



IPO Note

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# **SOLARWORLD ENERGY SOLUTIONS LIMITED**

Sep 23<sup>th</sup>, 2025



Sep 23<sup>th</sup>, 2025**Details of the Issue**

Price Band	₹ 333 - ₹ 351
Issue Size	₹ 490 Cr
Face Value	₹ 5
Bid Lot	42
Listing on	BSE, NSE
Post Issue Mcap	₹ 3,042.21 Cr
Investment Range	₹ 13,986 - ₹ 14,742

**Important Indicative Dates (2025)**

Opening	23 - Sep
Closing	25 - Sep
Basis of Allotment	26 - Sep
Refund Initiation	29 - Sep
Credit to Demat	29 - Sep
Listing Date	30 - Sep

**Lead Manager**

Nuvama Wealth Management Ltd

SBI Capital Market Ltd

**Offer Details**

Offer Size	₹ 490 Cr
Fresh Issue	₹ 440 Cr
OFS	₹ 50 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	368	10.47	11.04	75
NII	74	2.09	2.21	15
Retail	49	1.40	1.47	10
Em- ploy.	-	-	-	-
Total	490	13.96	14.71	100

**Invest Now****Company Profile**

SolarWorld Energy Solutions Limited is a solar energy provider specializing in engineering, procurement, and construction (EPC) services for solar projects. It operates through two models: a CAPEX model, offering end-to-end project solutions with ownership retained by the customer, and a RESCO model, enabling businesses to adopt solar power with no upfront investment, reducing their carbon footprint with minimal financial burden. On May 14, 2024, the company partnered with ZNSHINE PV-Tech Co. Ltd., a Bloomberg NEF tier-1 Chinese solar panel supplier, to establish a solar panel manufacturing facility. Its clients include SJVN Green Energy, Haldiram Snacks, Ethnic Food Manufacturing, and Samiksha Solarworld, and as of July 31, 2025, it employed 277 people.

**GEPL's Insights & Investment Thesis:**

- SolarWorld Energy Solutions Limited operates follows an asset light business model, minimizing capital expenditure and working capital needs while ensuring high asset turnover and scalability.
- The company recently established a TopCon solar modules manufacturing facility with an annual capacity of 1.2 GW and is also adding a BESS production line with an annual capacity of 2 GW in Uttarakhand. This proposed capex plan will help in backward integration resulting in backward integration.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 39.5x. We believe that the company is fairly valued compared to its peers, asset-light business model, and working on backward integration for margin expansion. Therefore, we recommend a "Subscribe" rating for the issue.

**Business Highlights & Services**

SolarWorld Energy Solutions Limited has built a strong track record in solar EPC by leveraging in-house execution capabilities, advanced design tools, and experienced teams to deliver end-to-end solutions across both rooftop and large-scale ground-mounted projects under CAPEX and RESCO models. With 46 completed projects totaling 253.67 MW AC/336.17 MW DC and six ongoing projects of 765 MW AC/994 MW DC, alongside two large BESS projects (325 MW/650 MWh) through its subsidiary, the company has demonstrated scalability and technological adaptability, including innovations like the award-winning 3P structure at SJVN-Gurhah. Supported by dedicated design, execution, and O&M teams, SolarWorld ensures technical, commercial, and financial discipline while maintaining high uptime and efficiency. The company's portfolio has grown from 0.5 MW AC in 2014 to over 253 MW AC by 2025, backed by integrated procurement and quality processes. Looking ahead, it plans to establish R&D capabilities focused on AI, machine learning, and automation in collaboration with research institutions to drive innovation, operational agility, and long-term competitiveness in the solar energy sector.

As of July 31, 2025, SolarWorld Energy Solutions Limited reported a robust Order Book of ₹2,527.81 crore, up from ₹535.01 crore as of March 31, 2023, reflecting strong execution capabilities and customer trust. The Order Book includes ₹1,198.18 crore in EPC projects (985 MW DC) and ₹57.94 crore in O&M projects (1,291 MW DC), supported by large-scale wins such as a ₹465.30 crore 125 MW/250 MWh BESS project from RRVUNL



Since inception, the company has secured PSU orders worth ₹3,981.64 crore across marquee projects with SJVN, NTPC REL, SGEL, RRVUNL, and GUVNL. Strong customer relationships, evidenced by high repeat order rates (100% in FY23, 99.67% in FY24, and 50% in FY25), underline execution quality and client satisfaction. Supported by favorable policy tailwinds, improving solar cost competitiveness, and a strong pipeline of government-led tenders, the company enjoys high revenue visibility, scalability, and long-term growth momentum in both EPC and BESS segments.

SolarWorld Energy Solutions Limited follows an asset-light CAPEX model, minimizing capital expenditure and working capital needs while ensuring high asset turnover and scalability. EPC contracts of 11-18 months support efficiency, driving strong financial growth with revenue rising from ₹235.05 crore in FY23 to ₹551.09 crore in FY25, EBITDA from ₹22.88 crore to ₹106.75 crore, and PAT from ₹14.84 crore to ₹77.05 crore, with PBT margins expanding from 8.32% to 19.57%. Backed by disciplined bidding, focus on financially closed projects, low overheads, and favorable payment terms, the company combines strong execution, risk management, and operational agility to deliver sustainable growth and profitability.

India's solar capacity is set to double to 170-180 GW by FY26-FY30, driven by policy support, tendering, and cost competitiveness. To capture this growth, SolarWorld Energy Solutions Limited is integrating manufacturing with EPC by setting up a 1.2 GW TopCon solar module unit, a 2 GW BESS line in Haridwar, and a 1.2 GW TopCon solar cell facility in Madhya Pradesh through subsidiary Kartik Solarworld, in partnership with tier-1 supplier ZNSHINE PV-Tech. This backward integration ensures component security, lowers costs, improves margins, and creates export and third-party revenue opportunities. With a strong track record in PSU projects and repeat business, the company is pursuing a two-pronged strategy scaling large EPC and BESS projects with PSUs and IPPs while targeting underserved segments like rural electrification, C&I rooftops, and solar microgrids. Supported by customer trust, execution strength, and operational synergies, SolarWorld is positioned to capture sectoral tailwinds and deliver sustainable, margin-accretive growth.

The Company is strategically positioned to benefit from India's rising renewable energy demand, particularly solar, which accounts for 50% of the renewable energy mix as of July 2024. With 97 GW solar capacity added between FY18-FY26 (till July 2025) at a 26% CAGR, the sector has demonstrated robust growth. Leveraging strong execution capabilities, it aims to expand operations through IPPs, PSUs, and the domestic solar market by offering cost-effective, ready-to-use solar facilities. The growth strategy is anchored in innovation, strategic partnerships, and technology investments, supported by dedicated R&D facilities at upcoming manufacturing sites. Focus areas include high-efficiency solar panels (TopCon, HJT), energy storage solutions, and sustainable manufacturing practices, enabling them to deliver advanced, eco-friendly products. By integrating cutting-edge technology with sustainability, it seeks to capture significant market share, drive solar adoption, and align with India's clean energy transition while generating long-term value for stakeholders.

#### Segmental Breakup

Segmental Breakup	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Revenue from Capex Power	478	88%	496	99%	230	99%
Revenue from RESCO model	1	0.12%	1	0.15%	1	0.39%

#### Revenue Breakup

Particular	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
EPC	478	87.74%	496	99%	230	99%
Sales of Product	61	11.20%	0.31	0%	0.42	0%
Sales of Services	6	1.05%	4	1%	2	1%
Sale of Scrap	0.09	0.02%	0.27	0%		0%
<b>Total revenue</b>	<b>545</b>	<b>100%</b>	<b>501</b>	<b>100%</b>	<b>232</b>	<b>100%</b>

Government vs Private Customers

Particular	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Government Customers	438	80.43%	457	91%	205	88%
Private Customers	107	19.57%	44.27	9%	28	12%
<b>Total revenue</b>	<b>545</b>	<b>100%</b>	<b>501</b>	<b>100%</b>	<b>232</b>	<b>100%</b>

Industry Outlook

Figure 29: India third party solar O&amp;M services, fiscal 2026 to 2030

(Rs billion)

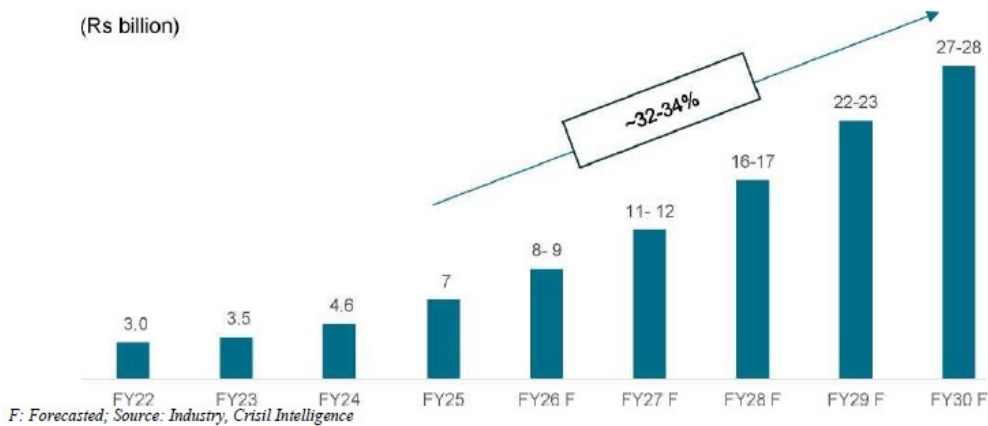


Figure 28: Third Party Solar EPC Market India

(Rs billion)

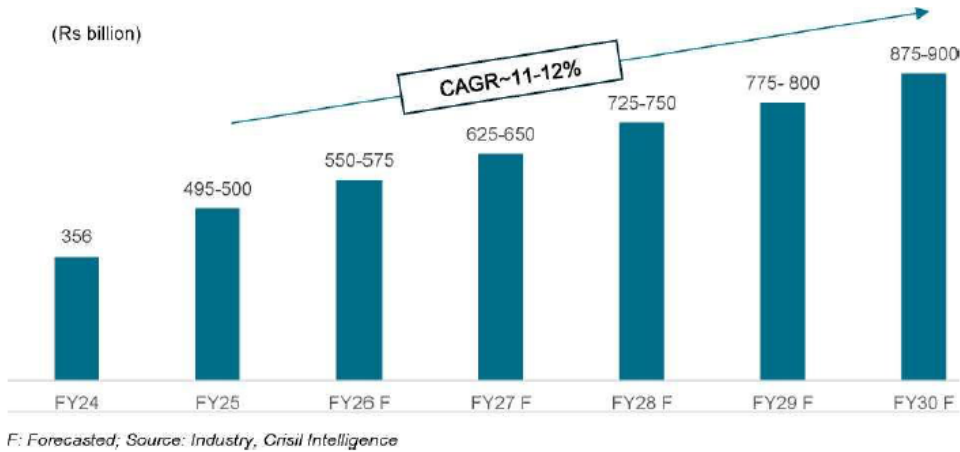
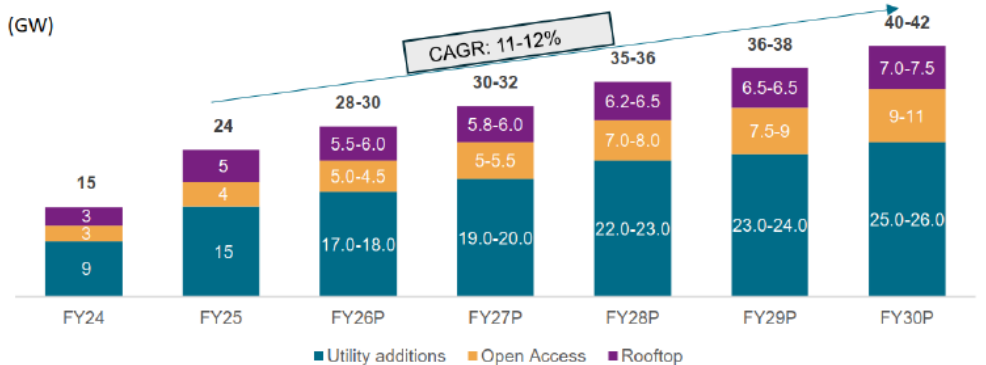


Figure 25: Year wise expected solar capacity addition





## Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	RoNW(%)
Solarworld Energy Solution Ltd	5	545	10.68	NA	40.27
<b>Peers Group</b>					
Sterling & Wilson Renewable Ltd	1	6,302	3.49	76.48	8.78
KPI Green Energy Ltd	5	1,735	16.09	30.57	18.77
Waaree Renewable Technologies Ltd	2	1,598	21.95	47.32	65.29
Oriana Power Ltd	10	987	79.52	29	47.59

## Company's Competitive Strength

- Established track record and strong in-house execution capabilities for end-to-end solar EPC solutions.
- Robust order book with favourable national policy support and visibility for future growth.
- Strong financial performance driven by asset light business model.
- Strong customer relationships built on reliable delivery of projects with a significant focus on quality.
- Experienced management team and qualified personnel with significant industry experience.

## Key Strategies Implemented by Company

- Invest in the manufacturing capabilities for solar modules, BESS and solar PV TopCon cell.
- Grow the customer base by diversifying into new geographies and maintain relationships with the key customers and other stakeholders.
- Exploring opportunities to expand the portfolio and scale the operations.
- Establish strong research and development capabilities to drive innovation and technological advancement.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	37	0.32	0.32
Reserves and Surplus	272	73	22
Net Worth	309	74	22
Revenue	545	501	232
Growth (%)	9%	116%	
EBITDA	107	71	23
EBITDAM (%)	19.6%	14.2%	10%
PAT	77	52	15
PATM (%)	14.1%	10.3%	6.4%
ROE (%)	18%	19%	19%
ROCE (%)	25%	26%	25%





## Notes

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