

IPO Note: Solarium Green Energy Limited

A) Company Overview:

Solarium Green Energy Limited was originally incorporated as a Limited Liability Partnership (LLP) on December 17, 2015. It was later converted into a Private Limited company on February 24, 2022, and subsequently into a Public Limited company on June 21, 2024. The company specializes in providing turnkey solar solutions, covering design, engineering, procurement, construction, testing, commissioning, and operation & maintenance (O&M) of solar power plants.

Business Model: Solarium Green Energy Limited operates under two key business verticals:

- **Residential Rooftop Projects**
- **Commercial and Industrial (C&I) Rooftop & Ground-Mounted Projects, and Government Projects**

B) IPO Details and Financial Performance(Fund Raise = INR 105 Cr):

- **Purpose of Fundraising:**
 - Meeting working capital requirements
 - General corporate purposes

Financial Year	Revenue (INR Lakhs)	PAT (INR Lakhs)
FY 21-22	16,736.91	205.04
FY 22-23	9,878.98	173.85
FY 23-24	17,739.69	1,558.97
6MFY25	8,199.85	755.43

C) Order Book Status (As of Dec 31, 2024):

- Ongoing order book: 39 projects amounting to **INR 185 Cr**
- Revenue recognized till Sept 30, 2024: **INR 44 Cr**
- Order book categories:
 - Commercial & Industrial (C&I) Rooftop Projects
 - Ground-Mounted Projects
 - Government Projects

D) EBITDA Margins:

Financial Year	EBITDA Margin (%)
FY 21-22	2.68%
FY 22-23	5.65%
FY 23-24	13.40%
6MFY25	14.14%

E) Revenue Breakdown:

Financial Year	Revenue from Turnkey Solutions (INR Lakhs)	Revenue from Sale of Products (INR Lakhs)
FY21-22	5,175.99	11,560.92
FY22-23	4,235.94	5,643.04
FY23-24	10,657.00	7,082.69

F) Key Management Team:

- **Ankit Garg** – Chairman & Managing Director (Promoter) with 12+ years of experience in sales, marketing, and business development in solar and other industries.
- **Pankaj Vallabhbai Gothi** – Whole Time Director (Promoter)
- **Nitin Jain** – Chief Financial Officer (CFO)
- **Pankti Kashyapbai Thakkar** – Company Secretary & Compliance Officer

G) Industry Comparison:

Company	FY24 EBITDA Margin (%)	6M FY25 EBITDA Margin (%)
Solarium Green Energy	13.40%	14.14%
Zodiac Energy	8.62%	6.89%
Oriana Power	21.08%	20.97%

H) Risk Factors:

- **Geographical Concentration:** A major portion of revenue is dependent on Gujarat operations.
- **Negative Cash Flow:** The company has experienced negative cash flows in the past.
- **Industry Competition:** Highly competitive industry affecting pricing and profitability.
- **Dependence on Government Projects:** Government projects have a longer credit cycle, affecting cash flow.
- **Project Execution Delays:** Timely project completion is crucial for cash flow and profitability.

I) Conclusion:

Solarium Green Energy Limited primarily operates as an EPC business, deriving a significant portion of its revenue from executing government projects and selling solar modules. The company's total sales in FY24 stood at ₹178 crore, while for the first half of FY25, it has reported ₹88 crore, indicating minimal growth. Additionally, its order book stands at ₹183 crore, reflecting limited future revenue visibility.

The company plans to raise ₹105 crore through its **IPO at a valuation of ₹400 crore**, translating to a **P/E multiple of 25x**. Given the current market conditions for listed solar EPC players, this valuation appears stretched. In comparison, Oriana Power, a larger player with a superior business model, is available at a **P/E of 33x** based on annualized six-month earnings.

Considering these factors, this **IPO appears overpriced**, and investors may consider **skipping it**.

Note: Investors should carefully review the IPO prospectus and consult financial advisors before making investment decisions.