

GRE Renew Enertech IPO

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- The company is an emerging player in the field of rooftop and ground mount solar solutions.
- It has also diversified into LED manufacturing.
- Both segments are getting crowded with many competitors entering in the field.
- The company posted inconsistency in its top and bottom lines for the reported periods.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed/cash surplus investors may park moderate funds for medium term.

About the Company

GRE Renew Enertech Ltd. (GREL) is an emerging player in the field of Rooftop and ground mount solar solutions. GREL is a company that specializes in providing solar energy solutions to industrial and commercial customers. It offers green energy solutions by installing on-site solar projects. Its business operations are primarily divided into two segments: Capital Expenditure (CAPEX) and Renewable Energy Service Company (RESCO). Under the CAPEX model, the company offers Engineering, Procurement, construction, and operation of solar projects. In this model, customers invest in the Capital Expenditure at their own and GREL does Engineering, Procurement, Construction, and Operation on behalf of the client.

Under the RESCO model, agreement is entered into with roof-top owners. The rooftop owners may consume the electricity generated, for which they have to pay a pre decided tariff to the company as RESCO developer for the tenure of the agreement. In this model the assets (solar panels and installations) belong to the Company. Under RESCO model, it may also develop ground mount project, in which case land for the project is owned by the Company, either on freehold or leasehold, as developer of the RESCO Project. The Company in the past has not developed any major ground mount project under RESCO model. However, under the RESCO Model, its object is to implement a 7.20 MW (AC) / 9.99 MW (DC) Ground Mounted Solar Power Plant in GREL.

GREL is also an Indian manufacturer of Light Emitting Diode ("LED") lighting solutions. However, since last few years the prime focus of the Company is in the Solar Energy segment only. The turnover from lighting business is less than 5% of the total turnover of the Company as per the last audited financial statements for the Financial Year ended March 31, 2025. As an ISO 9001:2015 certified company, it is not only installing solar plants but also providing innovative solutions to optimize its production output. A skilled group of solar architects and engineers who create sophisticated installations as per the best practices in the industry. In this way, it endeavours to achieve the optimum efficiency of electricity generation.

The company also provides the maintenance services that make sure its solar investment continues to give high volumes of electricity units in the long run. Customers are trusting it with their investments, and therefore, GRE is committed to being the most trusted solar installation service provider by ensuring that the projects it undertakes are completed up to the customer's expectations. Along with solar, the GRE goes further in the field of manufacturing of LED lighting applications. Being a credible manufacturer and provider of indoor and outdoor LED lights, it incorporates technology for lighting up environments while still, embracing power conservation and environmental conservation as well. Its line of LED lights has established its dominance in industrial facilities, homes, and other places and provide a range of products to consumers who wants to utilize an efficient and effective lighting system.

Although it has two different segments but more than 90% of the total revenue is generated from the Solar Services. Its present business operations are mostly spread in the state of Gujarat. As of September 30, 2025, it had 48 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3768000 equity shares of Rs. 10 each to mobilize Rs. 39.56 cr. The company has announced the price band of Rs. 100 – Rs. 105 per share of Rs. 10 each. The IPO opens for subscription on January 13, 2026, and will close on January 16, 2026. The minimum application to be made is for 2400 shares and in multiple of 1200 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.37% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 31.58 cr. for capex on ground mounted solar power plant, and the rest for general corporate purpose.

The IPO is solely lead managed by Share India Capital Services Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Share India group's Share India Securities Pvt. Ltd., is the market makers.

The company has issued/converted initial equity shares at par value, it has issued further equity capital at a fixed price of Rs. 500.00 per share in May 2024. It has also issued bonus equity shares in the ratio of 7 for 1 in May 2024. The average cost of acquisition of shares by the promoters is Rs. 1.25, Rs. 2.96, and Rs. 4.75 per share.

Post-IPO, company's current paid-up equity capital of Rs. 10.52 cr. will stand enhanced to Rs. 14.29 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 150.02 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total revenue/net profit, of Rs. 53.11 cr. / Rs. 0.89 cr. (FY23), Rs. 92.15 cr. / Rs. 9.91 cr. (FY24), Rs. 84.37

cr. / Rs.7.03 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 4.00 cr. on a total revenue of Rs. 43.98 cr. It posted inconsistency in its top and bottom lines for the reported periods.

For the last three fiscals, the company has reported an average EPS of Rs. 6.81, and an average RoNW of 35.39%. The issue is priced at a P/BV of 3.14 based on its NAV of Rs. 33.48 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 18.75, and based on its FY25 earnings, the P/E stands at 21.34. Thus, the issue appears fully priced.

The company has posted PAT margins of 1.71% (FY23), 10.96% (FY24), 8.39% (FY25), 9.13% (H1-FY26), and RoCE Margins of 11.56 %, 51.04%, 29.60%, 15.30%, respectively for the referred periods.

Dividend Policy

The company not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Oriana Power, and Zodiac Energy, as its listed peers. They are currently trading at a P/E of 17.6, and 21.0 (as of January 09, 2026). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER'S TRACK RECORDS:

This is the 20th mandate from Share India Capital in the last three fiscals. From the last 10 listings, 3 opened at discount, 1 listed at par and the rest with premium ranging from 5.33% to 90% on the date of listing.

Conclusion / Investment Strategy

GREL is an emerging player in the field of rooftop and ground mount solar solutions. It has also diversified into LED manufacturing. Both segments are getting crowded with many competitors entering in the field. The company posted inconsistency in its top and bottom lines for the reported periods. Based on its recent financial data, the issue appears fully priced. Well-informed/cash surplus investors may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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