

Solarworld Energy Solutions Ltd.

Subscribe

Nifty: 25,202 | Sensex: 82,160

IPO Note | 23rd September 2025

Sector: Power Price Range: ₹333 - ₹351

Integrated Solar EPC and Solutions Provider

Solarworld Energy Solutions Ltd (SESL) is an integrated solar EPC and solutions provider incorporated in 2013, offering turnkey engineering, procurement, and construction services for solar power projects. It caters primarily to public sector undertakings (80% FY25 revenue) and industrial clients across India. Its business model includes rooftop and ground-mounted solar installations, along with operations and maintenance services.

- India’s solar EPC sector is witnessing rapid growth, fueled by supportive government policies such as the Approved List of Models and Manufacturers (ALMM), Basic Customs Duty (BCD), and the Production Linked Incentive (PLI) scheme for solar panel manufacturing. The country is projected to add 150–170 GW of solar capacity between FY26 and FY30, supported by growing energy demand and ongoing decarbonisation efforts. (Source: CRISIL Intelligence)
- SESL’s revenue grew sharply from ₹233cr in FY23 to ₹545cr in FY25, achieving a CAGR of 53%. Over the same period, PAT rose significantly to ₹77cr, corresponding to a CAGR of 128% between FY23 and FY25.
- Solarworld delivered a robust EBITDA margin of 20.1% in FY25, surpassing most peers in the solar EPC sector. The company also sustained a healthy PAT margin of 14.1%, reflecting strong profitability.
- As of July 2025, SESL’s order book stood at ₹2,527.8cr, providing strong revenue visibility at 4.6x FY25 revenue, with contributions from EPC (47%), battery energy storage systems (BESS)(50%), and O&M segments.
- SESL exhibits strong capital efficiency, reporting an ROE of 24.9%, ROCE of 29.2%, and a low debt-to-equity ratio of 0.37x.
- SESL undertook a Pre-IPO placement of 3,124,548 equity shares at ₹352.05 per share raising ₹110cr on November 21, 2024.
- Solarworld, through its subsidiary, is establishing a 1.2 GW TopCon solar module and 2 GW BESS manufacturing facility in Haridwar, in partnership with ZNSHINE PV-Tech, a Bloomberg NEF Tier-1 solar panel supplier, funded through internal accruals and debt.
- SESL also plans to set up a 1.2 GW TopCon solar cell facility in Madhya Pradesh via its subsidiary, partly funded by IPO proceeds.
- At the upper price band of ₹351, SESL is valued at 39× FY25 PE, which appears reasonable given its robust financial performance. While relatively smaller size of revenue, the company’s asset-light model, low leverage, and consistent profitability underscore its operational strength. With backward integration, strategic expansion plans, and a focused EPC approach, SESL is well-positioned in India’s solar sector. Hence, we recommend a ‘Subscribe’ rating for long-term investors.

Purpose of IPO

The offer comprises a fresh issue of ₹440cr and an Offer-for-Sale (OFS) of ₹50cr. Net proceeds will be used to partially fund a 1.2 GW TopCon solar cell and module manufacturing facility in Madhya Pradesh through its subsidiary, Kartik Solarworld Pvt Ltd (₹420cr).

Key Risks

- Over 79% of FY25 revenue came from a single client, SJVN Green Energy Ltd.

Peer Valuation

Company	CMP(₹)	MCap(₹ cr)	Sales (₹ cr)	EBITDA(%)	PAT (%)	EPS(₹)	RoE (%)	P/E(x)	P/BV	Mcap/sales	EV/EBITDA
Solarworld Energy Solutions Ltd	351	3,042	545	20.05	14.1	8.9	24.9	39.48	4.1	5.6	28.9
Sterling And Wilson Renewable Energy Ltd	267	6,325	6,300.1	4.1	1.3%	3.5	8.2	76.1	6.2	1.0	23.5
KPI Green Energy Ltd	487	9,498	1,735.5	36.6	18.4%	16.1	19.6	30.2	4.0	5.5	14.4

Source: Geojit Research, Bloomberg; Valuations of SESL are based on upper end of the price band (post issue), Financials as per FY25 consolidated.

Issue Details	
Date of opening	September 23, 2025
Date of closing	September 25, 2025
Total No. of shares offered (cr.)	1.40
Post Issue No. of shares (cr)	8.7
Face Value	₹5
Bid Lot	42 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,742
Maximum application for retail (upper price band for 13 lot)	₹ 1,91,646
Listing	BSE,NSE
Lead Managers	Nuvama Wealth Management Ltd, SBI Capital Markets Ltd.
Registrar	MUFG Intime India Pvt.Ltd.

Issue size (upper price)		Rs.cr	
Fresh Issue		440.0	
OFS		50.0	
Total Issue		490.0	
Shareholding (%)		Pre-Issue	Post Issue
Promoter & Promo. Group.		78.7	65.7
Public & others		21.3	34.3
Total		100.0	100.0
Issue structure		Allocation (%)	Size Rs.cr
Retail		10	49.0
Non-Institutional		15	73.5
QIB		75	367.5
Total		100	490.0
Y.E March (Rs cr) Con-sol.			
	FY23	FY24	FY25
Sales	232.5	501.0	544.8
Growth YoY(%)	-	115.5	8.7
EBITDA	21.5	68.9	109.2
Margin(%)	9.24	13.74	20.05
PAT Adj.	14.8	51.7	77.0
Growth (%)	-	248.4	49.1
EPS	1.7	6.0	8.9
P/E (x)	205.1	58.9	39.5
EV/EBITDA (x)	144.7	45.1	28.9
P/Bv(x)	138.8	41.3	9.8



Business Description:

Solarworld Energy Solutions Ltd. (SESL) specializes in delivering comprehensive solar energy solutions, with a focus on Engineering, Procurement, and Construction (EPC) services for solar power projects. The company operates through two distinct models: the CAPEX model and the RESCO model. Under the CAPEX model, SESL provides turnkey solutions—covering everything from land assessment to installation and commissioning—while the customer retains ownership of the solar asset. In contrast, the RESCO model allows customers to adopt solar energy without upfront investment, as SESL finances, installs, owns, and operates the project. Customers then purchase electricity at pre-agreed tariffs through long-term Power Purchase Agreements (PPAs). Additionally, SESL offers Operations and Maintenance (O&M) services under both models, ensuring long-term performance and reliability. The company's clientele includes notable names such as SJVN Green Energy, Haldiram Snacks Pvt. Ltd., Ethnic Food Manufacturing Pvt. Ltd., and Samiksha Solarworld Pvt. Ltd.

The company has established a strong track record by executing 46 projects since inception, including large-scale solar installations recognized by industry platforms such as MERCOM. It has also entered into backward integration initiatives through an equity co-operation agreement with ZNSHINE PV-Tech Co. Limited, a Bloomberg NEF tier-1 supplier, to develop in-house solar panel manufacturing capabilities. With a customer base including major PSUs like SJVN Green Energy Limited and private players such as Haldiram Snacks and Ethnic Food Manufacturing, Solarworld combines technical expertise, operational excellence, and long-term client partnerships to strengthen sustainable energy infrastructure across India.

Solarworld Energy Solutions Ltd. offers tailored solar energy solutions that help customers strengthen their sustainable energy infrastructure, support decarbonization, and drive energy efficiency. The company delivers these solutions through two primary models: the Capital Expenditure (CAPEX) model and the Renewable Energy Service Company (RESCO) model.

CAPEX Model:

Under the CAPEX model, Solarworld provides end-to-end, turnkey solar project solutions. This includes everything from land evaluation, project design, procurement of raw materials and components, installation of equipment, and setting up transmission infrastructure, to commissioning and maintaining the project for the contracted period. The key feature of this model is that the customer retains full ownership of the solar power project. Solarworld's comprehensive approach ensures that clients receive a seamless experience, with all technical and operational aspects managed by the company.

RESCO Model:

The RESCO model is designed for customers who wish to adopt solar power without making any upfront capital investment. In this model, Solarworld undertakes all investments—including land acquisition, equipment procurement, installation, and obtaining regulatory approvals. The company installs, owns, and operates the solar power projects, while customers purchase the generated electricity at fixed tariffs through long-term Power Purchase Agreements (PPAs). This model enables clients to reduce their carbon footprint and energy costs without the burden of initial expenditure or asset management.

Operations & Maintenance (O&M) Services:

For both CAPEX and RESCO models, Solarworld offers operations and maintenance (O&M) services tailored to customer requirements. These services provide forward-integrated, full life-cycle support, ensuring the long-term performance and reliability of the solar power assets. As of March 31, 2025, approximately 95% of the company's EPC projects include bundled O&M services for periods ranging from two to five years.

Key strengths

- **Established track record and strong in-house execution capabilities for end-to-end solar EPC solutions**

Solarworld has demonstrated robust execution capabilities through its successful delivery of solar EPC projects across both public and private sectors. With a portfolio of completed projects totaling 253.67 MW AC and ongoing projects of 765 MW AC and 325 MW/650 MWh for BESS, the company showcases its ability to manage large-scale installations. Its in-house teams handle everything from land evaluation to commissioning and maintenance, ensuring quality and timely delivery. This end-to-end control allows Solarworld to maintain high standards and build long-term client trust. The company's bundled integration of services using in-house components further enhances operational efficiency and reliability.

- **Robust order book with favourable national policy support and visibility for future growth**

The company has a healthy order book supported by favorable national policies promoting renewable energy. With India targeting 450 GW of renewable capacity by 2030, Solarworld is well-positioned to benefit from increased demand. Its proactive bidding strategy and risk assessment framework ensure that projects are financially viable and strategically aligned. The company prioritizes clients with financial closure, reducing counterparty risk. This disciplined approach, combined with policy support, provides strong visibility for future growth and revenue stability.

- **Strong financial performance driven by asset light business model**

Solarworld's asset-light model has been a key driver of its financial success. By minimizing capital expenditure and leveraging strategic partnerships, the company has achieved strong margins and profitability. Its EBITDA grew from ₹228.76 million in FY23 to ₹1,067.47 million in FY25, with PAT increasing at a CAGR of 127.89%. The company maintains low overhead costs and benefits from advance payments and shorter payment cycles, enhancing cash flow. This model allows Solarworld to scale efficiently while maintaining financial discipline, making it attractive to investors and lenders alike.

- **Trusted Client Relationships and Market Presence**

Solarworld has built enduring relationships with key clients such as SJVN Green Energy Limited, Haldiram Snacks, and Ethnic Food Manufacturing. Its ability to tailor solutions to client needs and deliver reliably has earned it a strong reputation in both government and private sectors. The company's in-house marketing team actively engages with potential clients, ensuring a steady pipeline of projects. This customer-centric approach has helped Solarworld expand its presence across multiple states and maintain a competitive edge in the solar EPC market.

Key strategies:

- 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

Industry Outlook

A typical EPC solar project covers design, civil works, equipment purchase and installation, and commissioning. However, with constrained returns, the scope of an EPC solar project has been evolved and now includes O&M services also. Most of the EPC players provide integrated and customised solutions as per the client requirements through a consultative approach. Favourable government initiatives, increased demand for clean and green energy, rooftop installations by C&I Consumers have provided impetus to solar installations (*Source: CRISIL Report*).

Global solar module prices have fallen steeply from \$1.78/Watt peak in 2010 to \$0.14/Watt peak in FY25, supported by technology gains and lower upstream costs, easing project capital requirements. CRISIL expects imported modules at \$0.13–0.15/Watt peak and domestic modules at \$0.21–0.23/Watt peak in FY26 as new TOPCon technology emerges. In India, duties continue to shape cost economics, after safeguard duties, a BCD of 25% on cells and 40% on modules was imposed in 2022, raising project costs by 20–25%. Though FY26 budget rationalized duties to 20%, the effective rate remains 40% on modules and 27.5% on cells due to the AIDC, balancing affordability with domestic manufacturing support.

Promoter and promoter group

Kartik Teltia, Rishabh Jain, Mangal Chand Teltia, Sushil Kumar Jain, Anita Jain, Pioneer Facor IT Infradevelopers Private Limited, Pioneer Securities Private Limited and Pioneer Fincap Private Limited are the Promoters.

Brief Biographies of directors

- **Kartik Teltia** is the Managing Director of the Company. He holds a bachelor's degree in commerce from the University of Delhi and is a member of the Institute of Chartered Accountants of India. He also completed a post-graduate programme in management from the Indian School of Business. With over a decade of experience in the solar energy sector, he is responsible for formulating business strategies and overseeing the overall management of the Company.
- **Rishabh Jain** is the Whole-time Director of the Company. He holds a bachelor's degree in commerce from the University of Delhi and is a member of the Institute of Chartered Accountants of India. He has been associated with the Company since its incorporation and has over 11 years of experience. He currently manages the administrative affairs of the Company.
- **Sushil Kumar Jain** is a Non-Executive Director of the Company. He has previously served as a director at Winsome Breweries Limited, a listed company, from 2002 to 2017. He brings extensive experience in business and governance.
- **Mangal Chand Teltia**, is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Rajasthan. He is a member of the Institute of Chartered Accountants of India. He was associated with Autometers Alliance Limited for a period of 30 years and retired as Director Commercial in 2020.
- **Rini Chordia** is the Chairperson and Independent Director of the Company. She has experience in business and is currently serving a five-year term starting from September 18, 2024.
- **Ramakant Pattanaik** is an Independent Director of the Company. He retired as Director (Commercial) in 2020 after a career spanning 30 years. He brings deep industry experience and strategic insight to the Board.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY23	FY24	FY25
Sales	232.5	501.0	544.8
% change	0.0%	115.5%	8.7%
EBITDA	21.5	68.9	109.2
% change	-	220.7%	58.7%
Depreciation	0.2	0.4	0.2
EBIT	21.2	68.4	109.0
Interest	5.9	6.8	6.2
Other Income	2.6	4.5	6.3
Exceptional items	0.0	0.0	0.0
PBT	17.9	66.1	109.1
% change	-	269.0%	65.0%
Tax	4.5	16.7	29.6
Tax Rate (%)	25%	25%	27%
Reported PAT	13.4	49.5	79.5
Adj	1.4	2.2	-2.5
Adj. PAT	14.8	51.7	77.0
% change	-	248.4%	49.1%
Post issue No. of shares (cr)	8.7	8.7	8.7
Adj EPS (Rs)	1.7	6.0	8.9
% change	0.0%	248.4%	49.1%

CASH FLOW

Y.E March (Rs cr)	FY23	FY24	FY25
PBT Adj.	19.3	68.4	106.6
<i>Non-operating & non cash adj.</i>	3.8	4.6	20.6
Changes in W.C	-26.0	-53.0	-37.7
C.F. Operating	-7.14	7.17	53.95
Capital expenditure	-1.0	-0.2	-151.9
Change in investment	0.0	0.0	0.0
Sale of investment	0.0	-0.4	-0.9
Other invest.CF	0.4	1.9	3.3
C.F - investing	3.3	19.2	-273.5
Issue of equity	0.0	0.0	158.5
Issue/repay debt	9.8	-4.2	56.7
Dividends paid	0.0	0.0	0.0
Other finance.CF	-3.5	-6.2	-4.8
C.F - Financing	6.4	-10.3	210.3
Change. in cash	1.1	13.8	-6.7
Opening Cash	1.8	4.3	20.4
Closing cash	2.9	18.1	13.6

BALANCE SHEET

Y.E March (Rs cr)	FY23	FY24	FY25
Cash	17.5	40.5	127.1
<i>Accounts Receivable</i>	20.5	30.2	144.3
Inventories	1.5	2.2	2.0
<i>Other Cur. Assets</i>	71.8	70.7	161.6
Investments	6.8	8.8	7.3
Deff. Tax Assets	0.5	1.0	4.9
Net Fixed Assets	1.2	0.9	37.4
CWIP	0.0	0.0	88.1
Intangible Assets	0.0	0.6	0.0
Other Assets	0.6	0.0	25.3
Total Assets	120.4	155.0	598.0
Current Liabilities	32.4	14.7	157.9
Provisions	1.4	0.1	3.0
Debt Funds	64.7	61.1	114.6
Other Fin. Liabilities	0.0	1.6	11.7
Deferred Tax liability	0.0	3.9	1.8
Equity Capital	0.3	0.3	37.1
Reserves & Surplus	21.6	73.3	272.0
Shareholder's Fund	21.9	73.6	309.1
Total Liabilities	120.4	155.0	598.0
BVPS (Rs)	2.5	8.5	35.7

RATIOS

Y.E March	FY23	FY24	FY25
Profitab. & Return			
<i>EBITDA margin (%)</i>	9.24	13.74	20.05
<i>EBIT margin (%)</i>	9.1	13.7	20.0
<i>Net profit mgn.(%)</i>	6.4	10.3	14.1
<i>ROE (%)</i>	67.7	70.2	24.9
<i>ROCE (%)</i>	44.5	51.3	29.2
W.C & Liquidity			
<i>Receivables (days)</i>	32.2	18.5	58.4
<i>Inventory (days)</i>	2.7	1.6	2.0
<i>Payables (days)</i>	17.7	8.9	41.9
<i>Current ratio (x)</i>	3.5	10.3	2.7
<i>Quick ratio (x)</i>	1.2	4.8	1.7
Turnover & Levq.			
<i>Net asset T.O (x)</i>	197.7	476.7	28.4
<i>Total asset T.O (x)</i>	1.9	3.6	1.4
<i>Int. covge. ratio (x)</i>	3.6	10.1	17.5
<i>Adj. debt/equity (x)</i>	3.0	0.8	0.4
Valuation ratios			
<i>EV/Sales (x)</i>	13.4	6.2	5.8
<i>EV/EBITDA (x)</i>	144.7	45.1	28.9
<i>P/E (x)</i>	205.1	58.9	39.5
<i>P/BV (x)</i>	138.8	41.3	9.8



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