



IPO Note

Eppeltone Engineers Limited

Recommendation: **AVOID!**

Company Background –

- **Incorporation:** Originally incorporated as “Eppeltone Engineers Private Limited” on Sep 09, 2002. The registered office is located in New Delhi.
- **Business Activity:** The company is engaged in the business of manufacturing electronic energy meters including smart meters and various power conditioning devices like high grade chargers, UPS systems, etc.
- **Revenue Stream:** The company generates majority of the revenue from manufacturing of 1 phase meters.
- **Human Resource:** The company has 164 full-time employees as on Mar 31, 2025.

Objects of the Issue –

- Capital expenditure towards installation of additional machinery.
- Funding of working capital requirements.
- General corporate purposes.
- To meet the issue expense.

Promoters Name –

Rohit Chowdhary, Deven Chowdhary, Reshu Chowdhary

Rationale for Recommendation –

IPO Details

Opening Date	June 17, 2025
Closing Date	June 19, 2025
Allotment Date	June 20, 2025
Listing Date	June 24, 2025
Stock Exchange	NSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹125 to ₹128
Issue Size	43.96 Cr.
Fresh Issue	43.96 Cr.
Offer for Sale	-
Application Amt	₹ 1,28,000 (1,000 shares)

INDUSTRY – Electronic energy meters

Avg. P/E ratio as per RHP is 76.28

KPI's	KPIs (In Lakhs)		
	FY 23	FY 24	FY 25
Revenue	7,264.47	7,845.54	12,433.55
EBITDA	291.47	1306.69	1778.42
Net Profit	108.6	815.86	1123.2
RoCE	12.16%	37.97%	27.60%
ROE	9.45%	40.00%	28.08%
P/E	94.12	12.56	10.68

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
83.69%	61.51%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	11.98	8.67
BVPS	42.00	30.87
P/E	10.68	14.77
P/BV	3.05	4.15
Mkt Cap (In Cr)	121.92	165.88

Lead Managers –

Expert Global Consultants Private Limited

Registrar –

Skyline Financial Services Private Limited

Business Overview -

The company is engaged in the business of manufacturing of electronic energy meters including smart meters, static watt hour meter, water meter, BPL kits, LED based luminaries, high grade chargers, UPS systems, etc. to consumers from institutions, industries and electricity distribution utilities. The company began its operations in the year 1977.

Product – Wise Revenue Breakup:**(in Lakhs)**

Product	FY 23	%	FY 24	%	FY 25	%
1 Phase Meter	3,449.39	47.26%	5,848.15	73.06%	9,760.58	77.63%
3 Phase Meter	107.67	1.48%	1,126.34	14.07%	884.08	7.03%
Spares*	1,032.61	14.15%	833.26	10.41%	1,386.30	11.03%
Services	-	-	36.93	0.46%	-	-
Other traded goods	-	-	0.86	0.01%	402.59	3.20%
Trading of securities	2,674.81	36.65%	-	-	-	-
Other income	34.62	0.47%	158.64	1.98%	140.33	1.12%
Total	7,299.10	100.00%	8,004.18	100.00%	12,573.88	100.00%

Geographic – Wise Revenue Breakup:**(in Lakhs)**

State Name	FY 23	%	FY 24	%	FY 25	%
Delhi	573.92	7.90%	532.87	6.79%	1,403.29	11.29%
Gujarat	1,434.14	19.74%	1,882.48	23.99%	1,706.74	13.73%
Karnataka	0.56	0.01%	2,451.85	31.25%	845.29	6.80%
Madhya Pradesh	128.25	1.77%	1,396.17	17.80%	2,196.00	17.66%
Uttar Pradesh	1,660.51	22.86%	1,113.34	14.19%	1,976.58	15.90%
Chhattisgarh	-	-	-	-	3,564.00	28.66%
Others	782.37	10.77%	468.83	5.98%	741.65	5.96%
Export	9.91	0.14%	-	-	-	-
Revenue from Trading of Securities	2,674.81	36.82%	-	-	-	-
Total	7,264.47	100.00%	7,845.54	100.00%	12,433.55	100.00%

Manufacturing Facility:

The manufacturing facility is located in Greater Noida, Uttar Pradesh. The capacity utilisation is as under.

Product	FY 23	FY 24	FY 25
Single Phase Meter:			
Installed Capacity	10,00,000	20,00,000	20,00,000
Capacity Utilised	4,92,945	8,91,285	11,10,684
Capacity Utilised (%)	49.29%	44.56%	55.53%
Three Phase Meter:			
Installed Capacity	50,000	1,00,000	1,00,000
Capacity Utilised	12,355	63,109	48,588
Capacity Utilised (%)	24.71%	63.11%	49.59%

Competition -

- 1. Market Competition:** The market is highly competitive with participants in the organized and unorganized sector. Many competitors have substantially large capital base and resources
- 2. Geographic Competition:**
- 3. Barriers to Entry:** Very low barriers to entry
- 4. Threat of Substitutes:**
- 5. Bargaining Power of Customers:**
- 6. Bargaining Power of Suppliers:**

Business Strategies -

1. Expanding geographical network as well as customer base
2. Expanding the product base with focus on value added products such as gas meters and water meters
3. Increasing operational efficiency through cost reductions.
4. Rationalization of working capital cycle by implementing measures to reduce the cycle and improve inventory management.
5. Quality assurance by manufacturing products accredited with domestic and international quality certifications.

Risk Factors -

1. Significant portion of revenue is generated from the states of Gujarat, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, and Delhi.
2. The company has negative cash flows from operating activities. (599.55) lakhs in FY 25.
3. There are 3 tax proceedings against the company worth 79.14 lakhs.
4. The company is dependent on few customers for sale. Its top 10 customers have contributed 91.55%, 94.73%, 85.73% in FY 23, FY 24, and FY 25 respectively.

PEER ANALYSIS -

Particulars	Eppeltone Engineers Limited			Akanksha Power and Infrastructure Limited			Rishabh Instruments Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
EBITDA Margin	1.49%	10.40%	9.03%	6.16%	5.00%	5.52%	10.00%	8.92%	9.70%
NP Margin	4.01%	16.66%	14.30%	11.90%	11.59%	12.43%	15.16%	12.00%	18.78%
RoCE	12.16%	37.97%	27.60%	22.16%	10.69%	11.73%	14.69%	9.25%	58.71%
ROE	9.45%	40.00%	28.08%	17.78%	5.90%	6.49%	13.93%	10.91%	5.68%
EPS	1.36	10.19	11.98	2.23	1.82	2.29	12.76	10.61	6.10
P/E	94.12	12.56	10.68	32.17	42.55	37.82	35.08	41.68	39.24

Particulars	Eppeltone Engineers Limited			Genus Power Infrastructure Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
EBITDA Margin	1.49%	10.40%	9.03%	3.6%	7.2%	12.8%
NP Margin	4.01%	16.66%	14.30%	11.4%	18.2%	22.6%
RoCE	12.16%	37.97%	27.60%	6.8%	11.1%	20.0%
ROE	9.45%	40.00%	28.08%	3.0%	5.5%	16.7%
EPS	1.36	10.19	11.98	1.25	3.59	11.01
P/E	94.12	12.56	10.68	67.76	64.15	23.77

INDUSTRY OVERVIEW -**Electricity Industry****- Accelerating Demand for Electricity**

India's electricity demand is witnessing a steep and sustained rise. In FY 2023, the country's electrical energy requirement stood at **1,626 billion units (BU)**. This is expected to increase significantly to around **1,907 BU by FY 2027**, and further to **2,473 BU by FY 2032** — reflecting a compound annual growth rate (CAGR) of over **5%**. This indicates higher per-user consumption — from cooling systems in homes and electric vehicles to digital infrastructure.

- Supply Strains and Capacity Challenges

India's electricity supply has kept pace — but just barely. For example, in FY 2023, demand peaked at **1,512 BU**, while supply was slightly lower at **1,504 BU**, leading to a shortfall of around **7.6 BU**. Looking ahead, **peak power demand**, which is the maximum electricity load needed at any given moment, is expected to jump from **216 GW in FY 2023** to **366 GW by FY 2032**. This suggests a growing need for flexible and responsive generation systems — including renewables and grid-balancing mechanisms.

- Key Drivers Behind Growing Demand

- **Population Growth & Urbanization** – India became the world's most populous country in 2023, with over **1.428 billion people**. More people means more households, each requiring consistent electricity for lighting, appliances, and digital connectivity. Urbanization is intensifying this need. By 2036, **over 600 million Indians** are expected to live in urban areas, up from 469 million in 2021. Cities demand significantly more power — not only for homes, but also for transport, commercial spaces, and public services.
- **Industrial and Commercial Growth** – The industrial sector remains the single largest consumer of electricity, accounting for about **43% of total consumption**. As manufacturing expands under initiatives like **'Make in India'**, industrial electricity demand is expected to accelerate. In FY 2023, industrial consumption touched **1,403.4 BU**, up from **1,316.8 BU** in FY 2022 — a growth rate of around **6.6%**, outpacing GDP growth itself.
- **Agricultural Demand** – While not always spotlighted, agriculture remains a key electricity consumer — especially in states like Punjab, Haryana, and Maharashtra. Electrified irrigation pumps, cold storage units, and rural agro-processing centers are increasingly driving rural power consumption. However, supply reliability and grid reach still vary widely across states, indicating room for further policy intervention.
- **Infrastructure Investments and Modernization** – Recognizing these growing demands, the Indian government has significantly boosted infrastructure spending. The **2024–25 Union Budget** allocated **Rs. 11.1 lakh crore (USD 134 billion)** toward infrastructure, amounting to **3.6% of GDP** — a historic high.
- **Rural Electrification: DDUGJY Initiative** – Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is a government initiative focusing on regulated supply to agricultural consumers and continuous power to non – agricultural consumers, strengthening electricity infrastructure in rural areas, and expanding electricity distribution.

Key Management -

Key Management Persons Name -	Rohit Chowdhary
Age	43
Designation and No. of years of experience	Promoter, Managing Director, 20+ years of experience
Qualification	Bachelor of Engineering, Master of Engineering
Previous Experience	Nil

Key Management Persons Name -	Deven Chowdhary
Age	36
Designation and No. of years of experience	Promoter, Whole - Time Director, 15+ years of experience
Qualification	Bachelor of Engineering
Previous Experience	Nil

Key Management Persons Name -	Reshu Chowdhary
Age	42
Designation and No. of years of experience	Promoter, Chairperson, Non - Executive Director
Qualification	Bachelor of Engineering, M. Tech
Previous Experience	Nil

- Sandeep Thukral is an independent director. His qualifications include B. Com, LLB, ICWA (inter).
- Jyoti Bala is an independent director. Her qualification include ICAI and 13 years of experience.
- Rishab Nagpal is the CFO. Megha Sharma is the CS

FINANCIAL SNAPSHOT**Statement of Profit and Loss** Amt in Lakhs.

Particulars	FY 23	FY 24	FY 25
Revenue from Operations	7,264.47	7,845.54	12,433.55
Other Income	34.62	158.64	140.33
Total Income	7,299.09	8,004.18	12,573.88
Expenses			
Cost of Materials Consumed	2,994.13	5,087.56	8,574.33
Purchase of Stock - in - Trade	3,088.41	-	389.8
Change in Inventories of Finished Goods,WIP and Stock In Trade	156.48	97.15	-665.33
Employee Benefit Expenses	267.55	370.5	730.48
Finance Cost	103.92	213.28	251.84
Depreciation and Amortization Expense	71.96	76.9	129.86
Other expenses	466.43	983.64	1,625.85
Total Expenses	7,148.88	6,829.03	11,036.83
EBITDA	291.47	1,306.69	1,778.42
EBITDA Margin	4.01%	16.66%	14.30%
Profit/(Loss) before tax	150.21	1,175.15	1,537.05
Tax Expense			
Current tax	37.9	345.18	382
Deferred Tax	3.71	14.11	31.85
Total Tax	41.61	359.29	413.85
Profit/(Loss) for the year	108.6	815.86	1123.2
Net Profit Margin	1.49%	10.40%	9.03%

Statement of Assets and Liabilities Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
EQUITY AND LIABILITIES			
1. Shareholder's Funds			
Share Capital	398.60	423.71	952.53
Reserves and Surplus	750.01	1,616.17	3,047.83
Share application money pending allotment	-	328.92	-
Total Equity	1,148.61	2,368.80	4,000.36
2. Non-Current Liabilities			
Long-term Borrowings	590.68	768.84	1,795.55
Deferred Tax liability	37.53	51.64	83.49
Long Term Provisions	27.96	49.81	93.49
Total Non-Current liabilities	656.17	870.29	1,972.53
3. Current Liabilities			
Short-term Borrowings	676.83	861.90	1,258.37
Trade Payables			
(a) MSME	145.76	324.68	250.82
(b) Other Than MSME	1,445.12	2,104.12	4,430.95
Other Current Liabilities	294.58	222.47	171.44
Short-term Provisions	6.05	230.29	295.25
Total Current liabilities	2,568.34	3,743.46	6,406.83
Total Liabilities	3,224.51	4,613.75	8,379.36
Total Equity and Liabilities	4,373.12	6,982.55	12,379.72
ASSETS			
1. Non-Current Assets			

Particulars	FY 22	FY 23	FY 24
Property, Plant and Equipment	859.92	1,254.18	1,990.78
Intangible Assets	21.70	27.26	36.62
Long-Term Loans and Advances	25.48	107.71	1,152.52
Other Non- current Assets	208.63	407.98	583.31
Total Non-Current assets	1,115.73	1,797.13	3,763.23

2. Current Assets

Inventories	1,162.06	1,471.07	4,657.57
Trade Receivables	1,655.70	2,733.05	2,712.39
Cash and Bank Balance	14.03	459.32	365.74
Short Term Loans and Advances	268.78	410.85	559.08
Other Current Assets	156.82	111.13	321.71
Total Current assets	3,257.39	5,185.42	8,616.49
Total Assets	4,373.12	6,982.55	12,379.72

Cash Flow Statement

Amt in Lakhs.

Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	35.31	465.40	-599.50
Net Cash Flow from Investing Activities	-125.37	-462.34	-826.63
Net Cash Flow from Financing Activities	94.58	442.23	1,332.60

Key Ratios

Per Share Data				Valuation Ratios (x)			
FY 23	FY 24	FY 25		FY 23	FY 24	FY 25	
Diluted EPS	1.36	10.19	11.98	EV/EBITDA	8.24	2.71	3.76
BV per share	28.82	55.91	42.00	Market Cap / Sales	0.70	0.69	0.98
Operating Ratios				P/E	94.12	12.56	10.68
EBITDA Margins	4.01%	16.66%	14.30%	Price to Book Value	4.44	2.29	3.05
Inventory days	58.55	68.63	136.73	Solvency Ratios			
Debtor days	83.42	127.50	79.63	Debt / Equity	1.10	0.80	0.76
Creditor days	163.75	161.81	148.79	Current Ratio	1.27	1.39	1.34
Return Ratios				Quick Ratio	0.82	0.99	0.62
RoCE	12.16%	37.97%	27.60%	Asset Turnover	1.66	1.12	1.00
RoE	9.45%	40.00%	28.08%	Interest Coverage Ratio	2.11	5.77	6.55

INTERPRETATION –

- The company's top line and bottom – line figures had a huge spike in FY 24 and 25 because that is when the company got in the business of manufacturing.
- Similarly, that is the reason for the variation in ratios.
- However, we see a slight decrease in performance of the company with respect to the ratios from FY 24 to FY 25. Reasons reinforcing this are that the return on equity decreased and inventory, debtor, and creditor days increased.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Expert Global Consultants 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 –

Fast Track Finsec Private Limited-

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Purple United Sales Limited	32.81	126	Dec 18, 2024	329.15
2.	Neelam Linens and Garments Limited	13	24	Nov 18, 2024	26.5
3.	Innomet Advanced Materials Limited	34.24	100	Sep 18, 2024	215.9
4.	Trom Industries Limited	31.37	115	Aug 01, 2024	108.5
5.	Mason Infratech Limited	30.46	64	Jul 01, 2024	131.85
6.	Durlax Top Surface Limited	40.8	68	Jun 26, 2024	45.1
7.	Jay Kailash Namkeen Limited	11.93	73	Apr 08, 2024	64.29
8.	K2 Infragen Limited	40.54	119	Apr 08, 2024	78.65
9.	Royal Sense Limited	9.86	68	Mar 19, 2024	251
10.	Dollex Agrotech Limited	24.39	35	Dec 28, 2022	36.35

*CMP for the above-mentioned companies is taken as of 13th June 2025.
As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

The company was incorporated on May 02, 2011 and has good experience in the industry.

It has a post issue P/E of 17.09. It means that the shares are slightly overpriced however, compared to its competitors, its P/E is less.

The company has limited operational history as it was only trading in metals before for 10 years and started manufacturing from FY 24. They are dependent on only one product i.e., aluminium wire rods. If they fail to diversify further then it will be a major issue in the future.

Accordingly, the company's top line and bottom – line figures spiked showing strong and efficient operations

However, the company has limited operational history of only 2 years and it very dependent on a few numbers of suppliers as well as consumers. Investors can look at post IPO performance of the company and then decide.

Thus, investors can **AVOID** this IPO for now.

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