Saatvik Green Energy Limited

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BP WEALTH

IPO Note **18th September 2025**

Company Overview

Saatvik Green Energy Ltd., one of India's leading solar photovoltaic (PV) module manufacturers in terms of operational capacity, is one of the fastest-growing companies in the solar energy market. Since commencing operations in 2016, the company has expanded its annual installed capacity to about 3.80 gigawatts (GW) as of June 30, 2025. Over the years, it has supplied more than 2.50 GW of high-efficiency solar PV modules domestically and internationally. Saatvik is among the few companies in India with capabilities in module manufacturing as well as engineering, procurement and construction (EPC), and operations and maintenance (O&M) services. Its comprehensive product portfolio of solar modules uses technologies that help reduce energy loss and enhance efficiency. The offerings include monocrystalline passive emitter and rear cell (Mono PERC) modules and N-TopCon solar modules, suitable for various applications, including residential, commercial and utility-scale solar projects. Through its EPC vertical, the company provides comprehensive solar solutions, managing projects from concept to execution. Currently, it operates three manufacturing facilities in Ambala, Haryana, spread across a total area of 724,225 square feet, which is one of the largest single-location module manufacturing setups in India. These facilities are certified to meet global quality standards, including ISO certifications for quality and environmental management systems. Saatvik is further expanding capacity with an integrated cell and module manufacturing facility in Odisha and plans to establish a manufacturing facility for ingots, cells, and wafers in Mohasa–Babai, Madhya Pradesh. The company employs automation across its processes to enhance consistency, reduce operational costs, and minimise production time. Rigorous quality control measures allow optimal performance and durability across its products.

Objects of the issue

The company proposes to utilise net proceeds from the fresh issue towards funding the following objects:

⇒ Prepayment or scheduled re-payment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company;

⇒ 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;

⇒ Investment in the wholly owned subsidiary, Saatvik Solar Industries Private Limited, for setting up a 4 GW solar PV module manufacturing facility;

⇒ General corporate purposes.

Investment Rationale

Quality customer base and large order book supporting long-term growth

Saatvik Green Energy Ltd.'s strong market position enables it to offer competitive pricing of products, allowing access to a large and diversified customer base and generating steady revenue streams. The company has a diversified client base across multiple segments and geographies and has established relationships across multiple industries, including manufacturing, automobile, cement, real estate, steel, energy, telecommunications, and infrastructure. Since its inception, the company has cultivated and maintained well-established relationships with customers, built on a foundation of reliability and consistent, prompt delivery of quality services. Its commitment to understanding and meeting the unique needs of customers has helped strengthen these relationships over the years. Between March 31, 2023, and March 31, 2025, the company's customer base grew at a CAGR of 42.76%. Beyond India, Saatvik has successfully established a global presence, supplying products to customers in the United States, Canada, and Seychelles. Its wholly owned subsidiary, Saatvik Green Energy USA Inc., located in Texas, engages in the trading, distribution, import, and export of solar modules. By diversifying its revenue streams across a broad customer base, the company is better equipped to navigate market challenges and sustain consistent growth, reinforcing its position in the renewable energy sector. The company's broad and diverse customer base contributes to a strong order book of approximately 4.05 GW as of June 30, 2025. This diversification, coupled with its substantial order book, provides revenue certainty and diversification, reducing the risk associated with the loss of key customers and ensuring business continuity and sustainable growth.

Adoption of innovative technology strengthens market position

Saatvik Green Energy Ltd. has adopted advanced technologies within the solar industry. The company incorporates innovations such as half-cut, MBB, and circular-ribbon modules within its N-TopCon technology. For N-TopCon modules, it also offers dual-glass modules with customizable options ranging from 2.00 millimeters to 2.50 millimeters, ensuring high durability and efficiency. Its focus on

Issue Details

Offer Period	19th Sept. 2025 - 23rd Sept. 2025
Price Band	Rs. 442 to Rs. 465
Bid Lot	32
Listing	BSE & NSE
Issue Size (no. of shares in mn)	19
Issue Size (Rs. in bn)	9
Face Value (Rs.)	2

Issue Structure

QIB	50%
NIB	15%
Retail	35%
BRLM	DAM Capital Advisors Ltd., Ambit Pvt. Ltd., Motilal Oswal Investment Advisors Ltd.
Registrar	Kfin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	90.0	76.0
Public	10.0	24.0
Total	**100.0**	**100.0**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

design and technological enhancement is complemented by rigorous quality testing, enabling customization that meets specific customer needs. This holistic approach keeps the company at the forefront of technological advancements in the solar industry. By investing in advanced manufacturing techniques and materials, Saatvik ensures its modules not only meet current market needs but are also well-positioned to meet future requirements. This early adoption strategy allows the company to offer more efficient, durable, and cost-effective solutions, thereby strengthening its market presence. Saatvik was among the first in India to introduce N-TopCon and Mono PERC technologies. N-TopCon modules represent a significant advancement in solar cell efficiency, offering superior passivation and reduced recombination losses compared to traditional PERC technologies. Early entry into such emerging technologies has given the company a first-mover advantage, enabling it to capture market share more quickly, influence industry standards, and enhance operational efficiency. As demand for cleaner and more efficient energy solutions grows, Saatvik's commitment to technology adoption ensures manufacturing flexibility and alignment with evolving customer needs. By offering products that incorporate the latest technology, the company strengthens its value proposition, delivering solar modules that offer superior performance and longevity and are preferred by customers. This approach further reinforces its position as a trusted partner in the renewable energy transition.

Valuation

Saatvik Green Energy Ltd. is a solar photovoltaic module manufacturer with an operational capacity of about 3.80 GW. Its product portfolio includes Mono PERC modules and N-TopCon solar modules, suitable for various applications and sectors, including residential, commercial and utility-scale solar projects. In addition, the company offers end-to-end engineering, procurement, and construction services, as well as operations and maintenance services to customers related to solar projects it undertakes. India's solar sector has witnessed robust growth over the past five years, with around 84 GW of capacity added between FY18 and FY25, reflecting a CAGR of approximately 26%. Despite such strong capacity addition, there is huge untapped potential for renewable energy installations in India, with solar energy having the highest potential of 750 GW, of which only 15.4% of the total potential has been tapped as of June 30, 2025. Saatvik is well-positioned to meet the evolving needs of the market and capitalize on these emerging opportunities, backed by its ability to adapt advanced technologies, which enable it to meet the evolving customer needs, making it a trusted partner in the renewable energy transition. Additionally, the company's strong order book of 4.05 GW, supported by a large and diverse customer base, provides long-term growth visibility. Financially, the company reported a healthy revenue CAGR of 88.3% over FY23-25, while EBITDA grew significantly at 364.5% CAGR during the same period. EBITDA margin expanded from 2.4% in FY23 to 14.8% in FY25, while PAT margin expanded from 0.8% to 9.9%. **On the upper price band, the company is currently valued at a P/E of 24.4x based on FY25 earnings, which is comparatively lower than its peers. Given its strong market position and potential for growth within the industry, Saatvik is well-positioned to deliver sustainable growth. Thus, we recommend a "SUBSCRIBE" rating for this issue from a medium to long-term perspective.**

Key Risks

⇒ The prices of the company's raw materials fluctuate based on several factors outside its control. Failure to achieve corresponding sales price increases on time, sales price erosion without a corresponding reduction in raw material costs, a significant shortage of supply of solar PV cells, delays in their availability, or failure to re-negotiate favourable raw material supply contracts may have a material adverse effect on the company's business, financial condition and results of operations.

⇒ The company depends on third-party suppliers for materials and components required to manufacture its products. Any disruptions in the supply or availability of these materials and components, or fluctuations in their prices, may have an adverse impact on the business operations, cash flows, and financial performance.

⇒ The company's manufacturing facilities are located in the state of Haryana, India, which exposes it to risks arising from local and regional factors. Any such disruptions could affect its operations, leading to significant delays in the manufacturing and shipment of products, which could materially and adversely impact its business, financial condition, and results of operations.

Saatvik Green Energy Limited

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	6,086	10,880	21,584
Total revenue	**6,086**	**10,880**	**21,584**
Expenses			
Cost of materials and services consumed	5,559	6,553	11,368
Purchase of Stock-in-Trade	64	2,309	4,767
Changes in inventories of finished goods, stock-in -trade and work-in-progress	-211	-608	-190
Employee benefits expense	101	170	588
Other expenses	424	979	1,853
Total operating expenses	**5,938**	**9,403**	**18,385**
EBITDA	**148**	**1,476**	**3,199**
Depreciation and amortization expense	66	107	312
EBIT	**82**	**1,369**	**2,887**
Finance costs	106	142	423
Other Income	90	92	341
PBT	**67**	**1,319**	**2,804**
Tax Expense			
Current tax	32	363	666
Tax for earlier years	0	0	0
Deferred tax	-12	-49	-1
Total tax	**19**	**314**	**665**
Net Profit	**47**	**1,005**	**2,139**
Diluted EPS	**0.4**	**9.0**	**19.1**

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	50	436	426
Cash flow from investing activities	-239	-694	-1,981
Cash flow from financing activities	321	249	1,486
Net increase/(decrease) in cash and cash equivalents	**132**	**-9**	**-69**
Cash and cash equivalents at the beginning of the period	**1**	**133**	**123**
Cash and cash equivalents at the end of the period	**133**	**123**	**54**

Source: RHP, BP Equities Research

Saatvik Green Energy Limited

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
ASSETS			
Non-Current Assets			
Property, plant and equipment	412	1,006	2,593
Intangible assets	0	0	1
Capital work in progress	0	329	15
Right-of-use assets	88	162	603
Financial assets			
(i) Trade receivables	0	0	67
(ii) Other financial assets	27	44	23
Deferred tax asset (net)	29	78	81
Other non-current assets	13	177	360
Total Non Current Assets	**569**	**1,796**	**3,745**
Current Assets			
Inventories	1,322	2,205	6,505
Financial assets			
(i) Investments	0	100	0
(ii) Trade receivables	209	1,767	3,995
(iii) Cash and cash equivalents	133	123	54
(iv) Bank balances other than (iii) above	0	50	31
(v) Loans	16	19	80
(vi) Other financial assets	3	163	538
Current tax assets (net)	0	8	17
Other current assets	378	648	1,392
Total Current Assets	**2,061**	**5,084**	**12,613**
Total Assets	**2,630**	**6,880**	**16,357**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	34	34	224
Other equity	169	1,173	3,152
Equity attributable to owners of the holding company	**203**	**1,207**	**3,377**
Non controlling Interest	0	1	0
Total equity	**203**	**1,207**	**3,377**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	318	671	1,251
(ii) Lease liabilities	61	128	351
Provisions	21	34	76
Deferred tax liabilities (net)	0	0	0
Other non-current liabilities	93	240	285
Total Non-Current Liabilities	**493.00**	**1,073**	**1,963.09**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1,126	1,963	3,330
(ii) Lease liabilities	24	36	95
(iii) Trade payables	673	1,843	5,591
(iv) Other financial liabilities	19	131	214
Provisions	2	122	142
Contract liabilities	47	236	1,234
Current tax liabilities(net)	6	213	340
Other current liabilities	36	54	73
Total Current Liabilities	**1,934**	**4,600**	**11,018**
Total Liabilities	**2,427**	**5,673**	**12,981**
Total Equity and Liabilities	**2,630**	**6,880**	**16,357**

Source: RHP, BP Equities Research

Research Desk	Tel: +91 22 61596138

Institutional Sales Desk	Tel: +91 22 61596403/04

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6138
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392