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IPO Note:

SOLARWORLD ENERGY SOLUTIONS LIMITED- SUBSCRIBE

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IPO Note: SOLARWORLD ENERGY SOLUTIONS LIMITED- SUBSCRIBE **22nd September, 2025**

Issue Opens	**23rd September 2025**
Issue Closes	**25th September 2025**
Type of Issue	Fresh Issue of 1,25,35,612 shares (aggregating up to ₹440.00 Crores) Offer for sale of 14,24,501shares of ₹5 (aggregating up to ₹50.00 Crores)
Issue size	**₹ 490.00 crores**
Price Band	₹333 to ₹351 per share
Bid lot/ Bid Size	42 shares/ Rs. 14,742
Issue structure	QIB-75%, HNI- 15%, Retail- 10%
Post issue equity shares	8,66,72,654 shares
Promoters and Promoter Group **Public**	Pre Issue – 78.70%|Post Issue –65.67% Pre issue – 21.30%|Post Issue- 34.33%
Post issue implied market cap	₹3,042.21 Crores
BRLMs	Nuvama Wealth Management Limited,SBI Capital Markets Limited,
Registrar to the issue	MUFG Intime India Private Limited

Solarworld Energy Solutions Ltd. (SESL) is a solar energy solutions provider that specializes in **engineering, procurement, and construction ("EPC")** services for solar power projects. It began operations in 2013 and provides complete, end-to-end, and cost-effective solutions for the installation of solar power projects adapted to the demands of customers, including public sector undertakings ("PSUs") and commercial and industrial clients ("C&I Clients"). SESL's business operations are supported by strong execution skills, as evidenced by projects that have reached their commercial operation date ("Completed Projects") and those for which it has received orders or is actively executing ("Ongoing Projects").

As of July 31, 2025, it had completed projects with a total capacity of 253.67 megawatts ("MW") AC/ 336.17 MW DC, and ongoing projects with capacities of 765 MW AC/ 994 MW DC for EPC and 325 MW/650 MWh for BESS.

SESL's solutions are intended to reinforce clients' sustainable energy infrastructures, assisting with decarbonization initiatives and driving energy efficiency improvements. It provides these solutions using two unique models: **capital expenditure ("CAPEX") and renewable energy service company ("RESCO").** Under **the CAPEX model**, it delivers end-to-end solutions to customers by designing, installing, setting up, and commissioning solar power projects on a turn-key basis, while the customer retains ownership of the projects.

The scope of its services includes land evaluation, project design, raw material and component procurement, equipment installation, transmission infrastructure setup, and project maintenance/operation for the stipulated duration. Under the **RESCO concept**, the power purchaser is not required to make any capital investment in the solar power installation, allowing them to lower their carbon footprint with no upfront costs. This strategy requires investment in land acquisition, equipment procurement and installation, and gaining appropriate regulatory and statutory permits from local authorities. The company installs, owns, and maintains solar power projects, with consumers purchasing generated power at fixed tariffs agreed upon in long-term power purchase agreements ("PPAs").

The company has a **track record of successfully completing projects** for both PSU and C&I clients. Its significant customers include SJVN Green Energy Limited, Haldiram Snacks Private Limited, Ethnic Food Manufacturing Private Limited, and Samiksha Solarworld Private Limited. While government projects are frequently awarded using a reverse bidding process, the company has also established a presence in private sector solar power projects. Private sector solar power projects rely on in-house marketing teams that actively connect with potential clients, adapting solar solutions to their individual energy needs. SESL's proactive approach has allowed them to create solid relationships with clients, assuring a presence in the private sector.

Since 2014, it has completed **46 projects in nine states**, with a deadline of July 2025. As of March 31, 2025, it had **an order book of ₹17,005.51 million**.

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2025	**2024**	**2023**
Revenue from Operations	5,447.65	5,010.16	2,324.61
EBITDA	1,067.47	710.93	228.76
EBITDA Margin (%)	19.60%	14.19%	9.84%
Profit after Tax	770.48	516.91	148.36
PAT Margin (%)	14.14%	10.32%	6.38%
Debt /Equity Ratio	0.37	0.83	2.95
RoE (%)	40.27%	108.25%	102.40%
RoCE (%)	54.53%	86.57%	38.78%
Net Working Capital	1,211.52	732.50	374.59
Net Working Capital Days (days)	82	54	59
Operational KPIs			
Order Book	17,005.51	8,130.41	5,350.06
Contracted Capacity during the year	376 MW DC for EPC and 125 MW/250 MWh forBESS	582.00	168.00
Commissioned Capacity during the year	24.00	170.00	105.00
Private sector entities	299.00	119.00	28.00

Source: RHP

Investment Recommendation and Rationale: -

Solarworld Energy Solutions Ltd. (SESL), is a leading EPC player in solar energy offering end-to-end solutions under both CAPEX and RESCO models, backed by bundled O&M services. With a proven track record of 253.67 MW completed projects and 765 MW EPC + 325 MW/650 MWh BESS ongoing, it holds a robust ₹17,005.51 million order book as of March 2025. The company has also backward integrated through a tie-up with ZNSHINE PV-Tech, setting up a solar module manufacturing facility, strengthening margins and supply chain control. Having executed 46 projects across 9 states for marquee clients like SJVN Green Energy, Haldiram Snacks, and Ethnic Foods, SESL has established strong presence in both PSU and private sectors. At the upper price band of ₹351, the issue is valued at a P/E multiple of about 39.48x on its FY25 post-IPO EPS of ₹8.89. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

1. **Presence in both CAPEX and RESCO models with bundled O&M services ensures steady recurring revenues.**
2. **Partnership with ZNSHINE PV-Tech (Tier-1 Bloomberg supplier) for solar module manufacturing strengthens supply chain and improves margins.**
3. **Strong client relationships are based on reliable project delivery with a considerable focus on quality.**

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Below are the specifics of ongoing and completed projects as of July 31, 2025:

Ongoing Projects

Name of Customer	Project undertaken by	Name of Project	State	Type of project	O&M	Capacity	Year of Award	Amount of Contract Value (₹ in million	Expected date of completion
SJVN Green Energy Limited	Solarworld Energy Solutions Limited	SGEL-Kutch	Gujarat	Ground Mounted /CAPEX	Included	260.00 MW AC / 370.00 MW DC	2024	3,761.10	June 30, 2026
SJVN Green Energy Limited	Solarworld Energy Solutions Limited	SGEL-Kutch	Gujarat	Ground Mounted / CAPEX	Included	100.00 MW AC /142.00 MW DC	2024	1,084.30	June 30, 2026
SJVN Green Energy Limited	Solarworld Energy Solutions Limited	SGEL-Sonitpur	Assam	Ground Mounted /CAPEX	Included	50.00 MW AC /68.00 MW DC	2024	2,914.40	March 31, 2026
Ortusun Renewable Power Private Limited	Solarworld Energy Solutions Limited	Ortusun-Deoli	Maharashtra	Ground Mounted / RESCO	Included	10.00 MW AC /12.00 MW DC	2024	201.60	September 30, 2025
NTPC Renewal Energy Limited	Solarworld Energy Solutions Limited	NTPC REL-Bikaner	Rajasthan	Ground Mounted/ RESCO	Included	325 MW AC /376.0 MW DC	2025	9,349.37	November 19, 2026
Customer 1*	Solarworld Energy Solutions Limited	Vindyachal	Madhya Pradesh	Ground Mounted/ RESCO	Included	20 MW AC/26 MW DC	2025	703.33	September 30, 2026
Rajasthan Urja Vidyut Nigam Limited	Solarworld BESS one Private Limited	RRVUNL-Kota	Rajasthan	BESS	NA	125 MW / 250 MWh	2025	4,653.00	November 30,2026
Gujarat Urja Vikas Nigam Limited	Solarworld BESS one Private Limited	GUVNL-Veloda	Rajasthan	BESS	NA	200 MW / 400 MWh	2025	8,064.00	April 30, 2027

**Name of the customer, a public sector undertaking, has not been included due to non-receipt of consent from such customer to be named in the RHP and Prospectus*
Source: Red Herring Prospectus (RHP)

Completed Projects

Total Number of Projects	No. of States	Type	Capacity AC (in MW)	Capacity DC (in MW)	Year of Completion
46	9	CAPEX and RESCO	253.67	336.17	April 2014 – July 2025

Revenue from both the CAPEX and RESCO models:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in million)	Total revenue from operations (%)	Amount (₹ in million)	Total revenue from operations (%)	Amount (₹ in million)	Total revenue from operations (%)
Revenue From CAPEX model	4,779.33	87.73	4,960.18	99.00	2,298.36	98.87
Revenue From RESCO model	6.51	0.12	7.74	0.15	9.03	0.39

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)*
Pioneer Facor IT Infradevelopers Private Limited	PSS	Up to 14,24,501 equity shares of face value of ₹5 each	0.51

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue of 1,25,35,612 shares (aggregating up to ₹440.00 Crores)
Offer for sale of 14,24,501 shares of ₹5 (aggregating up to ₹50.00 Crores)

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

1. Investment in the Subsidiary, KSPL for partfinancing the establishment of the Pandhurana Project.
2. General corporate purposes.

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of Company	Revenue from Operation (₹ in million)	Face Value (₹ per share)	P/E	EPS (₹)- Basic	EPS (₹)- Diluted	Net Worth (₹ in million)	RoNW (%)	NAV (₹ per share)
Solarworld Energy Solutions Limited	5,447.65	5.00	NA	10.68	10.68	3,090.66	40.27%	41.69
Listed peers								
Sterling & Wilson Renewable Energy Limited	63,018.60	1.00	76.48	3.49	3.49	9,945.20	8.78%	42.59
KPI Green Energy Limited	17,354.54	5.00	30.57	16.23	16.09	26,297.88	18.77%	133.57
Waaree Renewable Technologies Limited	15,977.48	2.00	47.32	22.00	21.95	4,549.51	65.29%	43.64
Oriana Power Limited	9,871.66	10.00	29.01	79.52	79.52	5,176.37	47.59%	254.75

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. As of July 31, 2025, SolarWorld completed 46 solar projects, totaling around 253.67 MW AC / 336.17 MW DC. These projects included rooftop and ground-mounted solar works. This demonstrates their capacity to deliver across project kinds and sizes.
2. In addition to the conventional EPC model, the business is expanding its operations and maintenance (O&M) division and investigating the RESCO model, in which it owns the asset and sells power. Stability is enhanced by these periodic and semi-recurring revenue streams.
3. The company's order book, which includes EPC, O&M, and Battery Energy Storage System (BESS) projects, has grown significantly in recent years, from about ₹5,350 million in March 2023 to ₹25,278.14 million by mid-2025. This indicates that the company has a robust pipeline.
4. The company has shown strong revenue growth and profit growth over recent years. Margins have improved, and debt levels are being kept at manageable levels. Response to pre-IPO placement has also improved the net worth base.
5. SolarWorld operates in a favorable regulatory and market environment. Solar capacity addition targets, government incentives, and increased demand for clean energy provide an enabling backdrop.

Source: Red Herring Prospectus (RHP)

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Growth Strategies

1. Invest in manufacturing capacity for solar modules, BESS, and solar PV topcon cells.
2. Increase clientele by branching out into new areas and keeping up ties with important clients and other stakeholders.
3. Investigating prospects to scale operations and diversify the portfolio.
4. To promote innovation and technical advancement, establish robust research and development capabilities.

Source: Red Herring Prospectus (RHP)

Key Risks

1. In Fiscals 2025, 2024, and 2023, one main customer, SJVN Green Energy Limited, accounted for 79.19%, 91.16%, and 87.98% of total revenue. Losing a key customer can have significant negative impact on business, prospects, and financial performance.
2. Installation and building activities can lead to cost overruns, delays, and completion hazards, negatively impacting operations.
3. Prices of critical raw materials (like silicon wafers, glass, EVA sheets) are volatile and may affect margins.
4. The solar module and EPC market is extremely competitive, with both domestic and international firms offering similar products.
5. The company has historically experienced negative cash flows from operations and may face future profit declines, operating losses, or negative cash flows. Negative cash flows in the future will negatively impact operations and financial condition.

Source: Red Herring Prospectus (RHP)

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