

**Rating: Subscribe**

**Issue Offer**

**Fresh Issue of INR 6,591,000 Equity Share aggregating up to INR 1252.3 mn**

**Issue Summary**

Price Band (INR)	181-190
Face Value (INR)	10
Implied Market Cap (INR mn.)	4,712.2
Market Lot	600
Issue Opens on	July 5 ,2024
Issue Close on	July 9 ,2024
No. of share pre-issue	18,210,000
No. of share post issue	24,801,000
Listing	NSE - SME

**Issue Break-up (%)**

QIB Portion	≤50%
Retail Portion	≥35%
NII Portion	≥15%

**Registrar**

KFin Technologies Ltd.

**Book Running Lead Managers**

Hem Securities Ltd.

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	100.00%	73.42%
Public & Others	0.00%	26.58%

**Objects of the issue**

- Repayment of the outstanding borrowings.
- Funding capital expenditure for new factory machinery installation.
- Funding new factory machinery installation.
- General Corporate Purpose.

**Abhishek Jain**

[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)

022-422548871

**Natasha Singh**

[natasha.singh@arihantcapital.com](mailto:natasha.singh@arihantcapital.com)

Ganesh Green Bharat Ltd. started as an electrical contracting firm in 2016, expanding into renewable energy in 2017. It now offers comprehensive services in solar and electrical installations, including EPC and O&M for various government schemes. GGBL has diversified into manufacturing solar PV modules and executing water supply projects. With a growing portfolio and substantial projects completed under schemes like Saubhagya and Jal Jeevan Mission, GGBL continues to expand its capabilities and order book, emphasizing quality and technological innovation in its offerings.

**Investment Rationale**

**Enhancing Revenue and Minimizing Risks:** Company offers a diverse array of solutions across multiple industries, strategically integrating various business verticals under one umbrella. Its portfolio spans the renewable energy sector, water supply, and electrical contracting. Core strengths include competitive bidding for EPC projects and manufacturing high-quality Solar PV Modules, ensuring successful project delivery. Emphasizing quality control and continuous technological advancement across all operations, coupled with robust sales and marketing efforts, has facilitated the company's expansion. Revenue diversification across these industries mitigates customer concentration risk, contributing to enhanced revenue streams, improved margins, and reduced business risks.

**Ensuring Quality and Efficiency from Design:** An in-house team of 10 engineers dedicated to detailed design based on client specifications, supported by rigorous quality control measures on-site. With a proven track record in efficient project installation, their focus is on leveraging design and execution capabilities to ensure high-quality project delivery. Project management teams oversee manufacturing and execution, contributing to operational efficiencies and successful project completions. The company also offers comprehensive post-EPC services, including maintenance, underscoring their commitment to client satisfaction and project longevity. Efficient supply chain management further enhances their ability to procure raw materials cost-effectively and on schedule, supporting their reputation for timely, specification-compliant project execution.

**Strategic Expansion into Solar PV Module Manufacturing :** Company plans strategic backward integration by expanding operations into manufacturing solar PV modules. This initiative aims to reduce reliance on third-party suppliers by establishing a new production line at their Mehsana, Gujarat facility, increasing overall capacity to 400 MW. The manufactured panels will primarily serve internal projects and external sales, enhancing material inventory management and profitability. This move not only aligns with tender eligibility requirements favoring domestic manufacturers but also promises cost efficiencies by mitigating customs duties and other expenses associated with imported panels.

**Geographic Expansion Diversifying Markets for Sustainable Growth:** Company has successfully completed multiple projects in solar systems, electrical contracting, and water supply schemes across 8 states in India over the past decade. Looking ahead, they aim to expand their geographical footprint by diversifying into new regions of the country. Their strategy focuses on maintaining quality service delivery and avoiding delays caused by local factors. This expansion initiative aims to mitigate operational risks associated with business concentration in specific areas, ensuring more stable and sustainable growth across varied geographical markets.

**Valuation and View :** The company strategically integrates diverse business verticals including renewable energy, water supply, and electrical contracting, ensuring revenue stability and risk mitigation through geographic and market diversification. Core strengths in competitive bidding for EPC projects and high-quality solar PV module manufacturing support their expansion. With a focus on quality control, technological advancement, and efficient project management, they offer comprehensive services from design to post-EPC maintenance, enhancing client satisfaction and project longevity. Geographic expansion across India aims to diversify markets and minimize risks associated with regional concentration, fostering sustainable growth and market resilience. At the upper band of INR 190 , the issue is valued at a P/E of 23.70x based on FY24 EPS (Post Issue) of INR 8.0 . We are recommending "Subscribe" for this issue.

**Arihant Research Desk**

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	6 Lad Colony Y.N Road Indore - 452003, (M.P.) Tel: 0731-4217100 Fax: (91-731) 3016199

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%

Research Analyst Registration No.	Contact	Website	Email Id
<b>INH000002764</b>	<b>SMS: 'Arihant' to 56677</b>	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

**Disclaimer:** This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800 Fax. 022-42254880