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CM RATING 45 /100

Solarworld Energy Solutions

Solar EPC player

Offering comprehensive, end to end and cost-effective solutions for the installation of solar power projects tailored to the needs of the customers

Solarworld Energy Solutions (SWEL) provides solar energy solutions, specializing in engineering, procurement and construction (EPC) services for solar power projects. It has a strong track record of delivering successful projects for both PSUs and C&I clients.

Of the FY25 revenue from operations, about 80.43% was from government customers and 19.57% is from private customers. From incorporation till July 31, 2025, its orders from PSUs totaled Rs 3981.64 crore. These projects include SJVN – Parasan, SGEL – Gurhah, SGEL – Gujrai in Uttar Pradesh, SGEL – Kutch in Gujarat, SGEL – Sonitpur in Assam, NTPC REL – Bikaner in Rajasthan, Vindhyachal Project, RRVUNL – Kota in Rajasthan and GUVNL – Veloda in Gujarat. As on July 31, 2025, it completed projects with a total capacity of 253.67 megawatts (MW) AC/ 336.17 MW DC, and ongoing projects with a capacity of 765 MW AC / 994 MW DC for EPC and 325 MW/650 MWh for BESS. As of July 31, 2025, 42 out of its 46 completed projects were in Uttar Pradesh, Telangana, Maharashtra, Rajasthan, Haryana and Delhi.

Its strong execution capability is demonstrated by its capabilities to design, install and operate a wide range of solar panels, including TopCon, heterojunction cells (HJT), and solar mounting structures like fixed tilt and seasonal tilt.

The solutions offered by it are designed to strengthen its customers sustainable energy infrastructure, supporting their de-carbonization efforts and driving energy efficiency improvements. It offers these solutions through two distinct models namely the capital expenditure (capex) model and the renewable energy service company (resco) model. Under the capex model, it provides end-to-end solutions by designing, installing, setting up and commissioning the solar power projects on a turn-key basis for its customers, while the ownership of the solar power projects vests with the customer itself. The scope of its services ranges from the evaluation of land, designing of the project, procurement of raw material and components, installation of equipment, setup of the transmission infrastructure and the maintenance/operation of the project for the contracted period.

Under the resco model, the power purchaser is not required to make any capital investment for the solar power project, allowing it to reduce the carbon footprint without upfront expenditure. The investment under this model includes land acquisition, equipment procurement and installation, and obtaining necessary regulatory and statutory approvals from local authorities. It installs, owns and operates solar power projects, with its customers purchasing the generated power at fixed tariffs agreed upon through long-term power purchase agreements (PPAs).

Under both the capex and resco models, solar power projects are broadly categorized into ground-mounted projects and rooftop projects, catering to different customer needs and site conditions. It completed 46 ground mounted projects and rooftop installations since 2014, as on July 31, 2025.

Under the capex and resco models, it provides operations and maintenance (O&M) services, depending on the requirements of its customers. These services are designed to provide forward-integrated, full life-cycle support, ensuring the long-term performance and reliability of solar power. Most of its EPC projects (95% as on March 31, 2025) have bundled O&M services for a period ranging from two to five years.

Of the FY25 revenue from operations, about 87.73% was from the capex model and 0.12% is from the resco model.

The order book (total value of EPC contracts, BESS projects or other projects for which it entered definitive contracts or have been awarded letters of intent in respect of bids, minus the revenue already billed from those projects) as of July 31, 2025, was Rs 2527.814 crore. Repeat customers constituting 793 MW / DC of its total solar capacity orders procured of 1,330 MW / DC (excluding BESS orders), as of July 31, 2025. It has entered fixed-price EPC contracts with most of its customers.

The company recently established a modern manufacturing facility at Haridwar, Uttarakhand for manufacturing tunnel oxide passivated contact (TopCon) solar modules with an annual capacity of 1.2 GW, by entering an equity co-operation agreement with ZNSHINE PV-Tech Company, a Bloomberg NEF tier-1 supplier, on May 14, 2024. Further, it intends to set up a battery energy storage systems (BESS) production line of a capacity of 2 GW in Haridwar, Uttarakhand. Both the manufacturing facilities are funded through debt and internal accruals. It has acquired land and building for the proposed facility in Roorkee, Haridwar, Uttarakhand. Further, it has completed the design, testing of equipment and civil work of this facility and is in the process of procuring the required equipment for the BESS manufacturing facility. It intends to establish a manufacturing facility for solar PV TopCon cell in Pandhurana, Madhya Pradesh, with an annual capacity of 1.2 GW, partly funded through the net proceeds and the pre-IPO proceeds, by investing in its subsidiary, Kartik Solarworld.

The issue and object of the offer

The issue comprises both fresh issue of equity shares, aggregating to Rs 440 crore, and offer for sale of equity, aggregating Rs 50 crore [all by Pioneer Facor IT Infra developers].

Of the net proceeds from the fresh issue, Rs 420 crore will be towards investment in Kartik Solarworld (KSPL), a subsidiary of the company, for part-financing the establishment of a 1.2 GW solar PV TopCon Cell manufacturing facility in Pandhurana (Madhya Pradesh) and the balance for general corporate purposes.

Total borrowings (including current maturity of term loans) as on March 31, 2025, were Rs 114.554 crore.

Strengths

Track record and strong in-house execution capabilities for end-to-end solar EPC solutions.

A robust order book with favorable national policy support and visibility for future growth. The outstanding order book as end of July 31, 2025, was Rs 2527.814 crore [EPC Rs 1198.175 crore or 47.4% of UOB; BESS Rs 1271.70 crore or 50.3% and O&M Rs 57.939 crore or 2.29%].

Operates on an asset-light business model in relation to its operations under the capex model.

Proposed backward integration initiatives and ability to manufacture high quality TopCon solar modules, BESS and solar PV TopCon cell in a cost-effective manner will allow the company to expand its operating margin.

Weaknesses

Top 1/5/10 customers account for 79.19%/97.96%/99.97% of its revenue from operations, respectively, in FY25

Growth depends on ability of the company to win orders in competitive bidding. Any slowdown or delay in floating of tenders or awarding of contracts as well as increase in competition may affect the growth and profitability of the company.

Lack of experience in manufacturing, implementation and sales of solar modules, battery energy storage systems and solar PV TopCon cell.

The solar power business is influenced by regulatory shifts, market competition, and cost pressures could materially affect financial performance.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2025 stood higher by 9% to Rs 544.77 crore. With the OPM expanding by 640 bps to 20.1%, the growth of OP was up 59% to Rs 109.25 crore. Finally, net profit after MI was up by 49% to Rs 77.05 crore.

On expanded equity, the EPS for FY2025 was Rs 9.1. The issue price (on the upper price band) discounts the FY25 EPS by 38.6 times. The P/BV stood at 4.1 times and EV/Sales stood at 5.6 times.

In comparison, WaareeRenewables, KPI Green, Sterling & Wilson and Oriana Power quote at PE of 49 times, 29.6 times, 77.6 times and 34.5 times, respectively, and P/BV of 25 times, 3.6 times, 6.3 times and 10.7 times, respectively. The FY2025 EV/sales of WaareeRenewables, KPI Green, Sterling & Wilson and Oriana Power were 5.6 times, 7 times, 6 times, 1 time and 5.7 times, respectively.

Solar PV manufacturers Websol Energy, Waaree Energy, Premier Energy and Vikram Solar quote at a PE of 36.2 times, 54.2 times, 50.6 times and 87.4 times, respectively.

Solarworld Energy Solutions : Issue Highlights	
Fresh Issue (Rs crore)	440
Offer for sale (Rs crore)	50
Price band (Rs.) **	
Upper	351
Lower	333
Post-issue equity (Rs crore)	
in Upper price band	43.34
in Lower Price Band	43.68
Post-issue promoter (including promoter group) stake (%)	65.67
Minimum Bid (in nos.)	42
Issue Open Date	23-09-2025
Issue Close Date	25-09-2025
Listing	BSE, NSE
Rating	45 /100

Solarworld Energy Solutions : Re-stated Consolidated Financials			
	2303 (12)	2403 (12)	2503 (12)
Sales	232.46	501.02	544.77
OPM (%)	9.2	13.7	20.1
OP	21.47	68.86	109.25
Other income	2.59	4.49	6.32
PBIDT	24.06	73.35	115.57
Interest	5.91	6.78	6.23
PBDT	18.15	66.57	109.34
Depreciation	0.23	0.43	0.23
PBT	17.92	66.14	109.11
EO Exp	0.00	0.00	2.12
PBT after EO	17.92	66.14	106.99
Tax	4.49	16.68	29.56
PAT	13.43	49.46	77.43

Share of Profit from Associates	1.41	2.23	-0.39
Minority Interest	0.00	0.00	0.00
Net profit after MI	14.84	51.69	77.05
EPS (Rs)*	1.7	6.0	9.1
* on post IPO fully dilluted equity (on upper price band) of Rs 43.34 crore. Face Value: Rs 5			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			