

**Rating: Subscribe for Long Term**

**Issue Offer**

**Fresh Issue of 16,000,000 equity shares up to INR 1,680mn.**

**Issue Summary**

Price Band (INR)	95-105
Face Value (INR)	10
Implied Market Cap (INR mn)	6,182
Market Lot	142
Issue Opens on	May, 27, 2025
Issue Close on	May, 29, 2025
No. of share pre-issue	42,874,592
No. of share post issue	58,874,592
Listing	NSE / BSE

**Issue Break-up (%)**

QIB Portion	≤50
NIB Portion	≥35
Retail Portion	≥15

**Book Running Lead Managers**

Choice Capital Advisors Pvt Ltd

**Registrar**

KFin Technologies Ltd

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	100.0%	72.82%
Public & Others	0.0%	27.18%

**Objects of the issue**

- Funding working capital requirements of the Company.
- Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company
- Achieving inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes

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Prostarm Info Systems Limited incorporated in January 2008, is an Indian company engaged in the design, manufacturing, and sale of energy storage and power conditioning equipment, collectively referred to as "Power Solution Products." Its product range includes UPS systems, inverter systems, solar hybrid inverters, lithium-ion battery packs, and voltage stabilisers. The company offers both standard and customised solutions, manufactured either in-house or through contract manufacturers and also sells third-party batteries. In addition to its product offerings, they provides reverse logistics and end-of-life disposal services for UPS systems and batteries. It also undertakes rooftop solar power plant projects on an EPC basis within India. To enhance customer experience and build long-term relationships, the company offers installation services, rental solutions, and comprehensive after-sales support, including warranty, post-warranty services, and Annual Maintenance Contracts.

**Investment Rationale**

**Strong and diversified product portfolio:** The company provides power electronics solutions specializing in UPS, inverters, and lithium-ion energy storage systems. It serves critical sectors like healthcare, BFSI, railways, oil & gas, and data centers with a wide range of products and customized solutions for government and institutional clients ensuring strong customer loyalty and long-term business stability.

**In-house Manufacturing and Design Capabilities:** The company excels with in-house R&D, design, and assembly unlike peers using external manufacturers. It has licensed Battery Management System (BMS) IP from ARAI and is building its own BMS production. This approach ensures top quality, faster delivery, better profits and a strong position in the growing energy storage market.

**Diverse and Specialized Manufacturing Capabilities:** The company operates three manufacturing units—Unit I and II in Pune producing UPS systems, Isolation Transformers, Servo Stabilizers, Lift Inverters, and Solar Hybrid Inverters (total capacity: 115,500 kVA/kW across 40,000 sq. ft) and Unit III in Navi Mumbai dedicated to Lithium-ion Battery Packs (capacity: 100,000 kWh; 7,501 sq. ft) enabling specialization, streamlined quality control, and scalable production across high-demand product categories.

**Geographically Diversified Growth Driving Business Stability and Expansion:** The company has a strong presence across India, West Zone is its biggest revenue contributor over 53% showing strong demand and market reach in states like Maharashtra and Gujarat. The North Zone also contributes significantly around 21% followed by steady performance in the South around 14% and East around 10%. This wide regional spread reduces risk from dependence on any one area and shows the company's ability to grow across different markets.

**Expanding Customer Base and Geographic Reach:** The company is actively growing its customer base by strengthening its presence across India with a broad product range, dedicated teams and wide geographical areas. They plans to continue expanding domestically by promoting existing products to new customers and launching innovative offerings. It also aims to enter international markets like Bangladesh, Sri Lanka, Nepal, Africa, and the Middle East.

**Valuation & Outlook:** Prostarm Info Systems is engaged in storage equipment and power conditioning systems and serving various sectors like healthcare, aviation, BFSI, defence, railways, Oil & Gas etc. The company has catering over 700 customers and has 478 dealers and focused to increase further going forward. The company strategically sources from India & China and partnering with 3<sup>rd</sup> party manufacturers for products would improve cost efficiency. The company is focused on exports and has presence in Bangladesh, Africa, Middle East and Sri Lanka etc. The IPO proceeds will be utilized for working capital (INR 725mn), debt repayment (INR 179.6mn) and remaining will be utilized for acquisitions and general corporate purposes would lead to business growth going forward. The growing UPS, Lithium-Ion battery and Servo stabilizer market would provide business opportunities going forward. At the upper band of INR 105, the issue is valued at a P/E ratio of 20.97x, based on PAT of FY25 EPS of INR 5.01. We are recommending a "Subscribe for Long Term" rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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