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IPO Note:

SAATVIK GREEN ENERGY LIMITED- SUBSCRIBE

Saatvik Green Energy Ltd. (SGEL) is one of India's largest solar photovoltaic ("PV") module manufacturers, having an operational capacity of around 3.80 gigawatt ("GW") modules as of March 31, 2025. It is one of India's fastest growing module manufacturing enterprises, having established itself as a major player in the solar energy sector. Since its start, the company has provided over 2.50 GW of high-efficiency solar PV modules locally and globally.

SGEL is known as one of the few companies that can provide module manufacturing, engineering, procurement and construction ("EPC"), and operations and maintenance ("O&M") services. It provides EPC services in India, with an installed EPC base of 69.12 MW as of March 31, 2025. The company also provides O&M services to customers, especially for EPC projects. The company provides a broad array of solar module solutions, which are now created using technologies that help reduce energy loss and boost overall efficiency.

Its solar energy products include: (i) monocrystalline passive emitter and rear cell ("Mono PERC") modules; and (ii) N-TopCon solar modules, both of which are available in mono-facial and bifacial configurations and suitable for a wide range of applications, including residential, commercial, and utility-scale solar installations. It produces products using M10 technology for Mono PERC modules and M10, G12, M10R, and G12R technologies for N-TopCon modules.

It has provided solar modules for a variety of solar installation projects, including floating PV modules. Some of its key projects in recent years include the 61.42 MW floating solar power project at Ramagundam, Telangana in Fiscal 2023, which was one of India's largest floating solar power plants, as well as the supply of 72.15 MW of solar modules for the Raghanseda Solar Park in Banaskantha district, Gujarat in Fiscal 2023. Its complete EPC services provide comprehensive engineering, procurement, and construction services for major solar projects. In EPC vertical, the company provides comprehensive solar solutions, managing projects from concept through to execution. Its offerings under this vertical include ground-mounted solar installations and rooftop solar installations.

The company began production operations in 2016 and has gradually increased its annual installed capacity from 125 MW on March 31, 2017 to approximately 3.80 GW on June 30, 2025. Its operating revenue increased from ₹ 6,085.88 million in Fiscal 2023 to ₹ 21,583.94 million in Fiscal 2025, at an 88.32% CAGR. Its EBITDA in Fiscal 2023 was ₹ 238.66 million, which increased to ₹ 3,539.32 million in Fiscal 2025, representing a CAGR of 285.10%. SGEL is one of the leading module makers in North India, a promising market with high solar incidence and close proximity to regions like Rajasthan and Madhya Pradesh.

The company now has three module manufacturing facilities in Ambala, Haryana (collectively known as the "Ambala Facilities"), which cover a total land area of 7,24,225 square feet and make up one of India's largest single-location module production plants.

Investment Recommendation and Rationale: -

The Indian renewable energy sector is gaining traction, mainly to government initiatives, the growing acceptance of clean energy, and rising demand for solar solutions. Saatvik Green Energy has established itself as a fast-growing solar module manufacturer with a strong brand and an expanding distribution network. The organization's revenue from operations increased from ₹10,879.65 million in FY24 to ₹21,583.94 million in FY25, while PAT increased from ₹1,004.72 million to ₹2,139.30 million over the same period. At the upper price band of ₹465, the issue is valued at a P/E multiple of about 27.63x on its FY25 post-IPO EPS of ₹16.83. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

1. Strong presence in the solar energy area, in line with India's renewable energy ambitions.
2. Established manufacturing capabilities and expanding capacity to meet rising demand.
3. Quality Customer Base and Large Order Book.
4. Robust financial performance with 98% YoY revenue growth and PAT doubling in FY25.
5. Innovative Technology Solutions for the Solar Industry.

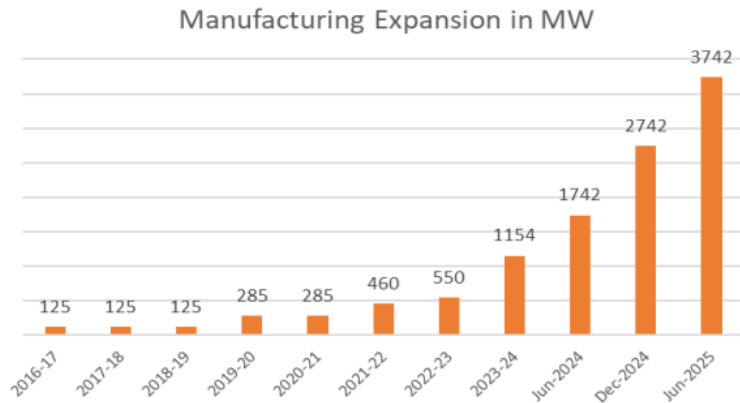
Issue Opens	19th September 2025
Issue Closes	23rd September 2025
Type of Issue	Fresh Issue of 1,50,53,763 shares (aggregating up to ₹700.00 Crores) Offer for sale of 43,01,075 shares of ₹2 (aggregating up to ₹200.00 Crores)
Issue size	₹ 900.00 Crores
Price Band	₹442 to ₹465 per share
Bid lot/ Bid Size	32 shares/ Rs. 14,880
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	12,71,00,763 shares
Promoters and Promoter Group Public	Pre Issue – 90.05% Post Issue – 76% Pre issue – 9.95% Post Issue- 24%
Post issue implied market cap	₹ 5,910.19 Crores
BRLMs	DAM Capital Advisors Ltd, Ambit Private Ltd, Motilal Oswal Investment Advisors Ltd.
Registrar to the issue	KFin Technologies Limited.

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2025	2024	2023
Operational			
Installed Capacity (MW)	3,742.00	1,154.00	550.00
Effective installed capacity (MW)	1,743.66	566.00	510.00
Actual production solar module (MW)	1,459.39	501.00	248.61
Capacity Utilization (%)	83.70%	88.52%	48.75%
Total Order book	50,768.50	5,599.73	6,861.87
Total Order book (MW)	3,522.05	300.13	223.36
Total Sales (MW)	1,388.40	458.76	242.50
Export %	1.39%	1.74%	0.77%
Financial			
Revenue from operations	21,583.94	10,879.65	6,085.88
EBITDA	3,539.32	1,568.44	238.66
EBITDA Margin(%)	16.40%	14.42%	3.92%
PAT	2,139.30	1,004.72	47.45
PAT Margin (%)	9.76%	9.16%	0.77%
ROE (%)	63.41%	83.21%	23.40%
ROCE (%)	60.45%	64.07%	24.80%
Debt to equity ratio	1.36	2.18	7.13

Source: RHP

Details on expanding module production capacity from Fiscal 2017 to June 30, 2025.



Source: Red Herring Prospectus (RHP)

The table below shows the revenue contribution from top 1, 5, and 10 customers for specific years:

Customers	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Revenue from Operations (%)	Amount (₹ million)	Revenue from Operations (%)	Amount (₹ million)	Revenue from Operations (%)
Top one customer	3,652.59	16.92%	1,479.75	13.60	1,153.38	18.95
Top 5 customers	9,588.90	44.43%	5,011.31	46.06	3,715.36	61.05
Top 10 customers	12,468.08	57.77%	6,947.83	63.86	4,831.04	79.38

Source: Red Herring Prospectus (RHP)

Revenue breakdown between private and government customers in the indicated years.

Customers	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Revenue from Operations (%)	Amount (₹ million)	Revenue from Operations (%)	Amount (₹ million)	Revenue from Operations (%)
Revenue from customers in the private sector	21,558.64	99.88	9,274.10	85.24	5,504.47	90.45
Government entities	25.30	0.12	1,605.55	14.76	581.41	9.55
Total	21,583.94	100.00	10,879.65	100.00	6,085.88	100.00

Source: Red Herring Prospectus (RHP)

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹) (on a fully diluted basis)*
Parmod Kumar	Promoter Group	Equity Shares aggregating up to ₹ 1,120 million	Nil
Sunila Garg	Promoter Group	Equity Shares aggregating up to ₹ 880 million	0.27

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue of 1,50,53,763 shares (aggregating up to ₹700.00 Cr)

Offer for Sale of 43,01,075 shares of ₹2 (aggregating up to ₹200.00 Cr)

Company plans to use the Net Proceeds to fund the following objects:

1. Prepayment or scheduled re-payment, in full or in part, of all or a portion of certain outstanding borrowings availed by the Company.
2. Investment in the wholly owned Subsidiary, Saatvik Solar Industries Private Limited, in the form of debt or equity for repayment/prepayment of borrowings, in full or in part, of all or a portion of certain outstanding borrowings availed by such Subsidiary.
3. Investment in the wholly owned Subsidiary, Saatvik Solar Industries Private Limited, for setting up of a 4 GW solar PV module manufacturing facility at National Highway – 16, Chamakhandi, Gopalpur Industrial Park, Gopalpur, Ganjam – 761 020, Odisha.
4. General corporate purposes.

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of the Company	FY25 Revenue from operations (in ₹ million)	Face value per equity share (₹)	P/E Ratio (x)	EPS (Basic) (₹ per share)	EPS (Diluted) (₹ per share)	RoNW (%)	Net Asset Value per Equity Share (₹)
Saatvik Green Energy Ltd	21,583.94	2	NA	19.09	19.07	63.41	30.14
Listed Peers							
Waaree Energies Ltd.	144,445.00	10	55.02	68.24	67.96	19.48	158.13
Premier Energies Ltd.	65,187.50	1	49.96	21.35	21.35	33.14	15.33

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. SGEL is a leading module manufacturing company in India providing integrated solutions to independent power producers.
2. The company has Quality customer base and a large order book.
3. SGEL's strength lies in its flexibility in adopting technology within the solar industry.
4. The company targets many market groups, including individual customers, large-scale industrial, and utility clients.
5. Favorable government policies (import duties, ALMM, renewable energy objectives), significant undeveloped solar potential in India, and expanding demand for solar modules in both domestic and export markets.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. Backward integration of cell manufacturing is a crucial step towards long-term growth and sustainability.
2. Maintain a strong position in the solar industry by increasing export sales and EPC services globally, while expanding customer base in India and beyond.
3. Continue to Develop and Reinforce Technology to Manufacture Quality Modules.
4. SGEL plans to expand its distribution network across India to make solar solutions more available to customers nationally.

Source: Red Herring Prospectus (RHP)

Key Risks

1. Top 10 clients contribute a very large share of revenue (57.77% in FY25; 63.86% in FY24; 79.38% in FY23). If one or more of these key customers stop ordering, revenue and cash flows could be hit hard.
2. Manufacturing solar modules involves risks. Risks can negatively impact a business's financial situation and operations.
3. A large part of IPO proceeds is meant for setting up a new 4 GW solar PV module manufacturing facility in Odisha. Delays in construction, cost overruns, or regulatory hurdles could affect timelines, profitability, or capital outlay.
4. Domestic and global competition in solar module manufacturing is intense. Price declines, margin pressure, and emerging technologies could challenge Saatvik's relative positioning.
5. The company depends on external suppliers for modules' components like solar PV cells, glass, back sheets etc. Price volatility or supply chain disruptions (or import restrictions) can squeeze margins.

Source: Red Herring Prospectus (RHP)


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