



apex
Power Forever

**SME
NOTE**



Basic Details of Alpex Solar SME IPO

Basic Parameters	
IPO Price	₹109 - ₹115 per share
IPO Size	₹74.52 Cr
Lot size	1200 Shares
Listing At	NSE Emerge
MCap	281 Cr
P/E	19x
Lead Manager	Corporate Capital Venture

About AlpeX Solar SME IPO

- AlpeX is a Solar Photovoltaic (PV) module manufacturer in North India. Our PV modules are manufactured using both monocrystalline (Black Colour) and polycrystalline (Blue Colour) cell technologies.
- AlpeX operates a state-of-the-art manufacturing facility in Greater Noida, equipped with robotic plants boasting a capacity of 450MW.

Product Portfolio

- Manufacture - Solar Photovoltaic (PV) module
- (EPC) Engineering, Procurement, Construction of Solar PV Water Pumps

Company intends to utilize the Net Proceeds for the following objects:

Particulars	Rs. in Cr.
Funding capital expenditure for upgradation and expansion of our existing solar module manufacturing facility by increasing 750 MW, located at Plot No I 26 Site 5 Surajpur Industrial Area, I.A. Surajpur, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201306.	19.55
Funding Capital Expenditure towards setting up of a new manufacturing unit for Aluminum frame for our solar module.	12.94
To Meet Working Capital requirements of the Company	20.49
General Corporate Purposes*	See Note

*Note : The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

Risk Factors of Apex Solar SME IPO

- The company is involved in the case of Deputy Commissioner of Income Tax v. Apex Export Private Limited & Ors Criminal Revision Petition 132/2023 before the Hon'ble Delhi High Court. . If the order come against the company, then they might charge under the ambit of sec 276C of Income Tax Act, 1961, which states that If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and shall, in the discretion of the court, also be liable to fine. Therefore, if the case is concluded against the Company than continuity of our business operations, revenue, result of operations and financial condition may adversely be affected.
- More than 85% of revenue is derived by the top 5 customers. A reduction in business from any major clients could have negative implications on both revenue and profitability.
- Majority of the company's state wise revenues from operations for the last 3 years is dependent majorly on Uttar Pradesh. Any adverse developments affecting operations in these states could have an adverse impact on our revenue and results of operations.
- Company has experienced negative cash flows in the past. Any such negative cash flows in the future could adversely affect our business, results of operations and prospects.
- There may be potential conflicts of interest if Company's Promoter or Directors get involved in any business activities that compete with or are in the same line of activity as our business operations as promoters Mr. Ashwani Sehgal and Mrs. Monica Sehgal, who also serves as directors in CER Rooftop Private Limited, an associated company engaged in similar lines of business of our Company.
- Several of the company's key raw materials and components are sourced from a limited group of global third-party suppliers giving rise to supplier concentration risks. Any restrictions in supply or defects in quality could cause delays in project construction or implementation and impair our ability to provide our services to customers at a price that is profitable to us, which could have a material adverse effect on our business, financial condition and results of operations.

Risk Factors of Apex Solar SME IPO

- The company is engaged in assembling solar water pumping systems and customers receive subsidies from the State/Central Government. Any reduction or discontinuation of such subsidy will result in reduction in the number of potential consumers.
- Government may commence assembling the solar water pumps/products and may start providing products at cheaper rates, then in such a situation, the company will not be able to compete with the government rates and as a result it will affect company business, results of operations and financial condition.
- Company do business with customers on purchase order basis and do not have long-term contracts with most of them and there can be no assurance that the company will continue to receive repeat orders from any of them.
- Company has applied for registration of the logo and does not own the trademark legally as on date. The Company may be unable to adequately protect intellectual property. Furthermore, company may be subject to claims alleging breach of third-party intellectual property rights.
- Company is selling Needles to the related party group company Apex Exim Private Limited. Out of Trade Receivables Rs. 38.22 crores, Rs. 9.73 crores (25.45%) relates to Apex Exim Pvt Ltd.

(Rs. in Cr)	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations	1.64	1.17	1.91

It seems that company is selling goods to its Apex Exim Private Limited and not recovering sales consideration as total receivables stood Rs. 9.73 crores in the balance sheet.

Key Financial Performance Indicators of the Company

(Rs. in Cr)	For the period ended on September 30, 2023	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations	212.76	194.68	165.56	148.53
EBITDA	14.60	12.70	6.92	10.13
EBITDA (%)	6.87	6.52	4.18	6.82
ROCE (%)	25.15	18.81	2.79	13.24
PAT (%)	3.57	1.94	0.12	2.13

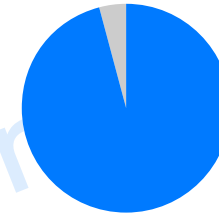
Revenue Breakup

Segment Wise Revenue Breakup

Particular	Financial year ended on September 30, 2023 (% of total Revenue)
Solar Module	87.09%
Solar Water Pumps	11.34%
Others	1.57%

Revenue Bifurcation from Export and Domestic

Export
(1.13%)



Domestic
(98.87%)

Comparison of Accounting Ratios with Industry Peers(FY 2023)

Name of Co.	Revenue (Rs. in Crore)	EPS	Return on Equity	D/E Ratio	P/E Ratio
Alpex Solar Limited	426	6.12	12%	0.85	19
Insolation Energy limited(Listed)	442	10.14	15%	1.03	114

Conclusion

- In the current landscape of the global solar industry, the challenges posed by China's overproduction of solar cells and modules can indeed make it more challenging for smaller Indian companies to thrive. China's dominance in solar manufacturing, accounting for around 80 percent of global solar cell production and 75 percent of global solar module production, has led to a supply glut, resulting in lower prices for solar products worldwide.
- However, the Alpex Solar currently uses Solar Cell (raw material) from Both Domestic and International manufacturers reducing the dependability from imports.
- In summary, while the challenges posed by China's solar overproduction are significant, a small Indian company can survive and thrive by focusing on cost competitiveness, differentiation, export opportunities, government support, quality, collaboration, and market diversification. It's important to adapt to the changing landscape and explore innovative strategies to remain competitive in the global solar industry.





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