IPO REVIEW

Himalayan Solar IPO

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- The company specializes in providing integrated turnkey solar energy solutions with all services related to it.
- It shifted its focus as required by MNRE for Mono-PERC modules and expanding its capacities for the same.
- Shift to MONO-PERC yielded the desired benefits resulting in good order book, that stands at Rs. 140+ cr. as of July 31, 2026.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.
- In View Of The Likely Bank Strike From 28.09.26 To 30.09.26, The Ipos/Primary Offers That Are Falling Between These Three Days, Ipos Schedule Time Line May Change And The Revised Dates Will Get Effective For Opening And / Or Closing Schedules, As The Case May Be. Investors Are Requested To Make A Note Of This.

About the Company

Himalayan Solar Ltd. (HSL) specializes in providing integrated turnkey solar energy solutions offering services including design, manufacturing, supply, installation, and commissioning of wide range of solar products, with a primary focus on Solar Water Pumping Systems. Additionally, it provides solar energy solutions for Solar Inverter Charge Systems and Solar Rooftop Power Systems. As on March 31, 2026, it had a qualitative experience in implementation of more than 85000 HP capacity of Solar Water Pumping Systems as part of Government Projects in India. HSL caters to various projects across India and are proudly empaneled as an esteemed Solar Partner with several State Government Departments including: - New & Renewable Energy Department, HAREDA, Govt. of Haryana - Department of Horticulture, RHDS, Govt. of Rajasthan - Punjab Energy Development Agency, PEDA, Govt. of Punjab - Madhya Pradesh Urja Vikas Nigam, MPUVN, Govt. of Madhya Pradesh - Maharashtra State Electricity Distribution Company Ltd, MSEDCL, Govt. of Maharashtra - Maharashtra Energy Development Agency, MEDA, Govt. of Maharashtra - Rajasthan Electronics Instruments Limited, REIL, a Mini Ratna PSU jointly owned by the Govt. of Rajasthan and Govt. of India

The company commenced its journey by establishing a manufacturing facility in Plot No. 237, HSIIDC Industrial Estate, Alipur, Barwala, Panchkula, Haryana, in the year 2017 focusing on the production and assembly of Polycrystalline Photovoltaic (PV) Modules with annual manufacturing capacity of 40 MW (i.e., production of approx. 1,19,000 nos. of Polycrystalline Photovoltaic Solar PV Modules). The facility is operated successfully until August 2024. However, a revision in the guidelines by the

Ministry of New and Renewable Energy (MNRE) altered the course of operations.

According to MNRE Office Memorandum dated May 10, 2023, the minimum module efficiency criteria were revised for Solar PV Modules to be eligible for government tenders and hence preferring Monocrystalline (Mono-PERC) Solar PV Modules over Polycrystalline modules to meet the higher efficiency requirements. As the existing production lines for Polycrystalline Modules could not meet the newly prescribed efficiency benchmarks for future Government projects, the company temporarily halted its manufacturing operations at the Panchkula facility starting from August 2024. Post the halt in manufacturing of Polycrystalline Solar PV Modules, Himalayan Solar started the process of upgrading the Production Machines to manufacture the latest technology of Mono PERC & TOPCon Bifacial Solar PV Modules. To support this transition, the company has procured advanced machinery and equipment with an annual manufacturing capacity of 60 MW (i.e., production of approx. 1,07,500 nos. of Mono PERC Solar PV Modules). The said 60MW Mono PERC Solar PV Modules facility is operational from March 2026. In line with this strategic shift, the manufacturing unit has been relocated from Panchkula to Karnal at the address: Plot No. 3 & 4, Khasra No. 249, Khewat No. 980 & 977, Near Aryakulam International School, Assandh–Kohand Road, Munak, Karnal, Haryana – 132040.

This 60 MW production line is designed for the manufacturing of advanced Mono-PERC 16BB Solar PV Modules. Through the proceeds of the IPO, the company intends to further expand and upgrade this facility to 160 MW by acquiring additional machinery with an esteemed capacity of 100 MW (i.e. production of approx. 1,80,000 nos. of Mono PERC & TopCon Bifacial Solar PV Modules) with at Karnal facility, featuring higher technical capabilities, including manufacturing up to 20 Busbar Solar PV Modules expandable up to 25 Busbar with the latest Glass-to-Glass (G2G) technology, fully automatic bussing, auto glass loading, and auto framing systems with an estimated cost of Rs. 12.98 cr. As of July 31, 2026, it had 87 employees on its payroll. As of the said date, its order book stood at Rs. 140.22 cr.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 6604800 equity shares of Rs. 10 each to mobilize Rs 68.03 cr. at the upper cap. The IPO consists of 5890800 fresh equity shares (worth Rs. 60.68 cr. at the upper cap), and an Offer for Sale (OFS) of 714000 equity shares (worth Rs. 7.35 cr. at the upper cap). The company has announced a price band of Rs. 98 – Rs. 103 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The IPO opens for subscription on September 25, 2026, and will close on September 29, 2026. The IPO constitute 29.87% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds, it will utilize Rs. 12.98 cr. for capex on purchase of additional plant and machinery for expansion, Rs. 2.12 cr. for repayment/pre-payment of certain borrowings, Rs.29.50 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Finshore Management Services Ltd., while Maashitla Securities Pvt. Ltd., is the registrar to the issue. Anant Securities, is the market maker. The issue is underwritten to the tune of 15% by Finshore Management Services and 85% by MNM Stock Broking Pvt. Ltd.

The company has issued entire initial equity capital at par value, and also issued bonus shares in the ratio of 3.5 for 1 in June 2025. The average cost of acquisition of shares by the promoters is Rs. NIL, Rs. 0.07, Rs. 2.22, and Rs. 3.48 per share.

Post-IPO, company's current paid-up equity capital of Rs. 16.22 cr. (16218899 equity shares) will stand enhanced to Rs. 22.11 cr. (22109699 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 227.73 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit of Rs. 138.65 cr. / Rs. 4.95 cr. (FY24), Rs. 143.13 cr. / Rs. 16.43 cr. (FY25), and Rs. 171.69 cr. / Rs. 20.67 cr. (FY26). It marked growth in its top and bottom lines for the reported periods. Its contingent liabilities as of March 31, 2026 stood at Rs. 29.18 cr., raising concern. Year-on-year rising trade receivables (Rs. 125.34 cr. (FY26), Rs. 66.32 cr. (FY25), and Rs. 40.45 cr. (FY24)), raise alarm.

For the last three fiscals, the company has reported an average EPS of Rs. 10.26, and an average RoNW of 50.70%. The issue is priced at a P/BV of 3.56 based on its NAV of Rs. 28.93 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents .

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 11.02, and based on FY25 earnings, the P/E stands at 13.86. The issue appears fully priced, based on its average earnings.

For the reported periods, the company has posted PAT margins of 3.58% (FY24), 11.54% (FY25), 12.13% (FY26), and RoCE margins of 23.37%, 44.32%, 35.84%, respectively, for referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its future prospects, and financial performance.

Comparison with Listed Peers

As per the offer document, the company has shown Ganesh Green, Solarium Green, Australian Premium Solar, as its listed peers. They are currently trading at a P/E of 6.94, 14.9, and 8.39 (as of September 25, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 21st mandate from Finshore Management, in the last three fiscals (including the ongoing one). Out of the last 10 listings, 6 opened at discount, 1 at par, and the rest listed with a premium ranging from 0.64% to 5.95% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

HSL specializes in providing integrated turnkey solar energy solutions with all services related to it. It shifted its focus as required by MNRE for Mono-PERC modules and expanding its capacities for the same. Shift to MONO-PERC yielded the desired benefits resulting in good order book, that stands at Rs. 140+ cr. as of July 31, 2026. Based on its recent average financial data, the issue appears fully priced. It is operating in highly competitive and fragmented segment. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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