

IPO Details	
Opening Date	June 14, 2024
Closing Date	June 19, 2024
Stock Exchange	NSE SME
Lot Size	1,200 Shares
Issue Price	₹90 to ₹94 per share
Issue Size	Aggregating up to ₹30.79 Cr.
Fresh Issue	Aggregating up to ₹30.79 Cr.
Offer for Sale	-
Application Amount	₹1,12,800

IPO Objective	
○ To meet the working capital requirements	
○ Investment in subsidiary Invergy India Private Limited in relation to purchase of plant & machinery and other miscellaneous assets and also towards construction for its facility	
○ General Corporate Expenses	

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	72,87,600	86.40%
Public	11,47,200	13.60%

Promoter of the Company	
1.	Deepak Pandey
2.	Anju Pandey
3.	Astik Mani Tripathi

Competitive Strengths	
1.	Strategic partnerships with industry leaders
2.	Experienced promoter and management team with strong industry expertise and successful track record
3.	Quality assurance and standards
4.	Strong and long – standing customer relationships

Company Background	
○ GP Eco Solutions India Limited was originally incorporated on July 30, 2010 having its registered office as well as the warehouse in Noida, Uttar Pradesh.	
○ The Company is an authorized distributor of Sungrow India Pvt Ltd for Solar Inverters, and authorized distributor for Saatvik Green Energy Private Limited and LONGi Solar Technology Co. Ltd for solar panels.	
○ Business Verticals- Distributor of Solar Inverters and solar panel, Solar EPC, Operation and maintenance of Solar Plant	
○ As on date of the Prospectus, the Company had 16 employees on its payroll in various departments.	

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 79	₹110

Financial Summary (In Lacs)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
Total Assets	1,429.81	1,904.89	4,715.19	4,728.74
Net Assets	177.81	454.98	824.81	1,298.08
Total Borrowing	351.37	517.55	1,316.52	1,544.79
Total Revenue	4,652.91	8,352.99	10,447.63	7,858.88
Profit After Tax	96.94	277.17	369.82	473.25

Tentative Timeline	
Opening Date	June 14, 2024
Closing Date	June 19, 2024
Basis of Allotment	June 20, 2024
Initiation of Refunds	June 21, 2024
Credit of Shares to Demat	June 21, 2024
Listing Date	June 24, 2024

Company Background and Analysis

GP Eco Solutions India Limited was originally incorporated on July 30, 2010 having its registered office as well as the warehouse in Noida, Uttar Pradesh. The Company is involved in the distribution of a wide range of solar inverters and solar panels. The Company is an authorized distributor of Sungrow India Pvt Ltd for Solar Inverters in North India, and is also authorized distributor for Saatvik Green Energy Private Limited and LONGi Solar Technology Co. Ltd for solar panels in North India.

The Company serves as an integrated solar energy solutions provider, delivering comprehensive engineering, procurement, and construction ("EPC") services to commercial and residential customers. Solar EPC Division has till date commissioned more than 12 government projects.

The Company also has its own brand called "Invergy". Under the Invergy brand, it sells hybrid solar inverters and lithium ferro phosphate (LFP) batteries. Invergy deals in OEM manufacturing for hybrid and LFP products. Invergy has its own quality and reliable protocol for contract manufacturing of these products. Invergy manages its own supply chain stream to provide easy and comfortable transitions. The Company got certification of ISO 9001:2015 in Quality Management System, certificate number - Q-205023102805, which is valid up to October 27, 2026.

Business Verticals-

1. Distributor of Solar Inverters and solar panel-

- **On grid Solar Inverter-** the Company purchases solar inverters from Sungrow and subsequently distribute them to both B2B and B2C clients across North India. The Company deals in three types of solar inverters from Sungrow, namely, Sungrow Residential Inverters, Sungrow Commercial and Industrial Inverters, and Sungrow Utility.
- **Hybrid Solar Inverter & Batteries-** The Company places an order with the vendor in China for solar inverter products and with the vendor in India for batteries. They incorporate the "Invergy" brand into the products, namely, Hybrid Solar Inverter, Lithium ferro phosphate batteries and Encap (advanced energy storage system for stationary applications, which is based on encapsulated capacitors), before shipping them to the Company's warehouse.
- **Solar Panel-** As an authorized distributor for Saatvik Green Energy Private Limited solar panels, the Company places orders by submitting written purchase orders to the supplier. The supplier agrees to sell the products to the distributor at the agreed-upon price specified in each purchase order.

2. **Solar EPC-** in EPC model customer invest in the Capital Expenditure at their own and GP Eco does Engineering, Procurement, Construction, and Operation on behalf of the client.

3. **Operation and maintenance of Solar plant-** the Company provides operation and maintenance services to clients to whom the Company has provided EPC services. The services under operation and maintenance include routine inspections, equipment installation, regular cleaning, conducting visual inspections, and monitoring.

The Company has received multiple awards for their business operations with Sungrow. Moreover, the Director and the Promoter of the Company, namely, Mr. Deepak Pandey and Mr. Astik Mani Tripathi were honoured with the Bharat Gaurav Award, the highest international recognition for Indians at the House of Commons, British Parliament, London. As on date of the Prospectus, the Company had 16 employees on its payroll in various departments.

Segment wise Revenue Bifurcation of the Company for the period Dec23, FY23, FY22, FY21(Amt in Lacs)-

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
On-grid Solar Inverters	3,501.23	75.35	5,959.36	71.41	5,308.62	52.45	3,240.41	41.33
Hybrid Solar Inverters	-	-	-	-	1,879.72	18.57	887.07	11.31
Solar Panels	783.51	16.86	1,908.09	22.87	2,606.11	25.75	2,916.03	37.19
EPC of SolarPanel	255.23	5.49	326.96	3.92	235.73	2.33	63.16	0.81
O&M of Solar Plant	102.44	2.20	65.07	0.78	69.18	0.68	450.23	5.74
Solar Battery	4.41	0.09	85.28	1.02	21.88	0.22	283.47	3.62
Total	4,646.82	100	8,344.76	100	10,121.24	100	7,840.37	100



Solar Panel



Lithium ferro phosphate battery



Hybrid Solar Inverter



Sungrow Residential and Commercial Industrial Inverters

Revenue generated through the sale of products from owned brand and third-party brands constitutes to-

Particulars	Mar-21	Mar-22	Mar-23	Dec-23
Owned Brand	0.09%	1.02%	18.79%	14.93%
Third-Party Brand	99.91%	98.98%	81.21%	85.07%
Total	100%	100%	100%	100%

The Company exclusively sells in the domestic market of India in a diversified number of states where their top ten customers and their top ten suppliers constitute to be-

For the Year ended on	Mar 21	Mar 22	Mar 23	Dec 23
Top 10 Supplier	92.96%	76.76%	67.35%	89.94%
Top 10 Customers	51.76%	57.01%	33.20%	51.94%

Out of the total proceeds of Rs.30.79 Cr. from the Issue, the Company is planning to invest Rs.12.45 Cr. in subsidiary, Invergy India Private Limited in relation to Purchase of Plant & Machineries and other Miscellaneous Assets; and towards Construction / Civil Works for its facility and; Rs.7.60 Cr. towards meeting Capital requirements of the Company and the rest towards General Corporate Purpose.

Business Strategies

1. Further explore initiatives to strengthen control over their supply chain-

Pursuant to their focus on backward integration to reduce their dependency on third party vendors and suppliers, a number of components are now manufactured in-house under the Company's subsidiary "Invergy". Their efforts to reduce dependence on imports would also help them improve their inventory management and cost efficiencies.

2. Increase geographical presence-

As of the current date, their registered office as well as warehouse is established in one state, Uttar Pradesh (Noida). The Company's emphasis is on increasing the scale of operations and growing their supply chain network.

Competitive Scenario and Peer Mapping

Competition

The bargaining power of buyers is moderate due to government initiatives and rising demand. Suppliers hold some leverage due to import dependence for certain components, but government incentives for domestic manufacturing are reducing this force. Competition within the industry is intense, with numerous domestic and international players vying for market share. The threat of new entrants is high due to government support and attractive market potential. This interplay of forces creates a competitive yet promising environment for India's solar power sector.

Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –

Particulars	GP Eco Solutions India Limited	SunGarner Energies Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	3.65%	4.25%
EBITDA Margin	3.38%	9.06%
Return on Capital Employed	33.16%	39.31%
Return on Equity	44.84%	23.36%
EPS (INR)	5.14	7.00
P/E	18.29	39.34*

*P/E for SunGarner Energies Limited has been calculated as on August, 2023 as it got listed in August 2023.

The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –

Particulars	GP Eco Solutions India Limited	SunGarner Energies Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	3.32%	7.27%
EBITDA Margin	5.46%	12.66%
Return on Capital Employed	75.75%	40.52%
Return on Equity	60.92%	36.94%
EPS (INR)	3.85	12.47
P/E	24.42	-

The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –

Particulars	GP Eco Solutions India Limited	SunGarner Energies Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.09%	2.80%
EBITDA Margin	3.75%	7.09%
Return on Capital Employed	54.34%	25.00%
Return on Equity	54.52%	15.15%
EPS (INR)	1.35	3.23
P/E	69.63	-

Industry Overview

The Indian Economy:

The Indian economy is projected to be the world's third-largest by 2030, fuelled by a young population, rising disposable incomes, and government initiatives. This strong economic base creates a significant demand for clean and reliable energy, presenting a major opportunity for solar power.

Global Solar Power:

Solar power is experiencing a global boom, driven by factors like decreasing costs, environmental concerns, and supportive government policies. The International Energy Agency (IEA) forecasts solar PV installations to reach 650 GW per year by 2030, solidifying its position as a leading source of electricity generation.

Indian PV Market:

India is a major player in the global solar power arena. The Indian government's ambitious renewable energy targets, such as the Jawaharlal Nehru National Solar Mission (JNNSM), are propelling rapid growth in the Indian PV market. This market is projected to grow at a CAGR of 19.80% over the next five years, driven by factors like falling panel prices, supportive policies, and increasing demand for clean energy.

Indian Solar Inverter Market:

Solar inverters are a crucial component of solar power systems, converting DC electricity from solar panels into AC electricity for grid connection or self-consumption. The Indian solar inverter market is experiencing significant growth, spurred by the rising demand for solar installations. This market is expected to benefit from increasing domestic manufacturing and technological advancements in inverter efficiency.

Evolution of Regional PV Installations:

The growth of solar PV installations in India has been uneven across different regions. States with high solar irradiation like Rajasthan, Gujarat, and Maharashtra have witnessed significant installations. However, there's a push for balanced growth across the country, with initiatives targeting undeveloped regions.

Indian Solar Power Industry:

The Indian solar power industry is not only growing but also innovating. The government's Production Linked Incentive (PLI) Scheme is promoting the manufacturing of high-efficiency solar PV modules domestically. This focus on innovation, along with increasing research and development activities, is positioning India as a leader in solar technology advancements.

Indian Solar Panel Market:

The Indian solar panel market is highly price-sensitive, with a significant share dominated by cost-effective modules. However, a growing trend towards high-efficiency panels is observed as consumers become more aware of the long-term benefits of increased power generation.

8. India's Solar Power Market: Key Challenges and the Road Ahead

Despite its rapid growth, the Indian solar power market faces certain challenges. These include:

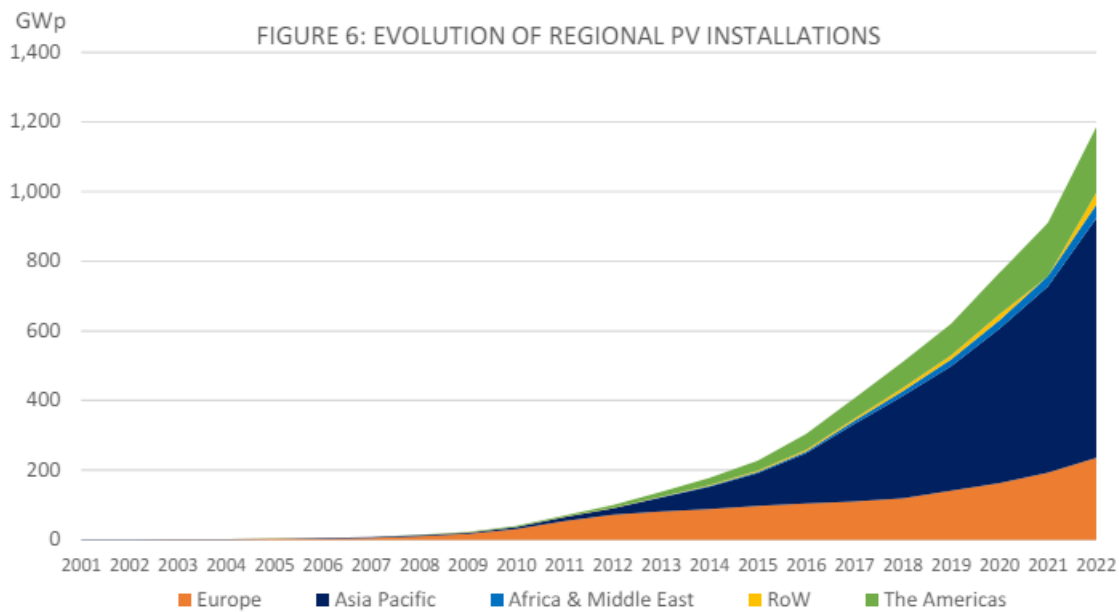
- Grid integration issues: Integrating large-scale solar power into the grid requires infrastructure upgrades and smart grid technologies.
- Financing challenges: Access to affordable financing remains a hurdle for some solar projects.

- Policy fluctuations: Frequent changes in government policies can create uncertainty for investors.

India's solar power industry is poised for continued growth, driven by a supportive government, a robust economy, and increasing environmental concerns. Overcoming the key challenges will be crucial to unlocking the full potential of this clean and sustainable energy source. By fostering innovation, strengthening grid infrastructure, and ensuring policy stability, India can solidify its position as a global leader in the solar revolution.

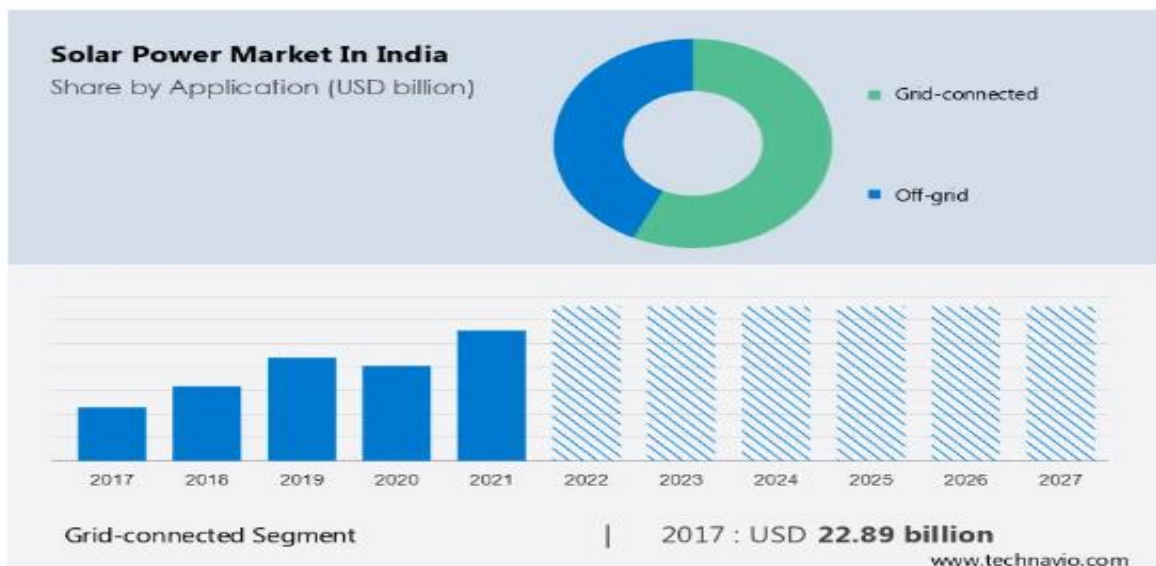
(Source: Prospectus)

Exhibit 1: Evolution of Regional PV Installations-



(Source: IEA PVPS)

Exhibit 2: Electronics Market and Imports in India (US \$Billion)-



(Source: technavio.com)

Key Managerial Personnel

Deepak Pandey, aged 39, is one of the Promoters and Managing Director of the Company. He is the founder of GP Eco Solution Limited. He holds a degree in Bachelor of Technology (Computer Science). He has 20 years of experience in the solar industry. He is the overall in charge of the business and guides the Company on preparing future strategies. He is also the Co-founder of Invergy India Private Limited, a subsidiary Company of GP Eco, which is engaged in the distribution of Hybrid solar inverters.

Anju Pandey, aged 65 years, is one of the Promoters and Executive Director of the Company. She holds the degree of Bachelor of Arts (Psychology & Political Science). She has more than 13 years of experience in the renewable energy sector.

Astik Mani Tripathi, aged 35 years, is one of the promoters and Non-Executive Director of the Company. He is a Fellow Member of ICSI and also holds a degree in Law. He has over 15 years of experience as a corporate consultant and financial advisor. He is the Co-Founder and Director of subsidiary Company, Invergy India Private Limited.

Rajendra Prasad Ritolia, aged 75 years, is a Non – Executive Independent Director of the Company. He holds the degree of Bachelor of Science in Mining Engineering. He has held the position of Chairman and Managing Director of Central Coalfields Limited and advisor to the Managing Director of Tata Steel Limited. He is recipient of several awards like Dewan Bahadur DD Thacker Gold Medal Award for outstanding contribution to Coal Mining Industry by MGMI Indira Gandhi Memorial National Award 2007 etc.

Tushar Kansal, aged 47 years, is the Non-Executive Independent Director of the Company. He holds the degrees of Bachelor of Technology, and Masters in Finance and Control. Tushar Kansal is the Founder of Kansaltancy Ventures, IB firm in the APAC region. Additionally, he has held the designation of Senior Consultant in the Financial Advisory Services Practice at Deloitte etc.

Sunil Bhatnagar, aged 67 years, is the Non-Executive Independent Director of the Company. He holds the degree of Bachelor of Science and Master of Business Administration. He has been associated with the battery industry for more than 28 years. He is member in many battery committees including Indian Federation of Green Energy, Amity EV Committee etc. He has vast experience in Lithium battery packs for EVs including Electric Trucks and electric Tractors, Energy Storage Systems and Solar etc.

Neha Garg, is the Chief Financial Officer of the Company. She has 12 years of experience in accounts, finance and taxation.

Tanushree, is the Company Secretary & Compliance Officer. She has 9 years of experience in legal and administration industry.

To conclude, the promoters have vast experience in the industry. The Non-Executive Directors and Independent Directors have rich experience and knowledge in their fields which can help the Company derive good growth and sustainability in the market. They all bring in their perspective and vast knowledge of different sectors to drive the growth of the Company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23
Revenue from Operations	4,646.82	8,344.76	10,121.24	7,840.37
Other Income	6.09	8.23	326.39	18.51
Total Income	4,652.91	8,352.99	10,447.63	7,858.88
Expenses				
Cost of materials consumed	3,961.10	7,212.06	10,126.32	6,581.31
Changes in Inventories	-85.49	-196.22	-841.15	51.35
Employee benefits expense	168.78	133.45	71.07	114.68
Finance costs	30.78	63.07	125.38	133.09
Depreciation and Amortization expense	14.82	26.57	37.55	30.82
Other expenses	428.00	739.50	422.43	308.66
Total Expenses	4,517.99	7,978.43	9,941.60	7,219.91
Earnings Before Interest, Taxes, Depreciation & Amortization	174.43	455.97	342.57	784.37
EBITDA Margin	3.75%	5.46%	3.38%	10.00%
Profit/(Loss) before tax	134.92	374.56	506.03	638.97
Tax Expense				
Current Tax	-37.40	-97.50	-133.00	-166.14
Previous year Tax	-0.32	0.89	-3.23	-0.03
Deferred Tax	-0.26	-0.78	0.02	0.45
Total Tax Expense	-37.98	-97.39	-136.21	-165.72
Profit/(Loss) for the year	96.94	277.17	369.82	473.25
Net Profit Margin	2.08%	3.32%	3.54%	6.02%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	20.00	20.00	20.00	720.00
Share Application Money Pending Allotment	-	-	-	93.90
Reserves and surplus	157.81	434.98	804.81	578.08
Total Equity	177.81	454.98	824.81	1,391.98
2. Non-current liabilities				
Long Term Borrowings	115.20	110.37	93.60	251.36
Deferred tax liability/ (Assets) (Net)	0.71	1.49	1.47	1.01
Total Non-current liabilities	115.91	111.86	95.07	252.37
3. Current liabilities				
Short-term borrowings	236.17	407.18	1,222.92	1,293.43
Trade payables				
(i) MSME	0.20	1.77	598.36	174.29
(ii) Other than MSME	576.29	417.42	1,312.45	912.32
Other current liabilities	165.64	240.79	520.56	462.27
Short-term provisions	157.79	270.89	141.02	242.08
Total Current liabilities	1,136.09	1,338.05	3,795.31	3,084.39
Total Liabilities	1,252.00	1,449.91	3,890.38	3,336.76
Total Equity and Liabilities	1,429.81	1,904.89	4,715.19	4,728.74
ASSETS				
1. Non-current assets				

Balance Sheet					(In Lacs)
Fixed Assets-					
Property, Plant and Equipment	162.47	199.89	224.26	422.21	
Other Non-Current Assets	536.97	88.29	270.20	276.28	
Total Non-Current assets	699.44	288.18	494.46	698.49	
2. Current assets					
Inventories	239.02	435.24	1,276.39	1,225.04	
Trade receivables	385.46	971.84	1,420.38	2,229.18	
Cash and cash equivalents	52.48	11.36	5.93	11.55	
Other Current Assets	53.40	198.26	1,518.04	564.49	
Total Current assets	730.36	1,616.70	4,220.74	4,030.26	
Total Assets	1,429.80	1,904.88	4,715.20	4,728.75	

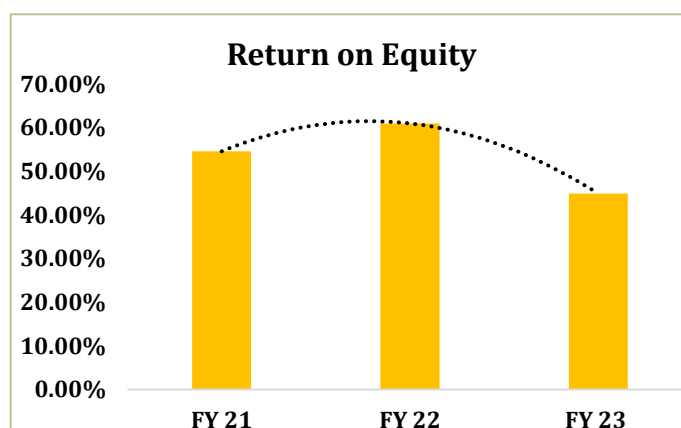
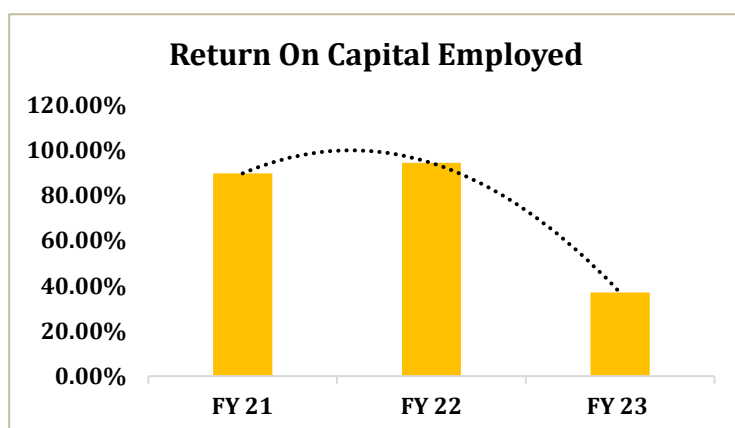
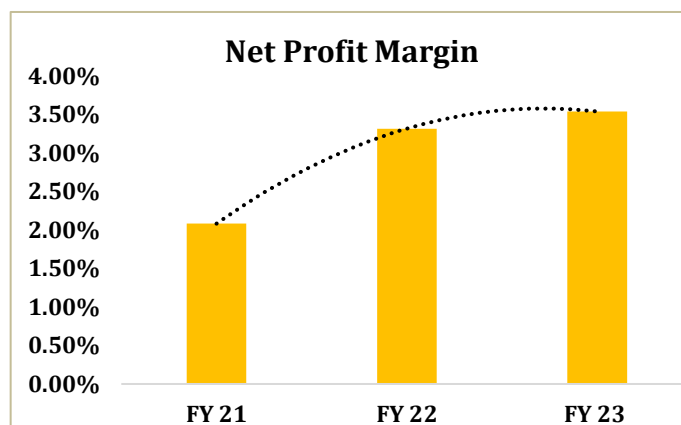
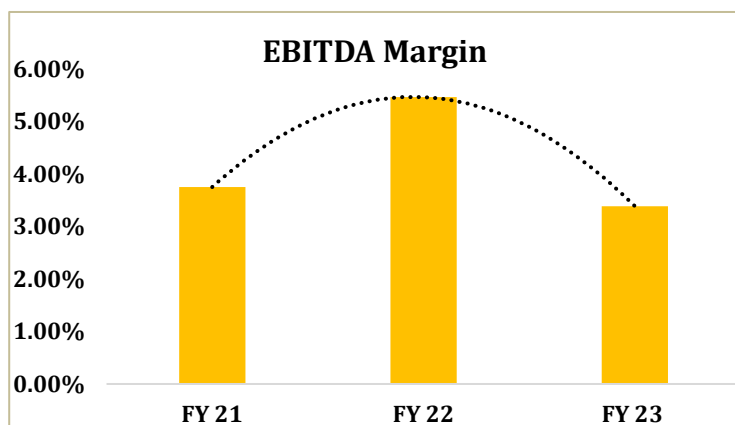
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23	
Net Cash Flow from Operating Activities	379.16	-600.23	-574.25	-92.88	
Net Cash Flow from Investing Activities	-622.55	392.92	-230.16	-223.67	
Net Cash Flow from Financing Activities	281.48	166.18	798.98	322.16	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Dec-23*
Per Share Data				
Diluted EPS	1.35	3.85	5.14	5.43
BV per share	1.52	3.89	7.04	38.77
Operating Ratios				
EBITDA Margins	3.75%	5.46%	3.38%	10.00%
PAT Margins	2.08%	3.32%	3.54%	6.08%
Inventory days	18.77	19.04	46.03	42.97
Debtor days	30.28	42.51	51.22	78.19
Creditor days	53.14	21.22	68.90	45.42
Return Ratios				
RoCE	89.77%	94.38%	36.98%	54.13%
RoE	54.52%	60.92%	44.84%	14.01%
Valuation Ratios (x)**				
EV/EBITDA	2.73	2.11	6.23	5.87
Market Cap / Sales	2.37	1.32	1.09	1.05
P/E	69.63	24.42	18.29	17.30
Price to Book Value	61.91	24.19	13.35	2.42
Solvency Ratios				
Debt / Equity	1.98	1.14	1.60	1.15
Current Ratio	0.64	1.21	1.11	1.31
Quick Ratio	0.43	0.88	0.78	0.91
Asset Turnover	3.25	4.38	2.15	1.66
Interest Coverage Ratio	5.19	6.81	2.43	4.25

*Annualized Figures

**Valuation Ratios are calculated using the current Issue Price.

Financial Charts



Key Risk Factors

1. Top Supplier-

The Company's top 10 suppliers provide a majority of total purchases of raw materials done by the Company.

For the Year ended on	Mar 31, 21	Mar 31, 22	Mar 31, 23	Dec 31, 23
Top 10 Supplier	92.96%	76.76%	67.35%	89.94%

2. Negative Cash Flows from Operations-

The Company has experienced negative cash flows from operations activities in the previous financial years.

For the Year ended on	Mar 31, 21	Mar 31, 22	Mar 31, 23	Dec 31, 23
Cash Flow from Operating Activities	379.16	(600.23)	(574.25)	(92.88)

Track Record of Lead Manager

The lead manager to the issue is Corporate Capitalventures Private Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

Corporate Capitalventures Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Creative Graphics Solutions India Limited	54.40	85	Apr 09, 2024	173.05
2.	Esconet Technologies Limited	28.22	84	Feb 23, 2024	195.40
3.	Alpex Solar Limited	74.52	115	Feb 15, 2024	696.85
4.	Accent Microcell Limited	78.40	140	Dec 15, 2023	294.50
5.	Rockingdeals Circular Economy Limited	21.00	140	Nov 30, 2023	498.50
6.	Oriana Power Limited	59.66	118	Aug 11, 2023	2,624.90
7.	Crayons Advertising Limited	41.80	65	Jun 02, 2023	137.30
8.	Droneacharya Aerial Innovations Limited	33.97	54	Dec 23, 2022	140.45
9.	Phantom Digital Effects Limited	29.10	95	Oct 21, 2022	392.65
10.	Swastik Pipe Limited	62.52	100	Oct 12, 2022	72.30

*CMP for the above-mentioned companies is taken as of 12th June 2024.

The Company has handled 12 mandates in the past three years (including the current year). As per the offer document, from the above-mentioned mandates only Swastik Pipe Limited has opened at a discount and the remaining mandates have opened at premiums on the listing day.

Recommendation

The Company has been in the industry since 2010 and has vast experience in the industry. The management overview of the Company is also satisfactory.

The P/E on a post-IPO and annualised basis is around 17.30 times and Industry P/E is 50.4 times which makes it fairly priced in the industry. The Company's debt-to-equity Ratio is 1.15 times and out of the total proceeds of Rs.30.79 Cr. from the Issue, the Company is planning to invest Rs.12.45 Cr. in subsidiary, Invergy India Private Limited in relation to Purchase of Plant & Machineries and other Miscellaneous Assets; and towards Construction / Civil Works for its facility and; Rs.7.60 Cr. towards meeting Capital requirements of the Company and the rest towards General Corporate Purpose.

The Company operates in a competitive environment and has good as well as scalable business model. The Company has shown consistent increase in the top line and bottom line of P&L Statement since FY21 but has negative operating cash flows for the period ended Dec23, FY23, and FY22 There is also a decline in RoCE and RoE since last year.

The Issue of the Company seems to be risky but on the lesser side. Thus, we recommend **RISK_AVERSE-should WAIT and RISK_SEEKERS should APPLY** to this IPO.

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