones, Medical Equipment, Power tools, Router, CCTV camera, Toys etc.
Lead E-scooter Battery 	These are cost-effective, rechargeable energy storage solutions, offering moderate range, reliability, and durability but with higher weight and lower energy density than lithium alternatives.	E-Scooter

Lithium Battery Charger 	A lithium battery charger safely charges lithium-ion batteries by regulating voltage and current, preventing overcharging, overheating, and ensuring efficient energy transfer for optimal battery performance.	E-Scooter/ E-rickshaw, E-Scooter Battery, E-Cycle Battery
Lead Battery Charger 	A lead battery charger replenishes energy in lead-acid batteries by supplying controlled voltage and current, ensuring efficient charging, longevity, and optimal battery performance.	E-Scooter Battery

Revenue Bifurcation Product-wise-

(Amt in Lakhs)

Particulars	FY 2022		FY 2023		FY 2024		Sep-2024	
	Amt	%	Amt	%	Amt	%	Amt	%
Battery for E-Scooter	333.43	54.22%	1,111.10	81.22%	4,681.73	96.79%	3,687.73	91.56%
Battery for E-Rickshaw	15.58	2.53%	34.54	2.52%	5.96	0.12%	17.38	0.43%
Battery for E-Cycle	28.27	4.60%	9.63	0.70%	9.62	0.20%	2.14	0.05%
Battery for ESS	31.38	5.10%	54.10	3.955%	6.42	0.133%	2.28	0.06%
Charger	35.44	5.76%	23.09	1.69%	132.45	2.74%	175.75	4.36%
Other	170.91	27.79%	135.48	9.90%	0.97	0.02%	142.43	3.54%
Total	615.01	100.00%	1,367.94	100.00%	4,837.15	100.00%	4,027.71	100.00%

Competition -

- Market Competition:** The industry is competitive where the key factors of competition primarily comprise of price, quality and availability of the product and technologies used.
- Geographic Competition:** The company faces competition from small and large players in both organized and unorganized sector.
- Barriers to entry:** Low barriers to entry.
- Threat of Substitutes:** High threat of substitutes.
- Bargaining Power of Buyers:** The bargaining power is high with the customers.
- Bargaining Power of Suppliers:** The bargaining power is moderate with the suppliers.

Business Strategies -

- The company plans to expand capacities at their existing manufacturing facilities.
- The company intends to set up a re-cycling battery line facility.
- The company aims to achieve larger sales volumes and incorporate new products into the portfolio.

Risk Factors -

The company is heavily dependent on top 10 customers for its revenue generation constituting 63.43%, 81.14%, 85.28% and 90.00% in FY22, FY23, FY24 and Sep-24.

The company is highly dependent on top 10 suppliers for raw materials contributing to 81.48%, 92.15%, 94.88% and 88.57% IN FY22, FY23, FY24 and Sep-24 respectively.

The company is highly concentrated in 4 states (Delhi, UP, MP and Haryana) contributing 59.82%, 83.84%, 85.50% and 80.32% in FY22, FY23, FY24 and Sep-24 respectively.

The company has 5 cases against it for tax matters amounting to Rs. 425.47 lakhs.

The promoters have 1 case against them for criminal matter.

The company has contingent liabilities of Rs. 231.63 lakhs as of Sep-24.

The company had negative cash flow from operations for FY22, FY23, FY24 and Sep-24.

The company had very high DE ratio in FY22 and FY23.

INDUSTRY OVERVIEW -

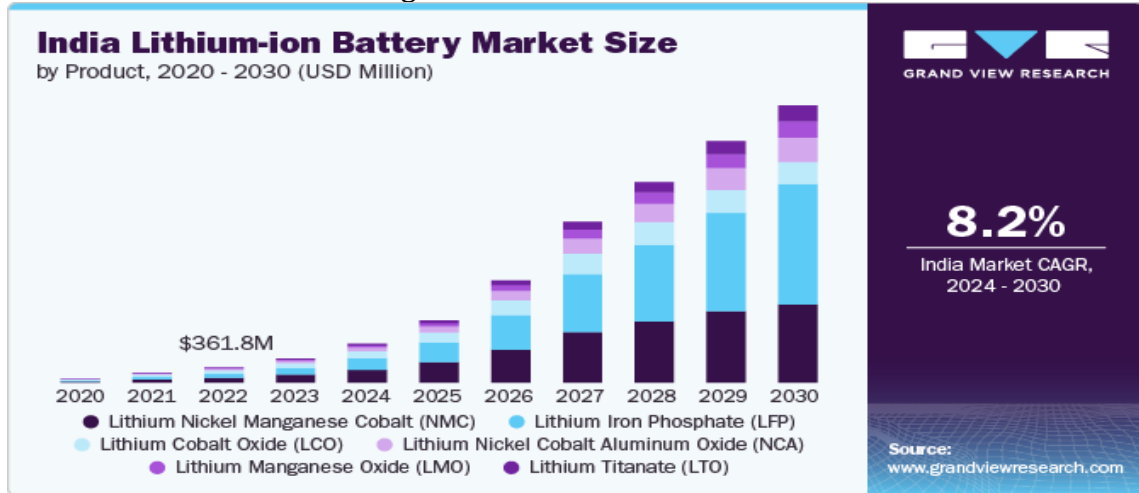
Global Electric Vehicles Batteries Market –

The growth in EV sales is pushing up demand for batteries, continuing the upward trend of recent years. Demand for EV batteries reached more than 750 GWh in 2023, up 40% relative to 2022, though the annual growth rate slowed slightly compared to in 2021-2022. Electric cars account for 95% of this growth. Globally, 95% of the growth in battery demand related to EVs was a result of higher EV sales, while about 5% came from larger average battery size due to the increasing share of SUVs within electric car sales.

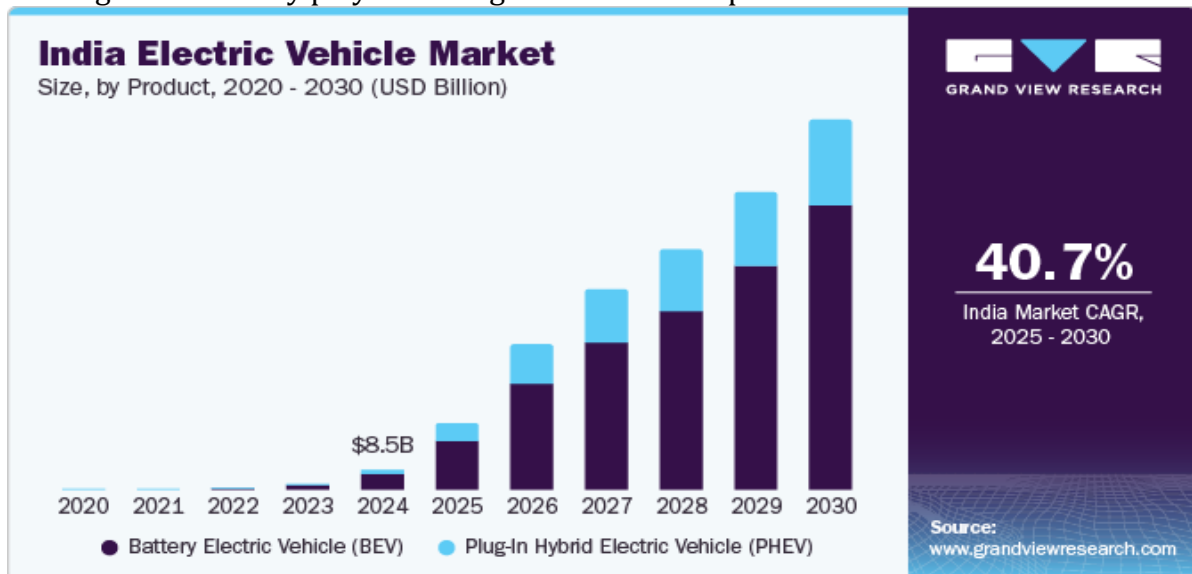
Rising EV battery demand is the greatest contributor to increasing demand for critical metals like lithium. Battery demand for lithium stood at around 140 kt in 2023, 85% of total lithium demand and up more than 30% compared to 2022; for cobalt, demand for batteries was up 15% at 150 kt, 70% of the total. To a lesser extent, battery demand growth contributes to increasing total demand for nickel, accounting for over 10% of total nickel demand. Battery demand for nickel stood at almost 370 kt in 2023, up nearly 30% compared to 2022.

Indian Electric Vehicles Batteries Market –

The India lithium-ion battery market size was estimated at USD 573.07 million in 2023 and expected to expand at a CAGR of 38.7% from 2024 to 2030. The growth of the market in the country can be attributed to the increasing adoption of electric vehicles (EVs) and the ongoing integration of renewable wind and solar energy sources into power grids that create significant demand for energy storage solutions. Moreover, supportive government policies also contribute to the growth of the market in India.



The India electric vehicle market size was valued at USD 8.49 billion in 2024 and is projected to grow at a CAGR of 40.7% from 2025 to 2030. This growth is fueled by government initiatives, such as subsidies and infrastructure development, designed to encourage the adoption of Electric Vehicles (EVs). Moreover, rising consumer awareness about environmental sustainability and the increasing cost-effectiveness of EVs further drive market growth, positioning India as a key player in the global EV landscape.



Key Management -

Key Management Persons Name -	Bhuvneshwar Pal Singh
Age	37
Designation and No. of years of experience	Promoter, Managing Director and CFO, 4+ years of experience in finance division
Qualification	Bachelor of Commerce (B.Com.) degree
Responsibility	Responsible for overseeing the day-to-day activities of the Company, ensuring execution of business plans, efficient resource allocation and adherence to quality standards and client requirements and also looks after the overall accounts & finance and administration
Other Directorships	-

Key Management Persons Name -	Vishal Gupta
Age	29
Designation and No. of years of experience	Promoter, Chairman and Whole-Time Director, 5+ years of experience in the company
Qualification	Bachelor of Mechanical Technology degree and Completed advanced programme in E-Vehicle Technology
Responsibility	Responsible for the day-to-day administration of factory, overseeing the production infrastructure, efficient utilization of resources at factory and logistics management etc.
Other Directorships	-

- The overall management of the company is decent.
- The promoter and management have good experience in the industry.
- There is evidence of dual chairmanship, which is not favourable.
- Preet Kumar, Kavita Dixit and Ajay Kumar are Non-Executive Independent Directors of the Company. They also have decent experience and education in their respective fields.
- Ms Rajni (CS), aged 31 years, has 5+ years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from Operations	615.01	1,367.95	4,837.15	4,027.71
Other Income	3.31	23.86	41.46	80.80
Total Income	618.32	1,391.81	4,878.61	4,108.51
Expenses				
Cost of Goods Sold	462.04	1,099.50	3,812.26	3,200.98
Change in Inventories of Stock In Trade	-4.59	-0.01	-0.60	4.69
Employee Benefit Expenses	96.37	143.04	210.07	177.83
Finance Cost	12.23	30.34	52.72	35.79
Depreciation and Amortization Expense	3.93	16.96	16.97	18.88
Other expenses	45.16	70.81	153.16	107.33
Total Expenses	615.14	1,360.64	4,244.58	3,545.50
EBITDA	16.03	54.61	662.26	536.88
EBITDA Margin	2.61%	3.99%	13.69%	13.33%
Profit/(Loss) before tax	3.18	31.17	634.03	563.01
Tax Expense				
Current tax	0.55	5.39	109.93	87.83
Deferred Tax	1.22	-2.09	3.29	-1.84
Total Tax	1.77	3.30	113.22	85.99
Profit/(Loss) for the year	1.41	27.87	520.81	477.02
Net Profit Margin	0.23%	2.04%	10.77%	11.84%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	32.00	32.00	776.39	850.39
Reserves and surplus	4.58	32.46	378.74	1,543.96
Total Equity	36.58	64.46	1,155.13	2,394.35
NON-CURRENT LIABILITIES				
Long-term borrowings	62.06	66.23	123.77	187.81
Deferred Tax liability	1.90	-0.19	3.10	1.25
Long-Term Provisions	1.05	4.32	7.69	10.17
Total Non-current liabilities	65.01	70.36	134.56	199.23
CURRENT LIABILITIES				
Short-term Borrowings	170.72	225.35	464.90	309.01
Trade Payables				
(i) Total outstanding dues of MSME	6.15	3.15	55.71	48.72
(ii) Total outstanding dues of creditors other than MSME	51.82	627.57	980.95	1,580.69
Other Current Liabilities	29.95	29.46	262.79	660.97
Short-term provisions	0.80	5.11	96.88	184.36
Total Current liabilities	259.44	890.64	1,861.23	2,783.75
Total Liabilities	324.45	961.00	1,995.79	2,982.98
Total Equity and Liabilities	361.03	1,025.46	3,150.92	5,377.33
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	66.14	53.91	106.76	359.79
Intangible Assets	10.86	8.05	6.37	5.93
Capital Work in Progress	-	-	4.88	-

Particulars	FY 22	FY 23	FY 24	Sep-24
Total Non-Current assets	77.00	61.96	118.01	365.72
CURRENT ASSETS				
Current Investments	-	-	78.67	56.69
Inventories	211.46	398.97	1,350.57	1,875.98
Trade Receivables	41.58	80.43	655.39	2,066.62
Cash & Cash equivalents	0.57	1.97	2.76	16.71
Short term loans and advances	27.58	478.07	937.35	965.94
Other Current Assets	2.86	4.07	8.19	29.65
Total Current assets	284.05	963.51	3,032.93	5,011.59
Total Assets	361.05	1,025.47	3,150.94	5,377.31

Cash Flow Statement				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	-150.97	-31.92	-634.80	-371.84
Net Cash Flow from Investing Activities	-54.86	-1.86	-192.84	-254.87
Net Cash Flow from Financing Activities	205.65	35.18	828.42	640.67

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	0.07	1.33	7.07	8.75	EV/EBITDA	16.77	6.48	2.63	0.63
BV per share	11.43	20.14	14.88	65.95	Market Cap / Sales	0.94	0.42	2.89	2.44
Operating Ratios					P/E	2,571.43	135.34	25.46	20.57
EBITDA Margins	2.61%	3.99%	13.69%	13.33%	Price to Book Value	15.75	8.94	12.10	2.73
PAT Margins	0.23%	2.04%	10.77%	11.84%	Solvency Ratios				
Inventory days	125.84	106.75	102.19	105.00	Debt / Equity	6.36	4.52	0.51	0.07
Debtor days	24.74	21.52	49.59	47.44	Current Ratio	1.09	1.08	1.63	1.63
Creditor days	34.83	181.87	81.31	94.96	Quick Ratio	0.28	0.63	0.90	0.90
Return Ratios					Asset Turnover	1.70	1.33	1.54	2.56
RoCE	11.91%	27.92%	50.03%	14.08%	Interest Coverage Ratio	0.99	1.24	12.24	14.47
RoE	3.85%	43.24%	45.09%	13.27%	*Annualized				

INTERPRETATION –

1. The top line has increased over the years. It increased by 122.43% in FY23 and by 253.61% in FY24. This was due to o increase in the demand for the e-vehicles due to the global environment concerns, government incentives on the purchase of e-vehicles, rising fuel costs etc.
2. The net profit had also increased over the years. It increased by 1,876.60% in FY2023 and by 1,768.71% in FY24.
3. The EBITDA margin and PAT margin saw a sudden increase in FY24.
4. The RoCE and RoE has increased significantly over the years.
5. There was negative CFO in FY22, FY23, FY24 and Sep-24.
6. The DE ratio was very high for FY22 and FY23.

PEER ANALYSIS –

Particulars	Maxvolt Energy Industries Limited			Amara Raja Energy & Mobility Limited			Exide Industries Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	0.23%	2.04%	10.77%	5.84%	6.97%	7.91%	26.44%	5.41%	5.20%
EBITDA Margin	2.61%	3.99%	13.69%	12.56%	14.08%	14.97%	31.05%	11.30%	11.34%
RoCE	11.91%	27.92%	50.03%	14.56%	15.83%	17.72%	42.29%	10.37%	9.86%
ROE	3.85%	43.24%	45.09%	11.26%	12.17%	13.74%	41.26%	7.39%	6.80%
EPS (INR)	0.07	1.33	7.07	30.01	42.79	52.81	51.38	9.68	10.31
P/E	2,571.43	135.34	25.46	18.61	13.53	14.40	3.05	18.38	29.54

Particulars	Maxvolt Energy Industries Limited			High Energy Batteries (India) Limited			Servotech Renewable Power System Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	0.23%	2.04%	10.77%	22.5%	21.9%	21.0%	2.79%	3.96%	3.31%
EBITDA Margin	2.61%	3.99%	13.69%	37.2%	34.0%	31.9%	6.66%	6.95%	6.30%
RoCE	11.91%	27.92%	50.03%	47.0%	39.7%	27.4%	13.93%	18.82%	11.90%
ROE	3.85%	43.24%	45.09%	32.2%	27.9%	19.6%	8.71%	13.43%	8.28%
EPS (INR)	0.07	1.33	7.07	4.00	7.62	19.14	0.22	0.55	0.55
P/E	2,571.43	135.34	25.46	79.59	42.22	31.41	42.32	32.73	141.09

- The market cap of the company is less compared to its peers.
- The PE ratio of the company is more compared to Amara Raja Energy & Mobility.
- The RoCE and RoE of the company is very high compared to its peers.
- The NP and EBITDA margin of the peers did not see a sudden jump in FY24.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Smart Horizon Capital Advisors Private Limited** (*formerly known as Shreni 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 –

Smart Horizon Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Landmark Immigration Consultants Limited	40.32	72.00	Jan 23, 2025	57.13
2.	Rikhav Securities Limited	88.82	86.00	Jan 22, 2025	95.75
3.	Leo Dry Fruits and Spices Trading Ltd	25.12	52.00	Jan 08, 2025	53.00
4.	Technichem Organics Limited	25.25	55.00	Jan 07, 2025	52.83
5.	Rappid Valves (India) Limited	30.41	222.00	Sep 30, 2024	291.50
6.	Picture Post Studios Limited	18.72	24.00	Aug 09, 2024	32.00
7.	Dhariwalcorp Limited	25.25	106.00	Aug 08 2024	112.95
8.	Prizor Viztech Limited	25.15	87.00	July 22, 2024	164.75
9.	Effwa Infra & Research Limited	51.27	82.00	July 12, 2024	205.90
10.	Visaman Global Sales Limited	16.05	43.00	July 01, 2024	38.70

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

*CMP for the above-mentioned companies is taken as of 12th Feb 2025.

As per the offer document, all the above-mentioned mandates have opened at a premium on the listing day.

Recommendation -

Maxvolt Energy Industries Limited has been in the industry since 2019 and has limited experience in the industry.

The P/E on a post-IPO annualized basis is around 20.57 times which makes it fairly priced.

The company's management is decent; however, incorporating more experienced professionals in relevant fields could enhance decision-making and drive future growth.

The company's top line has increased over the years. The bottom line has seen sudden jumps in FY23 and FY24 which looks unsustainable. Both PAT and EBITDA margins surged in FY24, warranting caution. The company reported negative cash flow from operations in FY22, FY23, FY24, and Sep-24. Overall, the company's financial stability appears somewhat uncertain.

The company has high concentration of suppliers and customers and loss of any can have an adverse impact in their business operations. Also, they have geographic concentration in 4 states (Delhi, Uttar Pradesh, Madhya Pradesh and Haryana).

The promoter holding post issue is low which reduces investor's confidence.

Overall, the company is competing in a fragmented industry and there are many small and local players in this industry.

Thus, investors can **AVOID** this IPO for now and check for further company updates.

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