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Issue Offer

Fresh Issue of 2,790,000 Equity Share aggregating up to INR 935 Mn and OFS Of 2,000,000 shares by promoters group taking the total issue size at INR 1604.7 Mn

Issue Summary

Price Band (INR)	319-335
Face Value (INR)	10
Implied Market Cap (INR mn.)	6,032.5
Market Lot	400
Issue Opens on	Nov,25,2024
Issue Close on	Nov,27,2024
No. of share pre-issue	15,217,392
No. of share pre-issue	18,007,392
Listing	BSE,SME

Issue Break-up (%)

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

Registrar

Bigshare Services Pvt Ltd.

Book Running Lead Managers

Isk Advisors Pvt Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100.00%	73.00%
Public & Others	0.00%	27.00%

Objects of the issue

- Purchase of cable identification, testing and fault location equipments.
- Setting up of DC Solar Power Plant having a capacity of 1300 KW.
- Inhouse development of Technical Expertise in the Production of Green Hydrogen

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Rajesh Power Services Ltd. operates across the renewable and non-renewable power sectors, offering a comprehensive suite of EPC, operations, maintenance, and consultancy services. In the renewable segment, Company specializes in turnkey solar power plant projects, while in the non-renewable space, it focuses on EHV cables, substations, and underground power distribution systems. The company also provides utility services, including transformer retrofitting and cable fault rectification, catering to both government and private clients. With an order book of INR 2,358.17 Cr. as of October 24, Company benefits from strong demand driven by government initiatives and infrastructure investments in the power sector. Its strong margins in the EPC business underline its strategic positioning in the growing power connectivity market.

Investment Rationale

Expansion in Renewable Energy Sector: Company is strategically expanding its footprint in the renewable energy sector, leveraging favorable government policies promoting green energy adoption. The company has an established portfolio in solar power, including EPC projects and operating its solar plant since 2012. It plans to further enhance its capacity by setting up a 1,300 KW solar power plant. Additionally, company aims to develop expertise in the emerging green hydrogen sector by recruiting experienced technical staff and collaborating with institutions like BARC for technology and knowledge transfer.

Proactive Bidding Strategy Driving Order Book Growth : Projects from both public and private organizations, drawing on its fourteen years of experience in the EPCC sector. Because of its improved pre-qualification credentials and project execution skills, the company is well-positioned to take advantage of new prospects. According to the Red Herring Prospectus, company has an order book of INR 2,358.17 Cr. The company is still actively evaluating and bidding on projects that complement its core competencies and expansion goals. This emphasis not only improves customer interactions but also guarantees flexibility in response to changing market needs, resulting in long-term value generation for all parties involved.

Enhancing Operational Efficiencies : Emphasizes increasing operational efficiency through customized project-specific strategies meant to save costs and ensure timely completion. To attain these efficiencies, the corporation highlights technical breakthroughs, process improvements, and skill enhancement as important drivers. company makes sure that project execution is continuously improved by identifying bottlenecks in operational workflows and putting creative solutions in place. This strategic emphasis not only boosts productivity and lowers expenses, but it also makes it easier for the business to provide high-quality services, which increases customer satisfaction.

Optimal Resource Utilization : Company focuses on improving human skills, modernizing infrastructure, and continuously improving procedures in order to maximize resource usage. To ensure better service delivery and increased customer satisfaction, the business regularly analyzes its operations to find and fix operational bottlenecks. Additionally, operational agility and cost effectiveness are enhanced by company proactive efforts to implement cutting-edge approaches and make use of contemporary instruments.

Valuation and View : The business exhibits a strategic focus on diversifying its sources of renewable energy, taking use of advantageous government regulations to increase its market share in solar energy and new industries like green hydrogen. The 1,300 KW solar facility that is planned and partnerships with organizations like BARC demonstrate a dedication to sustainable energy alternatives. And a proactive bidding approach, which puts it in a good position to take advantage of possibilities in the EPCC market and provide consistent revenue visibility. Through talent development, process enhancements, and innovative methodologies, the organization focuses on improving operational efficiency and optimal resource usage, which enhances its execution capabilities, cost effectiveness, and client satisfaction. In the power services sector, these programs support company market positioning as a trustworthy partner and are consistent with our long-term growth. At the upper band of INR 335 , the issue is valued at a P/E ratio of 23.18x based on a FY24 EPS of INR 14.45 . And based on annualised FY25 earnings the issue is valued at P/E ratio of 10.90 . We are recommending a "Subscribe for long Term "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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