



SUPERTECH

IPO Note

Supertech EV Limited

Recommendation: **AVOID!**

Company Background –

- **Incorporation:** Originally incorporated as a proprietorship firm in 2005. It transitioned to a private limited company on Aug 12, 2022, through acquisition. The registered office is located in Haryana.
- **Business Activity:** The company is engaged in the business of manufacturing e-rickshaws and low speed and high speed e-scooters.
- **Revenue Stream:** The company generates majority of its revenue from sale of various models of electric 2 and 3 wheelers.
- **Human Resource:** The company has 148 full-time employees as on Mar 31, 2025.

Objects of the Issue –

- Working capital requirements.
- Repayment of borrowings availed by the company.
- General corporate purposes.

Promoters Name –

Yetender Sharma, Jitender Kumar Sharma, Geetanjali Sharma.

Rationale for Recommendation – The company has been operating since 2005 as a proprietorship firm and transitioned to a public limited company during FY 23. It has a limited record of only 2.1 years operating as a company. The company has a post-issue P/E of 18.36 indicating that it is slightly overvalued. The company has reported negative operating cash flows for the past three years and faces outstanding tax litigations. Additionally, the lead manager does not have a proven track record. The only IPO it worked on was listed at a discount.

IPO Details

Opening Date	June 25, 2025
Closing Date	June 27, 2025
Allotment Date	June 30, 2025
Listing Date	July 02, 2025
Stock Exchange	BSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹87 to ₹92
Issue Size	29.90 Cr.
Fresh Issue	29.90 Cr.
Offer for Sale	-
Application Amt	₹ 1,10,400 (1,200 shares)

INDUSTRY – Electric Vehicles

Avg. P/E ratio as per RHP is 23.83

KPI's	KPIs (In Lakhs)		
	FY 23	FY 24	FY 25
Revenue	237.50	6,502.87	7,509.67
EBITDA	9.15	668.61	834.43
Net Profit	6.36	502.28	619.35
RoCE	8.21%	63.90%	41.62%
ROE	5.94%	51.77%	36.66%
P/E	287.50	7.46	13.49

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
94.04%	69.31%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	6.82	5.01
BVPS	18.55	37.86
P/E	13.49	18.36
P/BV	4.960	2.43
Mkt Cap (In Cr)	83.80	113.70

Lead Managers –

Corporate Makers Capital Limited

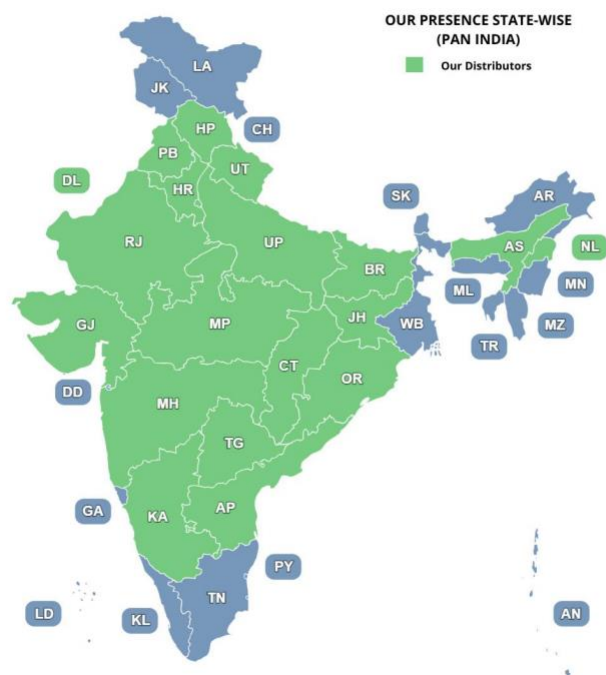
Registrar –

Skyline Financial Services Limited

Business Overview -

OUR PRESENCE IN INDIA

The map below represents presence of our Pan India Distributors as on May 31, 2025 (based on the number of Distributors):



Supertech EV Limited is engaged in the business of manufacturing and assembling e-rickshaw and assembling 2-wheeler e-scooter including high-speed and low-speed products. For assembling of 2-wheeler e-scooters, the company imports most parts from China. For e-rickshaws, raw materials such as motors, controllers, brakes, differentials, axle, tyres, etc. are procured from domestic suppliers.

The company has a distributor base of 445 across 19 states in India.

The company's primary revenue stream is from the sales of various models of electric 2 and 3 wheelers through its established distributor network.

Its variants for e-scooters are S-Pro, V-Pro, U-Pro, Tiger, Power, Active, GT, Zapster, and Zapster Pro. e-rickshaw variants are Pilot DLX, Pilot S DLX, Garbage, E-Loader, Cargo Max, and Passenger Max.

Capacity Utilisation:

The company has 2 manufacturing facilities, both in Haryana. It has 12 models, 8 variants of EV 2 wheelers and 4 variants of e-rickshaws.

Particulars	FY 23*	FY 24	FY 25
Installed Capacity	-	10,500	10,500
Actual Production	-	2,991	3,454
Capacity Utilised	-	28.49%	32.89%

*FY 23 is blank because though the company was incorporated on Aug 12, 2022, the company commenced its business operations from Feb 02, 2023. Therefore, al working for FY 23 have been considered with 59 days operations only.

Competition -

- Market Competition:** High competitive rivalry exists in the market with the main focus being price and quality of the products.
- Geographic Competition:** There are a number of small companies in this industries. Since Supertech EV spans across 19 states, it faces high geographic competition.
- Barriers to Entry:** There are moderate barriers to entry. Although there are high capital and regulatory requirements, there are low entry barriers for small-scale EV assembly companies.
- Threat of Substitutes:** High threat of substitutes as there are a number of small scale manufacturers and assembly companies in this industry. Moreover, there are other substitutes such as public transport.
- Bargaining Power of Customers:** Customers have a moderate bargaining power. With rising EV options, bargaining power of buyers is increasing.
- Bargaining Power of Suppliers:** Suppliers have high bargaining power as there are only few number of suppliers with important parts like batteries, CKD (completely knocked down) kits, etc.

Business Strategies –

1. The company aims to continue leveraging their market skills and relationships
2. The company will continue focusing on operational efficiency through utilisation of advanced machineries, project management tools, etc.
3. Focus on consistently meeting quality standards through strict quality assurance processes.
4. Maintaining cordial relationship with supplier, customer, and employees.

Risk Factors –

1. The company has incurred negative cash flow from operations worth (₹57.33), (₹256.16), & (₹521.60) Lakhs in FY 23, 24 & 25.
2. The company has limited operating history of only 2.1 years as it was a proprietorship firm before.
3. The company has 2 outstanding tax litigations against it amounting to ₹68.76 Lakhs.
4. The company is dependent on few numbers of suppliers. Its top 10 suppliers contributed 80.9% and 58.28% of cost of materials consumed in FY 24 and 25 respectively.
5. The lead manager does not have a proven track record.

PEER ANALYSIS –

Particulars	Supertech EV			Delta Autocorp Limited*		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
EBITDA Margin	2.68%	7.72%	8.25%	-	10.83%	10.00%
NP Margin	3.85%	10.28%	11.11%	-	15.05%	14.07%
RoCE	8.21%	63.90%	41.62%	-	50.03%	15.78%
ROE	5.94%	51.77%	36.66%	-	38.11%	11.50%
EPS	0.32	12.33	6.82	-	6.02	5.49
P/E	287.50	7.46	13.49	-	-	12.60

*Company was listed during Dec, 2022

INDUSTRY OVERVIEW -**Electric Vehicles****-Electric 2 Wheeler (E2W) Industry:**

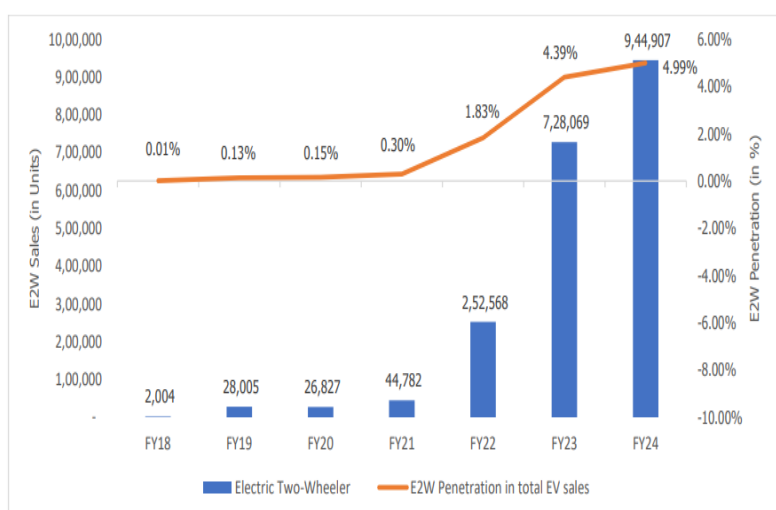
E2W sales in FY 24 grew by 30% compared to the previous year. The CAGR of E2W during the period FY 20 to FY 24 stood at 143%. The E2W sales continued to soar in FY 24 which can be attributed to the shift in customer preference from petrol two-wheelers to electric ones due to competitive prices (owing to government subsidies and technological developments), lower running costs, low maintenance charges, growing sensitivity towards the environment. The EV two-wheeler segment's penetration within the total Indian two-wheeler market was around 5% in FY24. On the other hand, the E2W segment contributes approximately 56% of the total EV market sales.

-Electric 3 Wheeler (E3W) Industry:

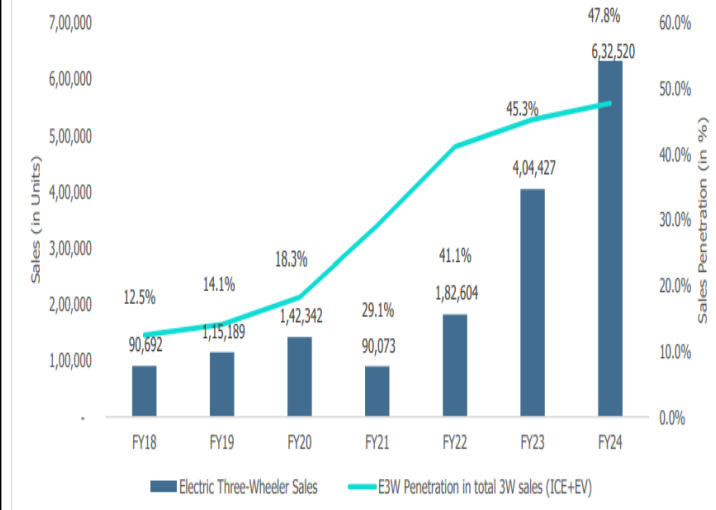
The E3W sales in FY 24 grew by 56% to an all-time high at 632,520 units as compared to FY 23, thereby indicating substantial growth post pandemic. Post pandemic, the E3W production has observed a steady recovery, with a 3-year CAGR of 17% from FY 21-24. Further, it is expected to reach covid level in FY 25. Bajaj Auto Ltd is the market leader in terms of production, with commanding around 58-62% market share consistently for the last 5 years.

-Government Initiatives:

- In the Union Budget 2023-24, the government has allocated INR 35,000 crore to achieve the energy transition, energy security and net zero objectives, which will help the EV industry to work alongside them in addressing the issues related to climate crisis.
- The government has announced an outlay of Rs. 19,700 crores for the Green Hydrogen Mission. With this mission, the government aims to reach a production capacity of 5 million metric tonnes by 2030.
- The government has launched FAME (Faster Adoption and Manufacturing of (Strong) Hybrid and Electric Vehicles in India) in 2015 with the objective of promoting and facilitating adoption of Electric Vehicles in India. The second phase of the scheme FAME II was launched from April, 2019 for three years with a total budgetary support of Rs 10,000 crore. In FY 22, the government has also increased the allocation for EV subsidy to push green mobility. As per the 2022-23 budget, the subsidy under the FAME scheme framework is projected at Rs. 2,908 crores for FY 23 which is 3.5x times more than the Rs. 800 crores for FY22.

Chart 15: Sales units of E2Ws and Penetration of E2W in overall two-wheeler volumes

Source: Center for Energy Finance, CAREEDGE RESEARCH

Chart 18 : E3Ws sales and E3Ws penetration in overall 3Ws sales volumes in India

Source: CEEW (Centre for Energy Finance)

Key Management -

Key Management Persons Name -	Yetender Sharma
Age	43
Designation and No. of years of experience	Promoter, Managing Director, 20+ years of experience
Qualification	B. Com.
Role	Planning and execution of project, and business operations
Other Directorships	Nil

Key Management Persons Name -	Jitender Kumar Sharma
Age	70
Designation and No. of years of experience	Promoter, Chairman & Whole - Time Director, 25+ years of experience
Qualification	B. Com.
Role	Factory manufacturing facilities and administers product quality
Other Directorships	Nil

Key Management Persons Name -	Geetanjali Sharma
Age	38
Designation and No. of years of experience	Promoter, Whole - Time Director, 15+ years of experience
Qualification	B.com
Role	Strategizing and executing marketing campaigns
Other Directorships	Nil

- **Sachin Haritash** is an independent director. His qualifications include PG in family business management. He has 22 years of experience.
- **Sumit Khurana** is an independent director. His qualifications include PG in business management. He has 21 years of experience.
- **Sukriti Jaggi** is an independent director. Her qualifications include LLB. She has 9 years of experience.
- **Jatin Dhawan (CFO)** has a degree in M.com. He has 10 years of experience
- **Pooja Jain (CS & CO)** has a degree in LLB and is a member of ICSI. She has 8 years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss Amt in Lakhs.

Particulars	FY 23	FY 24	FY 25
Revenue from Operations	237.50	6502.87	7509.67
Other Income	0.00	11.21	9.44
Total Income	237.50	6514.08	7519.11
Expenses			
Cost of Materials Consumed	175.62	4941.13	5564.19
Change in Inventories	0.00	-83.67	-185.75
Employee Benefit Expenses	20.16	307.33	415.95
Finance Cost	0.51	43.66	83.43
Depreciation and Amortization Expense	0.04	34.69	47.96
Other expenses	32.03	602.32	758.90
Total Expenses	228.35	5845.47	6684.68
EBITDA	9.15	668.61	834.43
EBITDA Margin	0.04	0.10	0.11
Profit/(Loss) before tax	9.15	668.61	834.43
Tax Expense			
Current tax	5.48	171.16	215.47
Deferred Tax	-2.69	-4.83	-0.39
Total Tax	2.79	166.33	215.08
Profit/(Loss) for the Year	6.36	502.28	619.35
Net Profit Margin	0.03	0.08	0.08

Statement of Assets and Liabilities Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
EQUITY AND LIABILITIES			
1. Shareholder's Funds			
Share Capital	100.00	450.91	910.91
Reserves and Surplus	6.95	519.32	778.67
Total Equity	106.95	970.23	1689.58
2. Non-Current Liabilities			
Long-Term Borrowings	-	11.27	187.68
Long-Term Provisions	4.00	10.55	12.42
Total Non-Current liabilities	4.00	21.82	200.10
3. Current Liabilities			
Short-term Borrowings	-	540.74	1038.99
Trade Payables			
(a) MSME	-	96.21	265.17
(b) Other Than MSME	186.29	677.82	879.25
Other Current Liabilities	180.69	102.83	141.45
Short-term Provisions	3.49	70.46	204.15
Total Current liabilities	370.46	1488.06	2529.01
Total Liabilities	374.46	1509.87	2729.11
Total Equity and Liabilities	481.41	2480.10	4418.69
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	0.98	200.58	316.98
Long-Term Loans and Advances	-	24.35	30.66
Deferred Tax Assets (net)	3.28	8.11	8.50
Other Non- Current Assets	-	22.52	30.12

Particulars	FY 22	FY 23	FY 24
Total Non-Current assets	4.26	255.56	386.25
2. Current Assets			
Inventories	327.93	1383.78	2362.67
Trade Receivables	68.84	615.49	1320.35
Cash and Bank Balance	41.13	31.95	37.23
Short Term Loans and Advances	36.89	193.32	312.19
Other Current Assets	2.35	-	-
Total Current assets	477.15	2224.54	4032.44
Total Assets	481.41	2480.10	4418.69

Cash Flow Statement	Amt in Lakhs.		
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	-57.33	-256.16	-521.60
Net Cash Flow from Investing Activities	-1.03	-89.63	-164.35
Net Cash Flow from Financing Activities	99.49	33,661.39	69,122.48

Key Ratios							
<u>Per Share Data</u>	FY 23	FY 24	FY 25	<u>Valuation Ratios (x)</u>	FY 23	FY 24	FY 25
Diluted EPS	0.32	12.33	6.82	EV/EBITDA	7.19	2.23	3.45
BV per share	10.69	21.52	18.55	Market Cap / Sales	3.874	0.638	1.116
<u>Operating Ratios</u>				P/E	287.50	7.46	13.49
EBITDA Margin	3.85%	10.28%	11.11%	Price to Book Value	8.603	4.276	4.960
NP Margin	2.68%	7.72%	8.25%	<u>Solvency Ratios</u>			
Inventory days	505.36	77.88	115.15	Debt / Equity	-	0.57	0.73
Debtor days	106.08	34.64	64.35	Current Ratio	1.29	1.49	1.59
Creditor days	135.40	47.91	65.89	Quick Ratio	0.40	0.57	0.66
<u>Return Ratios</u>				Asset Turnover	0.49	2.62	1.70
RoCE	8.21%	63.90%	41.62%	Interest Coverage Ratio	17.87	14.52	9.43
RoE	5.94%	51.77%	36.66%				

INTERPRETATION –

- The main reason for the spike in financials during FY 24, namely 2,638.03% increase in total income, 7,209.01% increase in EBITDA, and 7,801.02% increase in profit after tax is due to the acquisition of proprietorship firm, Supertech Inc.
- Similarly the increase in expenses is due to acquisition and expansion activities. Employee benefit expenses increased in FY 24 due to new employees hired and an increase in director's remuneration.
- Other income decreased by 15.72% in FY 25 due to foreign currency fluctuation, rebate and discounts.
- Revenue from operations, total income, EBITDA, & PAT increased by 15.48%, 15.43%, 24.8%, & 23.31% respectively. These were primarily due to expansion activities.
- The expenses of the company increased in FY 25 due to increase in production capacity.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Corporate Makers Capital 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 –

Corporate Makers Capital Limited-

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ken Enterprises Limited	83.65	94	Feb 12, 2025	39.0

*CMP for the above-mentioned companies is taken as of 25th June 2025.
The lead manager does not have any further track record. The company was listed at a discount.

Recommendation -

The company was incorporated as a proprietorship firm in 2005. It transitioned to a private limited company on Aug 12, 2022 through acquisition. The acquisition was in effect from Feb 02, 2023.

The company has a post – issue P/E of 18.36. This indicates that the shares are slightly overvalued.

The entity has very limited track record of operating as a company as it was a proprietorship firm before. It has been 2.1 years since its incorporation as a company.

The company has had negative cash flows from operating activities for all preceding 3 financial years. (₹57.33), (₹256.16), & (₹521.60) Lakhs in FY 23, 24, & 25. Moreover, the company has outstanding tax litigations worth ₹68.76 Lakhs.

The lead manager does not have a proven track record. The company that it was the lead manager for was listed at a discount further adding to the risks involved in this company.

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

Disclaimer

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with y financial advisor before making any investment decisions.

The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

CONNECT WITH US ON :
WEBSITE:

www.tiareconsilium.com

OUR APP AVAILABLE ON:



CONNECT WITH US ON :

