

# Fujiyama Power Systems



## An integrated play on India's rooftop solar boom

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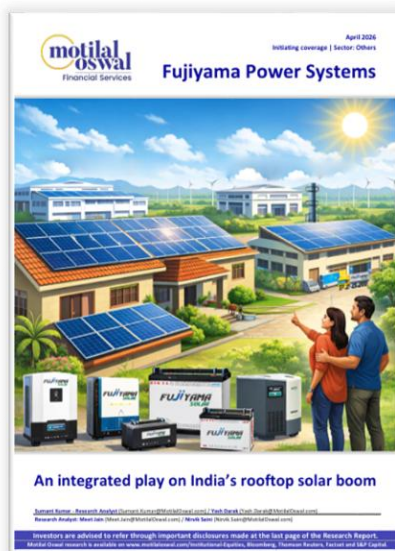
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## An integrated B2C play on India's rooftop solar boom

- ❖ Fujiyama Power Systems (UTLSOLAR) is an integrated B2C player and solution provider in rooftop solar offering an extensive range of products, including online UPS, solar domestic off-grid and hybrid inverter, solar commercial off-grid and hybrid inverter, on-grid inverters, solar panels, tubular and lithium-ion (Li-ion) batteries, battery chargers, and solar management unit. As of Dec'25, the company has scaled the capacity of its solar panels/solar batteries/power electronics to more than 1.5GW each. It is committed to promoting renewable energy and sustainability by offering high-quality, efficient, and cost-effective solar and power electronics solutions.
- ❖ UTLSOLAR is expanding capacity to tap India's ~100GW rooftop solar opportunity by FY30. It plans an INR3b capex for panels, inverters, and batteries at Ratlam, taking the capacity to 3.7GW/3.7GW/3.8GWh. Moreover, the company has backward-integrated into solar panels by setting up a 1GW domestic content requirement (DCR) capacity in Jan'26. This in-house DCR manufacturing could lift gross margins to ~51% in DCR solar panel, reflecting a broader shift toward domestic solar manufacturing.

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# Fujiyama Power Systems

BSE SENSEX

78,516

S&P CNX

24,378



## Stock Info

Bloomberg	UTLSOLAR IN
Equity Shares (m)	306
M.Cap.(INRb)/(USD\$b)	79.6 / 0.8
52-Week Range (INR)	270 / 171
1,6,12 Rel. Per (%)	23/-/-
12M Avg Val (INR M)	174

## Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	26.0	42.0	58.5
EBITDA	4.9	8.1	11.2
PAT	3.0	4.9	7.0
EBITDA %	18.9	19.2	19.2
EPS (INR)	9.8	16.1	22.8
EPS Gr. (%)	91.3	65.3	41.6
BV/Sh.(INR)	42.3	58.4	81.2
<b>Ratios</b>			
Net D:E	0.0	0.2	0.0
RoE (%)	35.3	32.0	32.7
RoCE (%)	28.0	25.9	27.9
<b>Valuations</b>			
P/E (x)	26.5	16.1	11.3
P/BV (x)	6.1	4.4	3.2
EV/EBITDA (x)	16.2	10.3	7.1
FCF per share	(8.6)	(8.6)	12.5

## Shareholding pattern (%)

As On	Dec-25
Promoter	86.8
DII	4.7
FII	2.5
Others	6.0

FII Includes depository receipts

**CMP: INR260**

**TP: INR340 (+31%)**

**Buy**

## An integrated B2C play on India's rooftop solar boom

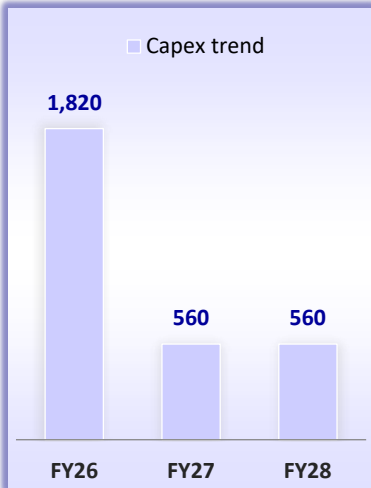
UTLSOLAR is an integrated B2C rooftop solar solutions provider offering a wide range of products, including inverters, solar panels, batteries, chargers, and solar management systems. As of Dec'25, the company has scaled the capacity of solar panels, batteries, and power electronics to over 1.5GW each.

- UTLSOLAR is expanding capacity to tap India's ~100GW rooftop solar opportunity by FY30. It plans an INR3b capex for panels, inverters, and batteries at Ratlam, taking the capacity to 3.7GW/3.7GW/3.8GWh. Moreover, the company has backward-integrated into solar panels by setting up a 1GW domestic content requirement cell (DCR) capacity in Jan'26 (51% gross margins).
- The PM Surya Ghar Muft Bijli Yojana (PMSGMBY) scheme targets 10m installations of residential rooftop systems by FY27. So far, 2.9m households (~10.4GW, ~3.6kW per home) have been covered, leaving ~7.1m installations (~26GW potential) untapped. Eligibility requires DCR-compliant materials, driving UTLSOLAR's in-house cell plant at Dadri and, thus, supporting growth potential.
- India is shifting from tubular to Li-ion batteries due to their longer life, lower maintenance, and better long-term efficiency. As such, UTLSOLAR plans to expand its Li-ion capacity from 45MWh to 2.5GWh (from FY25) by 1QFY27. Further, growth in rooftop solar solutions is driving a planned 2GW greenfield inverter facility at Ratlam (total capacity of 3.7GW).
- The company is largely a B2C player (~90%), with a rapidly expanding pan-India distribution network of ~900 distributors, ~6.3k+ dealers, and ~1.1k+ franchise-led UTLSOLAR shoppes. Network scaling has been driven by its twin-brand strategy, deeper geographic penetration, and expansion into underpenetrated southern and eastern states.
- We expect UTLSOLAR to deliver strong growth (56%/65%/65% CAGR in revenue/EBITDA/PAT over FY25–28), driven by PMSGMBY-led demand and capacity expansion. We value it at 15x FY28E EPS with a TP of INR340 and a BUY rating.

## Robust manufacturing footprint led by backward integration

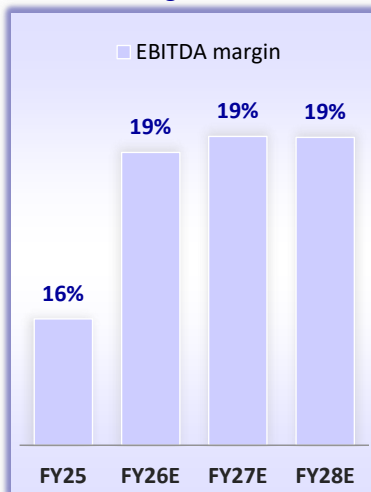
- UTLSOLAR runs four well-placed manufacturing units across Himachal Pradesh, Uttar Pradesh, and Haryana, and plans to add a new greenfield facility in Ratlam by 1QFY27 to enhance market access and efficiency.
- India's rooftop solar market is projected to scale to ~100GW by FY30, driven by policy support, subsidies, declining battery costs, rising power tariffs, ESG commitments, and tech advancements.
- To capitalize on this demand, UTLSOLAR plans a major capacity expansion of 2GW each in solar panels/inverters/lithium-ion batteries at Ratlam (INR3b capex), taking total capacity to 3.6GW/3.7GW/3.8GWh in each.
- Further, to tap rooftop solar opportunity and comply with the DCR cells policy, the company has commissioned 1GW of backward-integrated solar cell capacity (~50% of panel cost). We expect the company to add 2GW capacity to achieve full backward integration in solar panels.

**Capex excluding solar cells**



Source: Company, MOFSL

**Margins to strengthen due to backward integration**



Source: Company, MOFSL

- Our scenario analysis indicates that in-house DCR solar cell manufacturing is the most value-accretive, potentially lifting gross margins to ~51% vs ~27%/~23% for outsourcing. Although realizations may fall from INR25/W to INR18/W in the medium term, margins are expected to moderate to ~32% but remain superior to outsourced DCR levels.
- **This has resulted in the expansion of solar cell manufacturing for the industry from 30MW in CY22 to ~23GW in Dec'25.** Further, capacity is expected to expand from 23GW to 110GW by FY27/FY28 (up 5x), according to data provided by various companies, led by superior economics and increasing demand for solar cells (dependent on margin viability and demand parity in the industry).
- **Overall, the superior economics of DCR solar cells have driven rapid capacity build-up and wider industry participation, underscoring a structural shift toward backward integration and a more robust domestic solar manufacturing ecosystem in India.**

**Leveraging lithium-ion momentum with power electronics expertise**

- India is shifting from tubular batteries to Li-ion batteries. Despite higher upfront costs, Li-ion batteries offer longer life, lower maintenance, and superior long-term cost efficiency, driving their growing adoption.
- As such, UTLSOLAR plans a significant capacity expansion from 45MWh in FY25 to 2.5GWh by 1QFY27. While capacity will be added upfront, utilization will ramp up in stages based on demand.
- The company has developed strong expertise in power electronics and technology. It has achieved key milestones, such as launching single-card online UPS, combo UPS, and patented rMPPT (Maximum Power Point Tracking) technology.
- The growth in rooftop solar solutions is also driving growth for solar inverters. **Supported by growth in solar inverters, UTLSOLAR plans to expand capacity by adding a 2GW greenfield solar inverter facility in Ratlam by 1QFY27.**
- **Overall, the company is well-placed to benefit from rising lithium-ion battery demand and growth in integrated solar-storage solutions, supporting sustained growth and a stronger competitive position.**

**Rooftop solar opportunity backed by policy support**

- The PMSGMBY scheme targets to install 10m solar rooftops in the residential sector by FY27, benefiting residential households, group housing societies, and residential welfare associations. Installations were expected to exceed 4m by Mar'26 (~2.9m installed as of 15<sup>th</sup> April), with the remaining 6m installations expected by Mar'27.
- Eligibility requires Indian citizenship, home ownership with a suitable rooftop, and a valid electricity connection. Further, applicants must not have availed prior solar subsidies and must use DCR-compliant materials. Benefits offered under the scheme are discussed in Exhibit 22.
- **Despite strong policy support, execution is still at an early stage. Only ~56% of the target market has been applied for and ~29% of households are covered, leaving ~7.1m installations as a large untapped opportunity.**

**UTLSOLAR and Fujiyama Solar have enabled the appointment of two distributors within the same city, enhancing market penetration, brand visibility, and channel reach.**

**We expect the company to post a CAGR of 56%/65%/65% in revenue/EBITDA/adj. PAT over FY25-28. It currently trades at 27x/16x/11x FY26E/FY27E/FY28E EPS with an RoE/RoCE of 33%/28% in FY28E.**

- As of 15<sup>th</sup> Apr,'26, ~10.4GW capacity has been installed across 2.9m households. With an average of ~3.6KW per household, the remaining ~7.1m installations imply ~26GW of additional capacity potential.
- The company previously relied on non-DCR cells for off-grid solar panel manufacturing. **To tap this opportunity, it is sourcing from DCR-compliant vendors and has commissioned an in-house DCR cell plant at Dadri in Jan'26.**
- **With its established track record and integrated product portfolio, UTLSOLAR is well-positioned to capitalize on the accelerating adoption of rooftop solar and translate policy support into sustained growth going forward.**

#### Expanding distribution network with twin-brand presence

- The company is largely a B2C player (~90%), supported by a pan-India distribution network. This includes ~900 distributors, 6.3k+ dealers, and ~1.1k+ exclusive shoppe franchisees (by FY26E), with distributors also serving large industrial orders.
- The distributor base grew ~65% from ~482 in Sept'24 to ~800 in Sept'25. Total channel partners more than doubled from ~3.7k in FY23 to ~8.2k by Dec'25, while untapped states reduced from over 13 in FY22 to 10 in FY25, indicating deeper penetration.
- **This expansion is supported by a twin-brand strategy—UTLSOLAR and Fujiyama Solar. It allows two distributors in the same city, improving market penetration, brand visibility, and channel reach.**
- Further, the company has increased its distributor presence in states including Tamil Nadu, Telangana, Karnataka, Kerala, Andhra Pradesh, and Odisha, and aims to increase distributors in these regions to 104 by FY26E from 42 in FY23.
- **The company follows a franchise-led retail model (shoppe), offering end-to-end rooftop solar solutions. Its separate project sales division enables the execution of large-scale projects and partnerships without channel conflict.**
- **Overall, the company's twin-brand strategy, expanding network, and focused sales structure create a scalable go-to-market model. This strengthens market reach and execution across both retail and project segments.**

#### Valuation and view: Initiate coverage with BUY and a TP of INR340

- UTLSOLAR's growth is driven by the PMSGMBY scheme and its in-house DCR plant, supporting demand capture. Backward integration boosts margins, while expansion into Li-ion and inverters and a growing distribution network strengthen its market reach.
- In the absence of a direct listed peer, the company is valued using an equal-weighted mix of consumer durables, solar, and battery peers. Factoring in company's relatively modest scale, we apply a ~37% discount to the ~24x FY28 average P/E, the company is valued at 15x FY28E EPS.
- UTLSOLAR delivered strong growth with a CAGR of 45%/78%/76% in revenue/EBITDA/Adj PAT over FY22–25. It is expected to post a CAGR of 56%/65%/65% over FY25–28 and currently trades at 27x/16x/11x FY26E/FY27E/FY28E EPS, with RoE/RoCE of 33%/28% in FY28E.
- **We value the company at 15x FY28E EPS with a TP of INR340 and a BUY rating.**

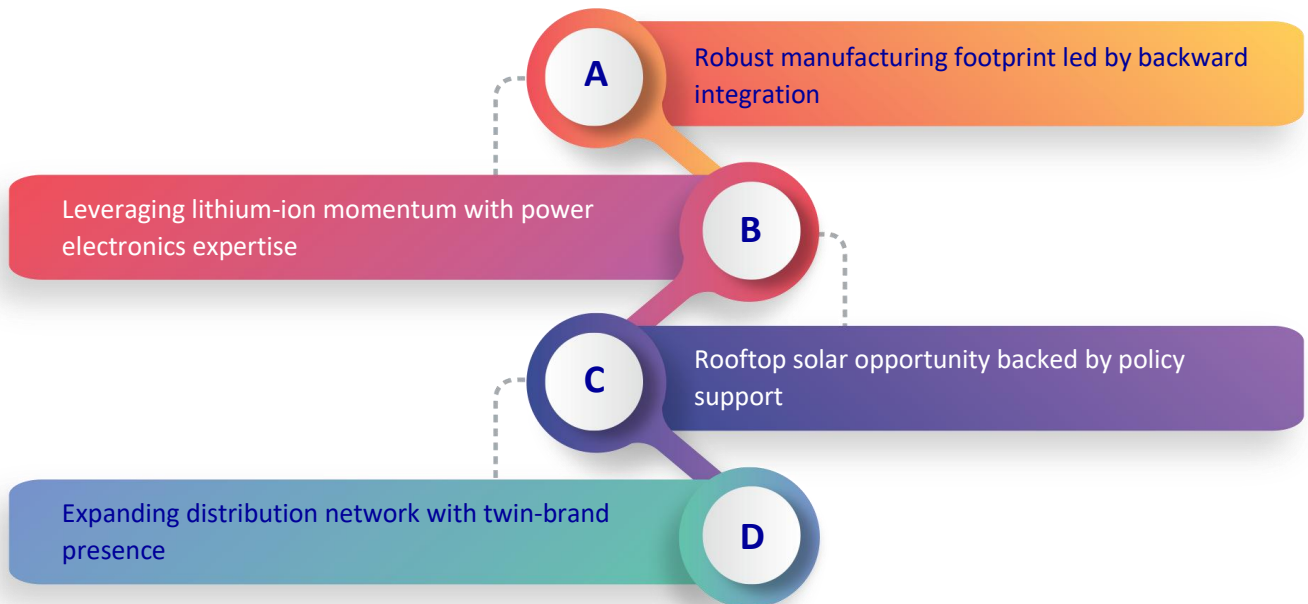
## STORY IN CHARTS

### Variety of products under UTLSolar's portfolio



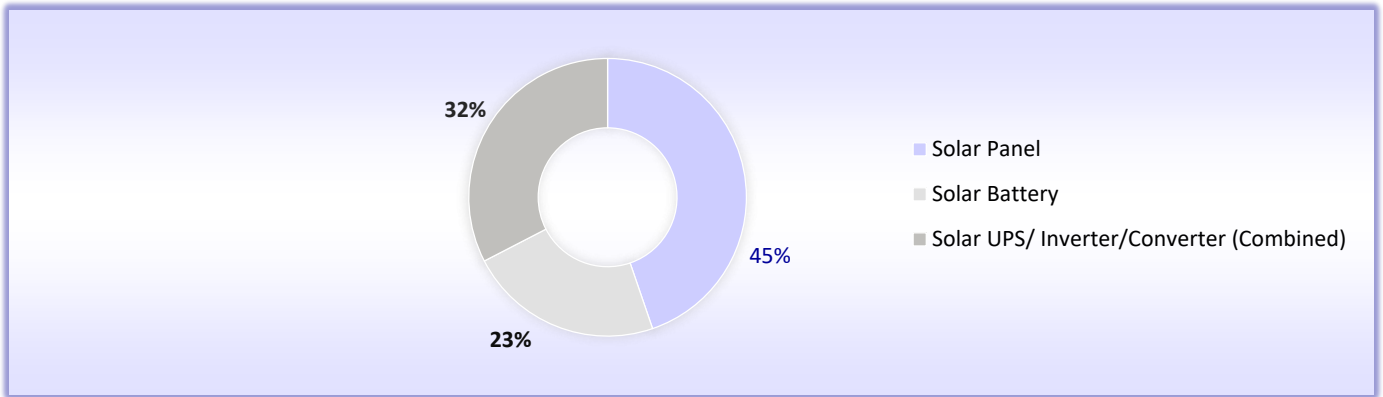
Source: Company

### Investment Arguments

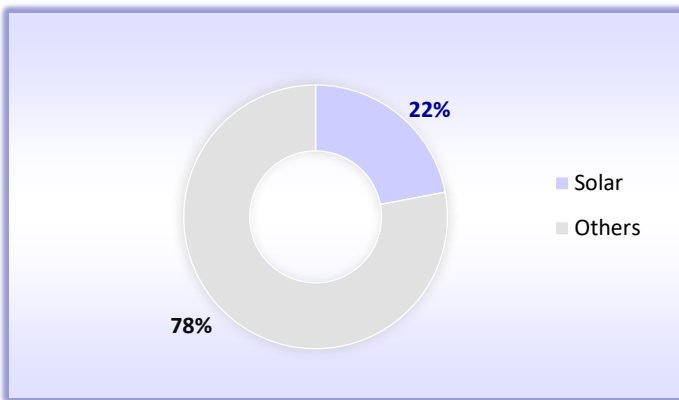


Source: Company

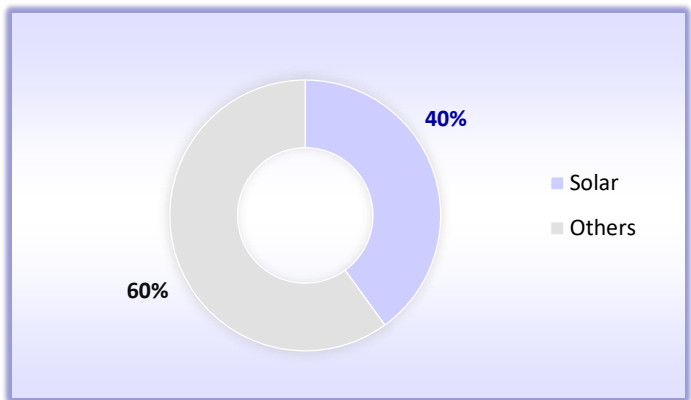
**Business mix (FY25)**



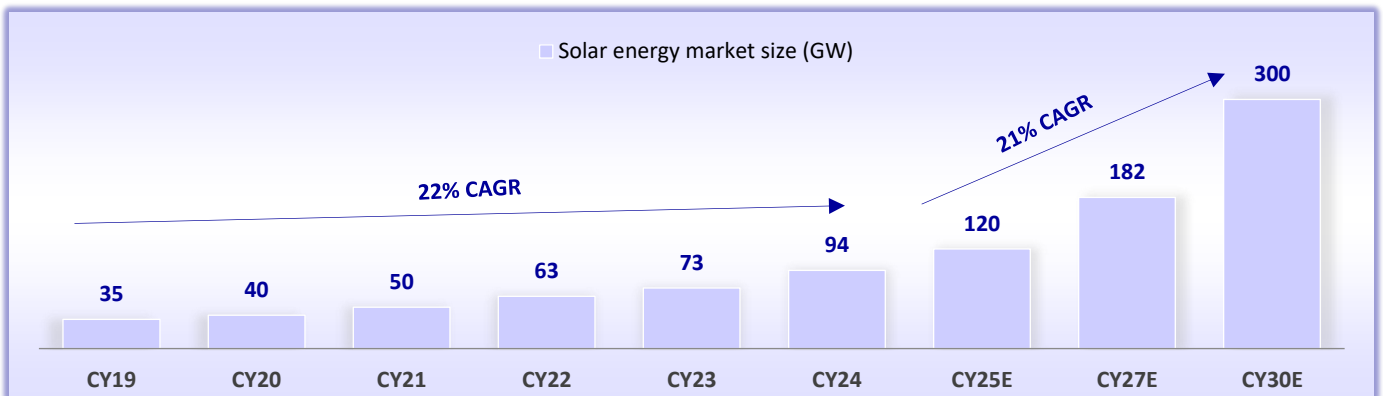
**Share of solar (FY25)...**



**...expected to increase in the energy mix (FY32)**



**India rapidly advancing toward 300GW capacity**



**Overview of existing capacity**

Location	Solar Panels (MW)	Power Electronics (MW)	Lithium-ion Batteries (MWh)	Tubular Batteries (MWh)
Greater Noida	368	1418	545	
Parwanoo		325		
Bawal	71			1318
Dadri	1200			
<b>Capacity by the end of Dec'25</b>	<b>1639</b>	<b>1743</b>	<b>545</b>	<b>1318</b>

Source: Company Data, MOFSL

**Expected capacity by FY28**

New Capacity Additions Post FY25	Solar Panels (MW)	Power Electronics (MW)	Lithium-ion Batteries (MWh)	Tubular Batteries (MWh)	Solar Cell (MW)
Greater Noida	368	1418	545		
Parwanoo		325			
Bawal	71				
Dadri	1200			1318	1000
Ratlam	2000	2000	2000		2000
<b>Total expected capacity by FY28</b>	<b>3639</b>	<b>3743</b>	<b>2545</b>	<b>1318</b>	<b>3000</b>

Source: Company Data, MOFSL

**Criteria-wise comparison with peers**

Process										R&D			Wide variety of SKUs
	Solar panel mfg.	Solar inverter mfg.	DC power supply system and EV charger mfg.	Tubular battery mfg.	Lithium ion battery mfg.	Channel sales network	Service network	Exclusive shoppe	Solar inverter	DC Power supply system & EV charger	Battery		
Fujiyama Power Systems	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Waaree Energies	✓	✓	✗	✗	✓	✓	✗	✓	✗	✗	✗	✗	✗
Exicom Telesystems	✗	✓	✓	✗	✓	✗	✓	✗	✓	✓	✓	✓	✓
Genus Innovation	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✗	✓
Insolation Energy	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Premier Energy	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗
Luminous Power	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Livguard Energy	✗	✗	✗	✓	✗	✓	✓	✗	✗	✗	✗	✗	✓
Microtek	✗	✓	✗	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓
Okaya Power	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗

Source: Company Data, MOFSL

**Valuation table**

Company Name	Market Cap (INRb)	Revenue CAGR (%) FY25 -28E	EBITDA CAGR (%) FY25 -28E	PAT CAGR (%) FY25 -28E	PE			EV / EBITDA			ROE (%)		
					FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
<b>Consumer Durables</b>													
POLYCAB	1,210	21	22	22	45	39	33	31	26	23	24	23	23
LGEIL	1,092	9	8	7	62	47	40	42	32	27	27	30	30
HAVL	846	12	15	15	56	45	38	37	30	26	17	20	20
VOLT	490	9	11	13	90	52	40	64	41	33	8	13	15
KEI	468	20	23	22	52	44	37	37	30	25	14	15	16
Blue Star	388	13	15	15	72	54	43	44	35	29	16	19	21
RRKABEL	165	18	31	31	34	28	24	23	19	15	21	20	21
Crompton	168	10	9	10	34	27	23	21	17	15	13	16	17
<b>Average</b>					<b>56</b>	<b>42</b>	<b>35</b>						
<b>Solar companies</b>													
Premier Energies	449	37	33	31	31	23	21	19	12	10	40	37	29
Waaree Energies	986	39	46	41	25	21	19	16	12	11	35	31	25
Acme Solar	184	66	67	75	36	30	14	15	9	5	11	12	21
Vikram Solar	81	55	69	80	18	15	10	8	5	3	20	17	20
<b>Average</b>					<b>28</b>	<b>22</b>	<b>16</b>						
<b>Battery manufacturers peer</b>													
Amaraj Raja	164	7	7	3	19	21	18	11	9	8	10	10	10
Exide	301	6	7	20	39	25	23	16	15	14	7	7	7
<b>Average</b>					<b>29</b>	<b>23</b>	<b>21</b>						
<b>Equal weighted valuation</b>							<b>24</b>						
<b>Discount to equally weighted valuation</b>													<b>~37%</b>

Source: BBG, MOFSL

**Trend across the three industries (INRb)**

Company Name	Revenue			EBITDA			EBITDA margins			PAT		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Consumer durables</b>												
POLYCAB	286	341	397	40	46	54	14	14	14	26,797	31,184	36,481
LGEIL	247	281	314	25	33	39	10	12	12	17,703	23,037	27,160
HAVL	232	268	306	22	28	33	10	10	11	15,187	18,941	22,508
VOLT	146	174	201	8	12	15	5	7	8	5,449	9,388	12,082
KEI	118	142	169	12	15	18	10	11	11	8,987	10,552	12,737
Blue Star	126	148	171	9	11	14	7	8	8	5,365	7,163	8,950
RRKABEL	94	109	126	7	9	11	8	8	9	4,753	5,761	6,997
Crompton	81	92	103	8	10	11	10	11	11	4,940	6,216	7,437
<b>Solar companies</b>												
Premier Energies	79	133	167	24	36	43	30	27	25	14,204	19,389	21,236
Waaree Energies	258	336	385	60	75	84	23	22	22	40,860	47,540	51,834
Acme Solar	21	35	65	18	31	57	88	88	89	4,965	6,064	13,462
Vikram Solar	45	87	126	9	15	24	19	17	19	4,480	5,545	8,167
<b>Battery manufacturers</b>												
Amaraj Raja	134	145	158	16	18	20	12	12	13	7,807	9,192	10,226
Exide	181	196	205	19	20	22	11	10	11	11,568	12,046	13,634

Source: BBG, MOFSL

UTLSOLAR has scaled its solar panels/solar batteries/power electronics capacity to more than 1.5GW each

The company serves its customers through an extensive pan-India distribution network of ~900 distributors, 6,300+ dealers, and 1,100+ exclusive shoppe franchisees (FY26E)

## Company overview

- UTLSOLAR is an integrated B2C player and solution provider in rooftop solar offering extensive range of products including online UPS, solar domestic off-grid and hybrid inverter, solar commercial off-grid and hybrid inverter, on-grid inverters, solar panels, tubular and lithium-ion batteries, battery chargers and solar management unit. As of Dec'25, UTLSOLAR has scaled its solar panels/solar batteries/power electronics capacity to more than 1.5GW each. The company is committed to promoting renewable energy and sustainability by offering high-quality, efficient, and cost-effective solar and power electronics solutions.
- In 1996, Pawan Kumar Garg established a sole proprietorship under the trade name UTL Electronics. In CY08, Pawan Kumar Garg and Yogesh Dua formed a partnership firm named Fujiyama Power Systems.
- The company was incorporated in CY17, and subsequently acquired the Fujiyama Power Systems business (in CY18) by way of slump sale (EV of INR1.6b).
- The company has a track record of being one of the few companies in India to develop online UPS with a single card, combo UPS along with automatic voltage regulation (AVR), high-frequency online UPS, and single card surface mount technology (SMT) inverter in India.
- The company serves its customers through an extensive pan-India distribution network of ~900 distributors, 6,300+ dealers, and 1,100+ exclusive shoppe franchisees (FY26E), who are trained to understand the needs of customers as well as to plan, evaluate, and supply customized solar systems and solutions.
- The company has ~7,500 channel partners and a strong team of 65 service engineers. This wide and entrenched retail presence is a significant competitive advantage, particularly in the rooftop segment, where customers trust service reliability.
- UTLSOLAR operates four manufacturing facilities located in Parwanoo (Himachal Pradesh), Greater Noida (Uttar Pradesh), Bawal (Haryana), and Dadri (Uttar Pradesh). Further, it plans to expand capacity in Ratlam (solar panels, lithium-ion batteries, and power electronics).

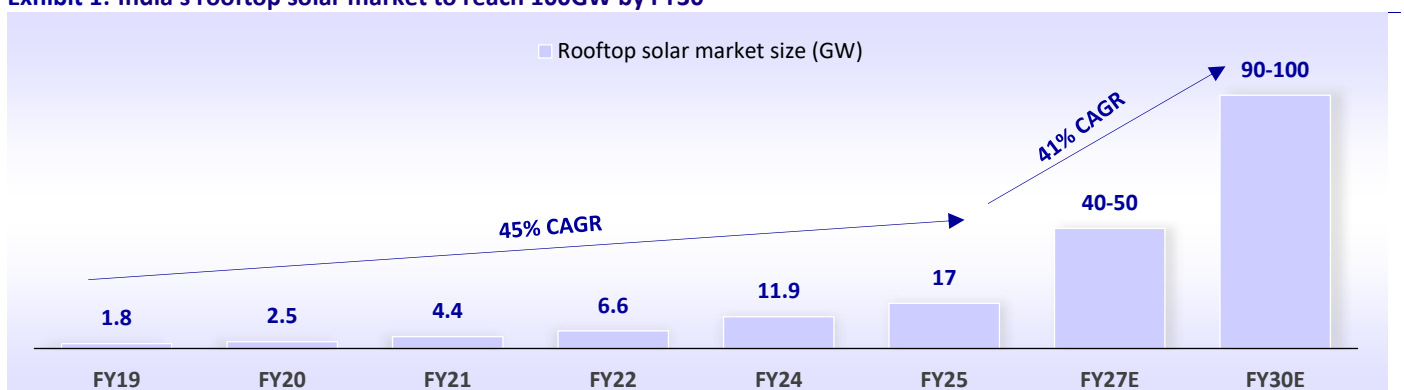
## Robust manufacturing footprint led by backward integration

As of Dec'25, UTLSOLAR has scaled its solar panels/solar batteries/power electronics capacity to more than 1.5GW each. The company is committed to promoting renewable energy and sustainability by offering high-quality, efficient, and cost-effective solar solutions. **Its growth prospects are strongly driven by government policies and incentives, rising energy demand, and climate change awareness.**

UTLSOLAR operates four manufacturing facilities located in Parwanoo (Himachal Pradesh), Greater Noida (Uttar Pradesh), Bawal (Haryana), and Dadri (Uttar Pradesh).

- UTLSOLAR operates four manufacturing facilities located in Parwanoo (Himachal Pradesh), Greater Noida (Uttar Pradesh), Bawal (Haryana), and Dadri (Uttar Pradesh). Additionally, the company plans to commission a greenfield facility in Ratlam by 1QFY27.
- The company's manufacturing facilities are strategically located near key end-customer markets. Its existing plants are equipped with advanced manufacturing equipment, enabling the company to deliver high-quality products to its customers.
- India's rooftop solar market is expected to scale to **~100GW by FY30**, driven by strong policy support and subsidies, declining system and battery costs, rising electricity tariffs, improved financing access, domestic manufacturing push, growing ESG and decarbonization commitments, and technological advancements enhancing system efficiency and reliability.
- Thus, the company intends to scale up capacity in solar panels/solar inverters/lithium-ion batteries by 2GW each in solar panels/ inverters/ batteries at Ratlam, **with a total capex of INR3b.**
- **Backed by strategic location, advanced manufacturing facilities, and strong rooftop solar demand tailwinds, the company's planned capacity expansion positions it well to capitalize on growth and strengthen its competitive position over the long term.**

**Exhibit 1: India's rooftop solar market to reach 100GW by FY30**



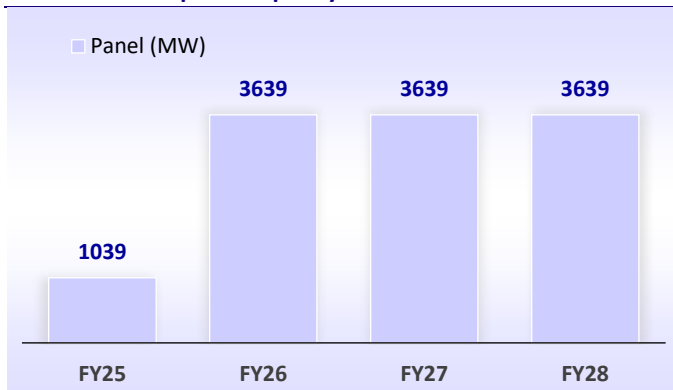
**Exhibit 2: Manufacturing facilities in close proximity to attractive end customers**



**Exhibit 3: Advanced manufacturing equipment**

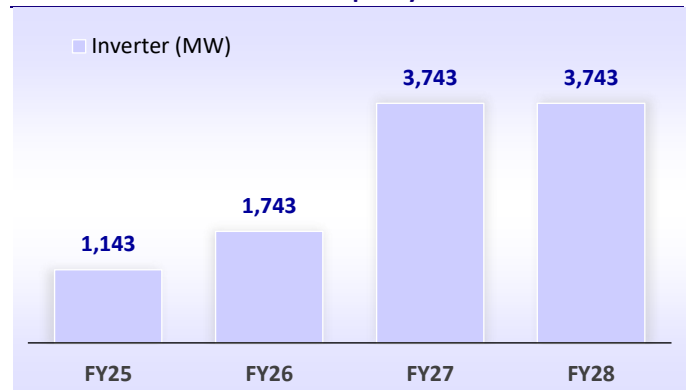


**Exhibit 4: Solar panel capacity trend**



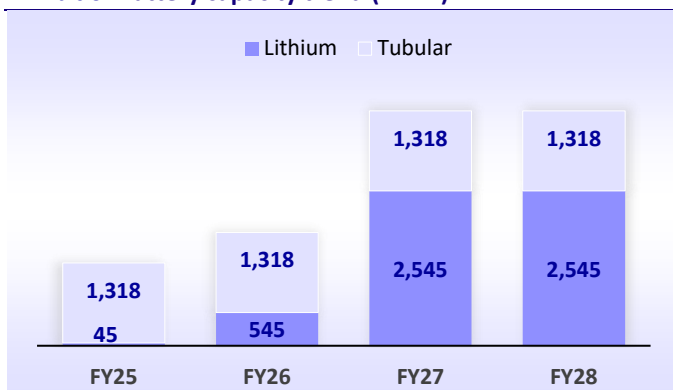
Source: Company, MOFSL

**Exhibit 5: Power electronics capacity trend**



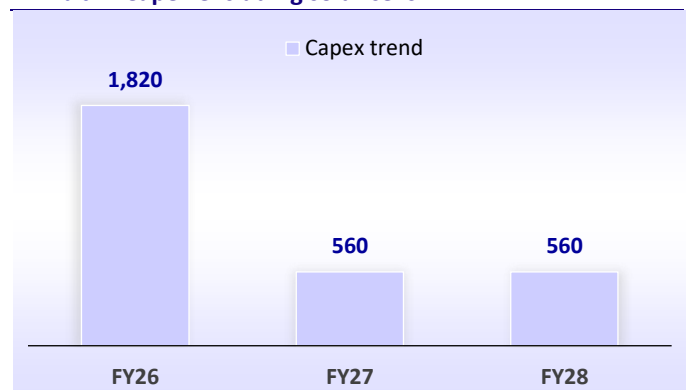
Source: MOFSL

**Exhibit 6: Battery capacity trend (MWh)**



Source: Company, MOFSL

**Exhibit 7: Capex excluding solar cells**



Source: Company, MOFSL

To reduce dependence on third-party suppliers and benefit from DCR subsidies, the company has commissioned a 1GW DCR solar cell manufacturing facility at Dadri (entailing a total capex of INR3b)

**Backward integration into solar cells to expand margins**

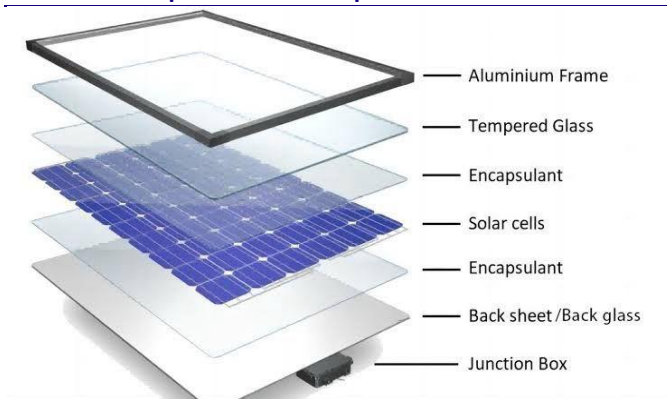
- Solar panels were the primary revenue driver in FY25, accounting for ~45% of the company’s total revenue. However, most of the raw materials used in solar panel manufacturing are currently sourced from external vendors.
- A solar panel consists of multiple components, including an aluminum frame, tempered glass, encapsulant, solar cells, back sheet, and junction box. **Among these, the solar cell is the most critical input as it converts sunlight into electricity and accounts for ~50% of the panel manufacturing cost.**
- At present, the company procures DCR solar cells from third party Indian manufacturers, which results in higher costs compared to in-house manufacturing. To reduce dependence on third-party suppliers and benefit from DCR subsidies, the company has commissioned a 1GW DCR solar cell manufacturing facility at Dadri, Uttar Pradesh (**entailing a total capex of INR3b**).
- Further, we expect the company to add 2GW of solar cell manufacturing capacity to achieve full backward integration in DCR solar panels, which would increase its share in the DCR solar panels market, primarily used in on-grid/hybrid solar systems.
- **Overall, backward integration into solar cell manufacturing is expected to improve cost competitiveness, enhance supply chain security, and support margin expansion, while positioning the company to capitalize on growing demand for DCR-compliant solar panels in the on-grid and hybrid segments.**

**Exhibit 8: Key components used in manufacturing solar panels**

Components	Use
Aluminum frame	❖ Gives the panel <b>strength and shape</b>
	❖ Helps in mounting the panel on rooftops or structures
Tempered glass	❖ Strong, transparent glass on top
	❖ <b>Protects cells</b> from dust, rain, wind, and impact
	❖ Allows sunlight to pass through
Encapsulant	❖ Placed <b>above and below the solar cells</b>
	❖ Holds cells in place and <b>protects them from moisture</b>
Solar cells	❖ Usually made from <b>silicon</b>
	❖ <b>Convert sunlight into electricity</b>
	❖ Many small cells are connected together to form one panel
Back sheet/back glass	❖ Usually made of plastic
	❖ <b>Protects the panel from the back</b>
	❖ Provides electrical insulation
Junction box	❖ Fixed at the back of the panel
	❖ Collects electricity from cells
	❖ Has <b>diodes</b> to prevent reverse current damage
Cables and connectors	❖ Carry electricity from the panel to the inverter
	❖ Usually MC4 connectors

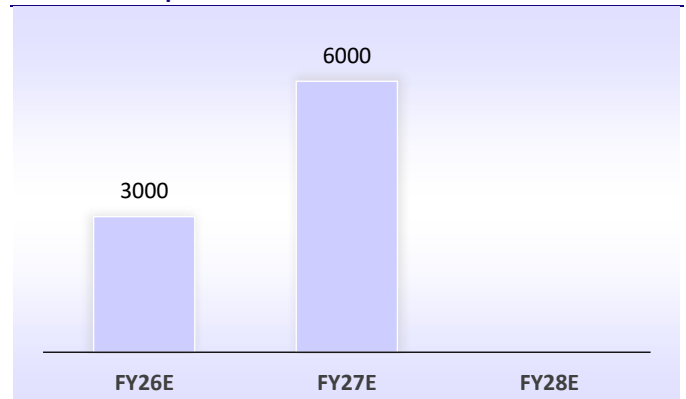
Source: Company, MOFSL

**Exhibit 9: Components of solar panels**



Source: Company, MOFSL

**Exhibit 10: Capex trend in solar cells**



Source: Company, MOFSL

Despite exposure to volatile silver and silicon prices in solar cell manufacturing, the company's ability to fully pass on input cost fluctuations to customers protects margins and limits earnings volatility.

**Raw material structure of solar cells**

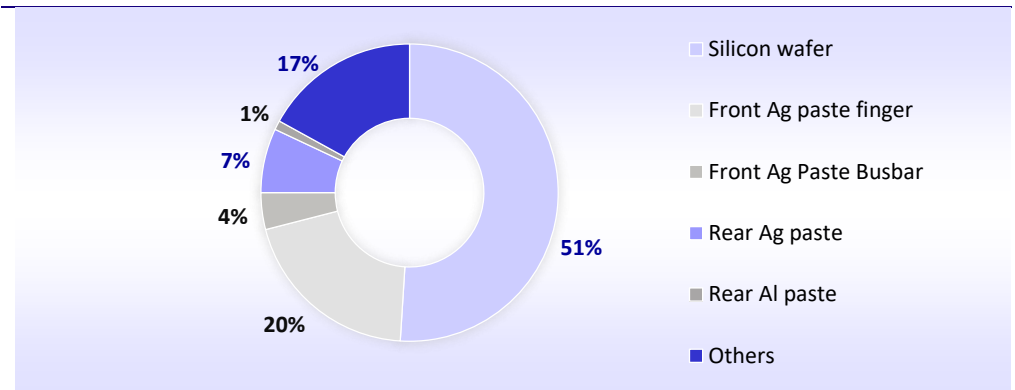
- The raw material cost structure of solar cells mainly comprises silicon wafer (~51% of total cost), front Ag paste finger (~20% of total cost), rear Ag paste (~7% of total cost), and front Ag paste busbar (~4% of total cost). Here, Ag represents silver.
- Although prices of these metals are volatile, the company passes on the entire cost increase to customers in a phased manner, thereby insulating it from any margin pressure due to the same. The company manages price volatility of these metals with planned procurement.
- **Despite exposure to volatile silver and silicon prices in solar cell manufacturing, the company's ability to fully pass on input cost fluctuations to customers protects margins and limits earnings volatility.**

**Exhibit 11: Key components used in manufacturing solar cells**

Components	Use
Silicon wafer	❖ Acts as the core semiconductor material of the solar cell.
	❖ Absorbs sunlight and generates electron-hole pairs, enabling conversion of solar energy into electricity.
	❖ Creates fine conductive grid lines on the front surface of the cell.
Front Ag paste finger	❖ Collects electrons generated in the silicon wafer and channels them to the busbars while minimizing shading losses.
Front Ag paste busbar	❖ Forms the main current-collecting lines on the front side of the cell.
	❖ Collects electricity from the fingers and transfers it to external circuits or interconnections.
Rear Ag paste	❖ Used on the back side of the solar cell to collect electricity efficiently.
	❖ Helps create a low-resistance electrical contact, ensuring smooth flow of current from the cell.
Rear Al paste	❖ Applied on the rear surface to form a protective and reflective layer.
	❖ Reduces energy losses by pushing electrons back into the cell, thereby improving efficiency.
	❖

Source: Company, MOFSL

**Exhibit 12: Cost mix in solar cells**



Source: Company, MOFSL

Gross margins of DCR solar panels could reach ~51% with in-house manufacturing, compared to ~27% when outsourcing DCR cells and ~23% when outsourcing non-DCR cells.

**In-house DCR solar cell manufacturing to result in healthier margins**

- The number of solar cell manufacturing companies in India has increased from two in CY22 to 10 in CY25. Accordingly, solar cell manufacturing capacity has expanded from 30MW in CY22 to ~16.7GW in CY25.
- We conducted a scenario analysis comparing in-house manufacturing of DCR panels with outsourcing DCR solar cells and outsourcing non-DCR solar cells. The analysis indicates that in-house manufacturing of DCR solar cells is expected to significantly expand the company’s gross margins.
- Gross margins of DCR solar panels could reach ~51% with in-house manufacturing, compared to ~27% when outsourcing DCR cells and ~23% when outsourcing non-DCR cells.
- **Overall, the analysis concludes that in-house manufacturing of DCR solar cells is the most value-accretive strategy, materially enhancing gross margins and strengthening the company’s long-term profitability and cost competitiveness compared to outsourcing alternatives.**

**Exhibit 13: Scenario analysis in solar panel manufacturing (INR/W)**

Particulars	DCR cells in-house	DCR cells outsourced	Non-DCR cells outsourced
Cell	6	12	6
Other materials	6.3	6.3	6.3
<b>RM cost</b>	<b>12.3</b>	<b>18.3</b>	<b>12.3</b>
Selling price	25	25	16
Gross profit	12.7	6.7	3.7
<b>Gross margins</b>	<b>51%</b>	<b>27%</b>	<b>23%</b>

Source: Company, MOFSL

- Even under a conservative assumption of realizations moderating from INR25 to INR18 per watt in the medium term due to rising competition, gross margins are expected to remain strong at ~32% at INR18 per watt, outperforming the other two alternatives.

**Exhibit 14: Scenario analysis of in-house DCR manufacturing at different realizations**

Particulars	Realization @ INR25	Realization @INR22	Realization @INR18
Cell	6	6	6
Other materials	6.3	6.3	6.3
<b>RM cost</b>	<b>12.3</b>	<b>12.3</b>	<b>12.3</b>
Selling price	25	22	18
Gross profit	12.7	9.7	5.7
<b>Gross margins</b>	<b>51%</b>	<b>44%</b>	<b>32%</b>

Source: Company, MOFSL

Higher margins in DCR solar cells have encouraged companies to bring DCR solar cell manufacturing in-house. This is evident from the sharp expansion of solar cell manufacturing capacity in India, **which increased from 30MW in CY22 to ~23GW in Dec'25.**

- Higher margins in DCR solar cells have encouraged companies to bring DCR solar cell manufacturing in-house. This is evident from the sharp expansion of solar cell manufacturing capacity in India, **which increased from 30MW in CY22 to ~23GW in Dec'25.** Further, the capacity is expected to expand from 23GW to 110GW by FY27/FY28 (up 5x), led by superior economics and increasing demand for solar cells. Nevertheless, the execution of the expected 110 GW DCR solar cell capacity remains contingent on sustained margin viability and demand parity in the DCR solar panel market.
- **Overall, the superior economics of DCR solar cells have acted as a strong catalyst for rapid capacity build-up and wider industry participation, underscoring a structural shift toward backward integration and a more robust domestic solar manufacturing ecosystem in India.**

**Exhibit 15: Solar cell capacity addition of key industry peers by FY27/28**

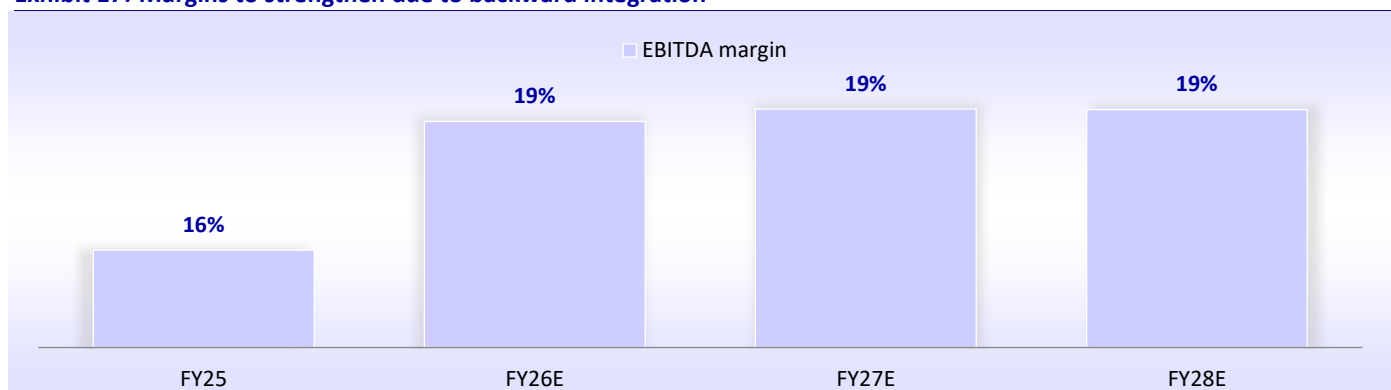
Company Name	Existing Cell Capacity	Additions Planned	Cumulative Cell Capacity
Saatvik Green Energy	-	4.8	4.8
Waaree Energies (Domestic)	5.4	10	15.4
Premier Energies	3.2	7.4	10.6
Goldi Solar	-	17.2	17.2
Emmvee Solar	2.9	6	8.9
Vikram Solar	-	12	12
ReNew Photovoltaics	2.5	4	6.5
Reliance	-	20	20
Adani	4	6	10
Tata Power	4.9	-	4.9
<b>Total</b>	<b>22.9</b>	<b>87.4</b>	<b>110.3</b>

Source: Companies, MOFSL

**Exhibit 16: Backward-integrated products in UTLsolar**

Products	Particulars
Tubular batteries	❖ Completely in-house
Lithium batteries	❖ BMS, harness, and cabinets (30%) are manufactured in-house, while the remaining components are procured from vendors in India
	❖ Lithium cells (60%) are imported (majorly from China)
On-grid inverters	❖ 30% of raw materials are manufactured in-house, including cabinets, coils, and heatsinks
Off-grid inverters	❖ 60% of raw materials are manufactured in-house, including cabinets, transformers, and heatsinks

Source: Company, MOFSL

**Exhibit 17: Margins to strengthen due to backward integration**


Source: Company, MOFSL

## Leveraging lithium-ion momentum through power electronics expertise

Considering the rising demand for lithium-ion batteries over tubular batteries, UTL SOLAR plans to expand lithium-ion battery capacity from 45MWh in FY25 to 2.5GWh by 1QFY27.

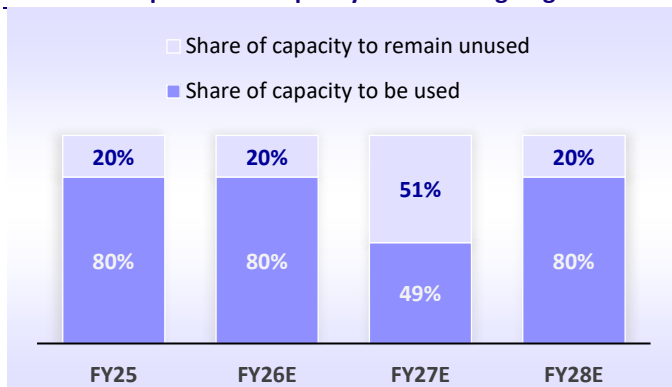
- A key trend in the battery market is the shift from traditional tubular batteries to lithium-ion options. While tubular batteries have long dominated the Indian market due to their affordability and availability, **lithium-ion technology is gaining momentum due to its extended lifespan and minimal maintenance.**
- Although lithium-ion batteries involve a higher upfront cost, their maintenance requirements are significantly lower than those of tubular batteries. **As a result, over the long term, lithium-ion batteries have proven to be a more cost-effective and efficient alternative to tubular batteries.**
- Considering the rising demand for lithium-ion batteries over tubular batteries, UTL SOLAR plans to expand lithium-ion battery capacity from 45MWh in FY25 to 2.5GWh by 1QFY27.
- Although the company plans a rapid capacity expansion, it intends to scale operational capacity in stages as customer demand grows. Consequently, **we expect operational capacity to increase from 36MWh in FY25 to 2.04GWh in FY28 (284% CAGR over the period).**
- **The battery market is shifting toward lithium-ion technology due to its longer life, lower maintenance, and better long-term cost efficiency. UTL SOLAR's planned expansion in lithium-ion capacity, with a phased increase in operations aligned to demand, positions the company well to capitalize on this trend and strengthen its market presence over the coming years.**

**Exhibit 18: Lithium-ion batteries vs tubular batteries**

Feature	Lithium-Ion Battery	Lead-Acid Battery
Charge Cycle	3500-4000 times	1500-2500 times
Maintenance	Minimal	Regular water topping needed
Charging Time	2-4 hours	8-10 hours
Weight	Lightweight	Heavy
Efficiency	95%+	Around 80%
Cost	Higher initial investment	Lower upfront cost
Eco-friendliness	Higher (recyclable, clean)	Lower (acid spills, lead content)

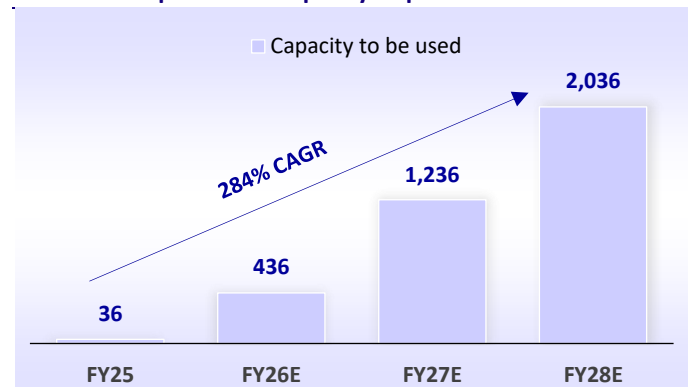
Source: MOFSL

**Exhibit 19: Operational capacity to increase going forward**



Source: Company, MOFSL

**Exhibit 20: Operational capacity to post a 209% CAGR**



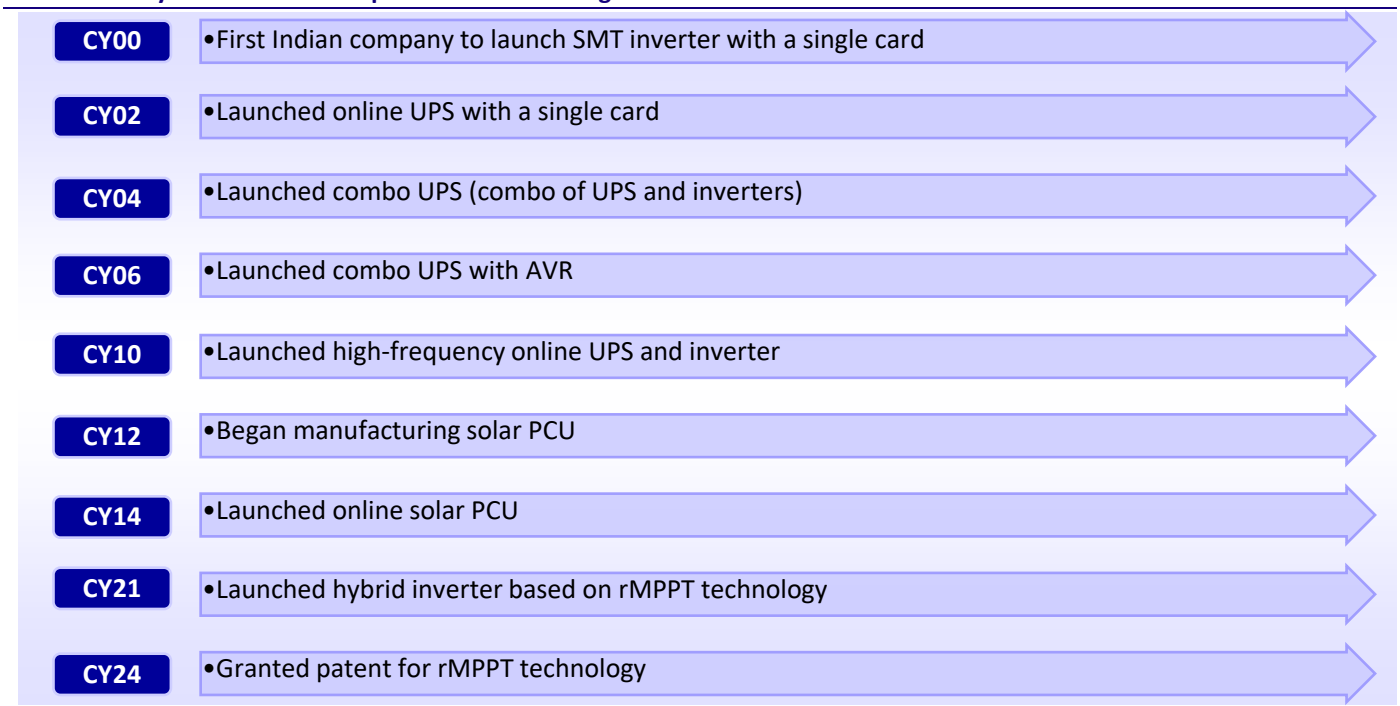
Source: Company, MOFSL

### Strong legacy and expansion in power electronics and solar inverters

UTLSOLAR became the first Indian company to develop an SMT inverter with a single-card design. **This design offers higher reliability, compact size, better performance, lower cost, easier servicing, and consistent quality due to fewer components and interconnections.**

- The company commenced operations in 1996 in the power electronics space and has since developed strong expertise in manufacturing inverters, converters, and uninterruptible power supply (UPS) systems.
- UTLSOLAR became the first Indian company to develop an SMT inverter with a single-card design. **This design offers higher reliability, compact size, better performance, lower cost, easier servicing, and consistent quality due to fewer components and interconnections.**
- Further, the company has achieved significant milestones in the power electronics space, including the launch of online UPS with a single-card design, combo UPS, and combo UPS with auto voltaic regulations, patented rMPPT among others.
- The solar inverter market is being driven by the growing integration of solar inverters with energy storage devices, including batteries, which offer a dependable source of electricity during periods of little to no sunlight. **Consequently, the Indian solar inverter market is expected to reach INR200b by CY31 from INR68b in CY24, with a CAGR of ~16.7% over the period**
- **Driven by strong growth in the solar inverter segment, the company plans to expand its solar inverter capacity by adding a 2GW greenfield facility in Ratlam by 1QFY27.**
- Backed by its strong legacy, technological leadership, and robust solar market growth, the company is well-positioned to scale operations, with the planned capacity addition strengthening its long-term growth outlook.
- **Overall, UTLSOLAR is well-placed to benefit from rising lithium-ion battery demand and growth in integrated solar-storage solutions, supporting sustained growth and a stronger competitive position.**

**Exhibit 21: Key milestones in the power electronics segment**



Source: Company, MOFSL

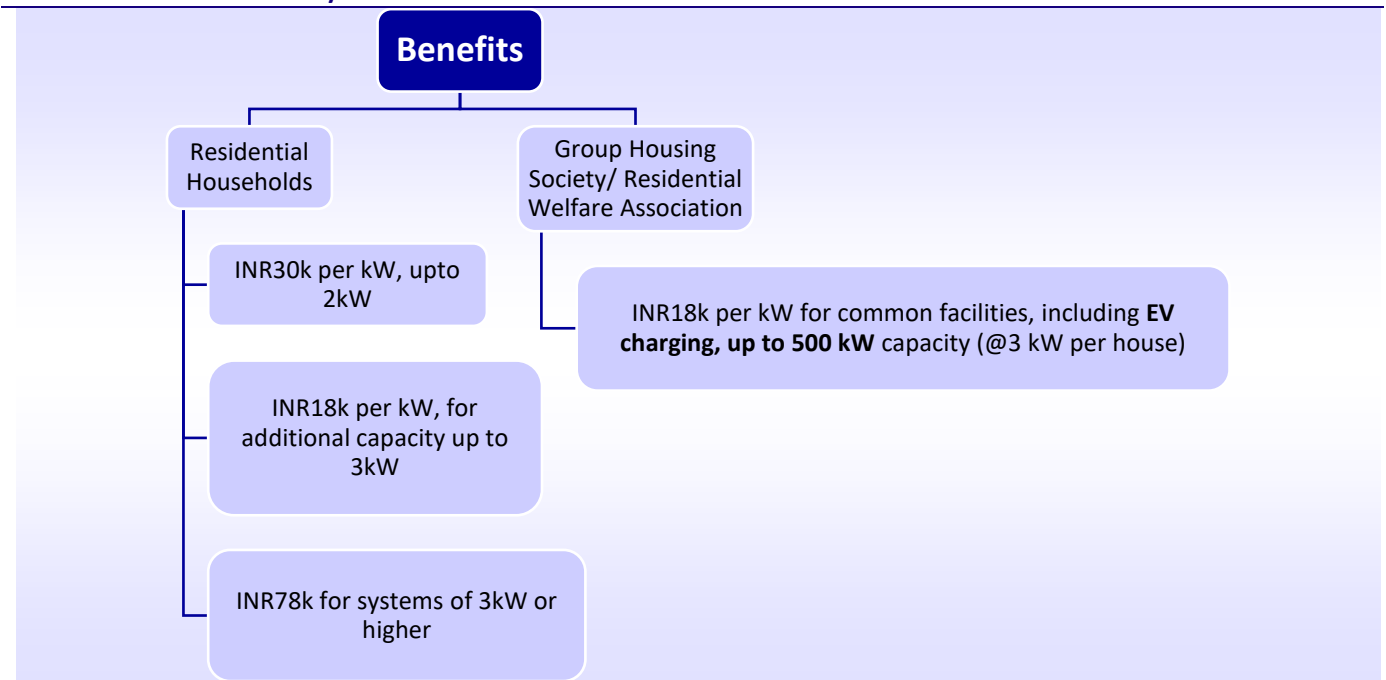
## Rooftop solar opportunity backed by policy support

The PMSGMBY scheme is a key policy initiative aimed at accelerating rooftop solar adoption in India, creating a significant and largely untapped growth opportunity for residential solar players.

The solar system solution provider must exclusively use materials that are compliant with DCR norms.

- **PMSGMBY targets installation of 10m** solar rooftops in the residential sector by FY27. The scheme provides benefits to residential households, group housing societies, and residential welfare associations. Installations under the scheme were expected to exceed 4m by Mar'26 (~2.9m installations as of 15<sup>th</sup> Apr'26), with expectations to achieve the target of 10m by Mar'27 (6m installations are expected to be done in FY27).
- The eligibility criteria to opt for this scheme are as follows:
  - The applicant must be an Indian citizen
  - The rooftop solar system must be with ongrid/hybrid inverter.
  - The applicant must own a house with a roof that is suitable for installing solar panels
  - The household must have a valid electricity connection
  - The household must have not availed any other subsidy for solar panels
  - **The solar system solution provider must exclusively use materials that are compliant with DCR norms.**

**Exhibit 22: Benefits offered by the PMSGMBY scheme**

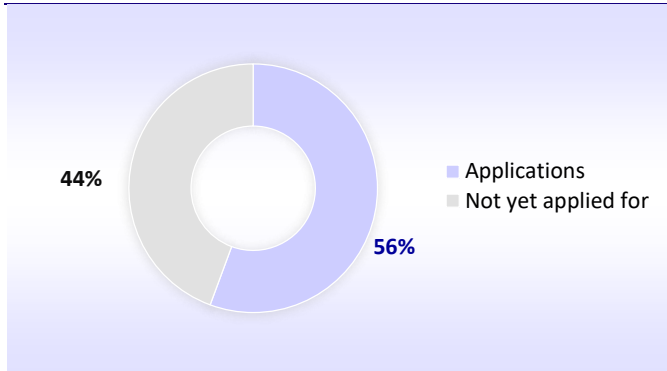


Source: Company data, MOFSL

Of the total market opportunity under the scheme, ~56% has been applied for. Additionally, only **29% (2.9m)** of the total requirement has been installed. This leaves a huge opportunity of **~7.1m** installations.

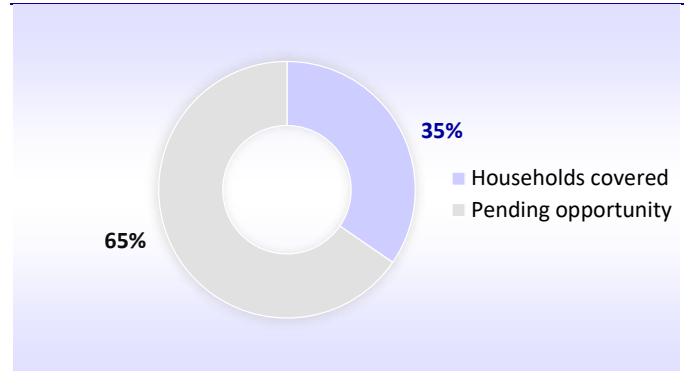
- Of the total market opportunity under the scheme, ~56% has been applied for. Additionally, only **29% (2.9m)** of the total requirement has been installed. This leaves a huge opportunity of **~7.1m** installations.
- Until 15<sup>th</sup> Apr'26, 10.3GW of total capacity has been installed across 2.9m households. **On average, ~3.6KW of capacity has been installed per household. With ~7.1m installations pending, this translates into an estimated ~25 GW of incremental capacity addition potential for the industry.**

**Exhibit 23: 56% of total opportunity has been applied for**



Source: PMSGMBY

**Exhibit 24: Huge pending opportunity**



Source: PMSGMBY

The commissioning of its 1GW DCR solar cell facility will enable participation in PMSGMBY-led demand, enhance presence in on-grid and hybrid systems, and drive sustained growth going forward.

- The company used to manufacture solar panels, majorly though non-DCR rooftop panels, which use imported solar cells and are largely deployed in off-grid solar systems.
- To tap into the emerging opportunity, the company is sourcing raw materials from DCR-compliant domestic vendors. Further, it has also commissioned solar cell capacity at Dadri.
- Further, this will enable the company to enhance its market share in the on-grid and hybrid solar system categories. **The commissioning of its 1GW DCR solar cell facility in Jan'26 will enable participation in PMSGMBY-led demand, enhance presence in on-grid and hybrid systems, and drive sustained growth going forward.**
- **Overall, the substantial untapped market opportunity under PMSGMBY, coupled with low installation conversion so far, indicates significant headroom for execution. With its established track record and integrated product portfolio, UTLSOLAR is well-positioned to capitalize on the accelerating adoption of rooftop solar and translate policy support into sustained growth going forward.**

## Expanding distribution network with twin-brand presence

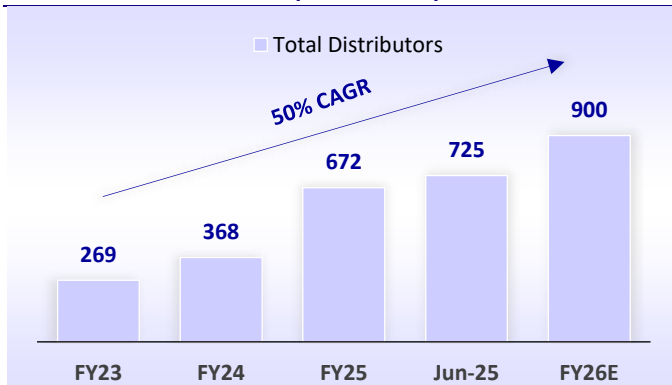
The company's distributor network has expanded significantly, increasing from ~482 in Sept'24 to ~800 by Sept'25, reflecting a 76% growth over the period.

The company is primarily a B2C player (~90%), distributing its products through an expansive network of distributors who further sell to dealers and franchisees. Though the company's distribution is majorly driven through dealers and franchisees, its distributors directly supply to industrial/commercial customers for large orders. **The company has an extensive pan-India distribution network of ~900 distributors, 6,300+ dealers, and 1,100+ exclusive UTLSOLAR shoppe franchisees (FY26E).**

- The company's distributor network has expanded significantly, increasing from ~482 in Sept'24 to ~800 by Sept'25, reflecting a 65% growth over the period. Further, the company's channel partners (including distributors, dealers, and shoppes) have grown more than double from ~3,700 in FY23 to 8,200+ as of Dec'25. **Additionally, the number of untapped states has declined from over 13 in FY22 to 10 in FY25, indicating improved geographic penetration.**
- This was led by a twin-brand strategy under UTLSOLAR and Fujiyama Solar, enabling the appointment of two distributors within the same city. This approach enhances market penetration and strengthens marketing and brand visibility by leveraging two distinct brands. **Accordingly, the company's distributor network is expected to reach 900 distributors by FY26 (from 269 in FY23, clocking a 50% CAGR).**
- Further, the company has increased its distributor presence states incl. Tamil Nadu, Telangana, Karnataka, Kerala, Andhra Pradesh, and Odisha. Total distributors in these states are expected to increase to 104 by FY26 (from 42 in FY23).
- **Overall, the company's expanding distributor network, aided by its twin-brand strategy, has significantly improved geographic penetration. Continued focus on underserved states positions the company well to sustain distributor growth and strengthen its market presence through FY26.**

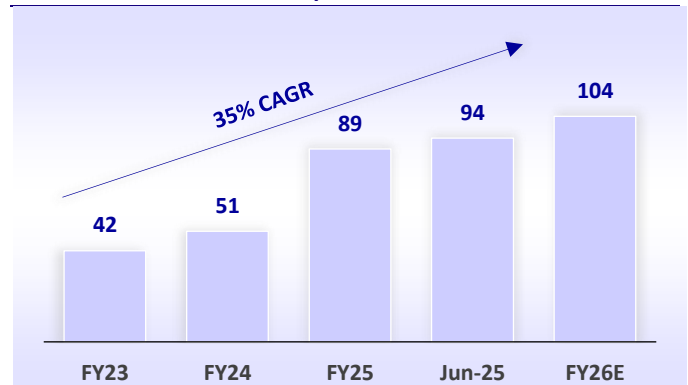
Accordingly, the company's distributor network is expected to reach 900 distributors by FY26 (from 269 in FY23, clocking a 50% CAGR).

Exhibit 25: Distributors expected to expand at a 50% CAGR



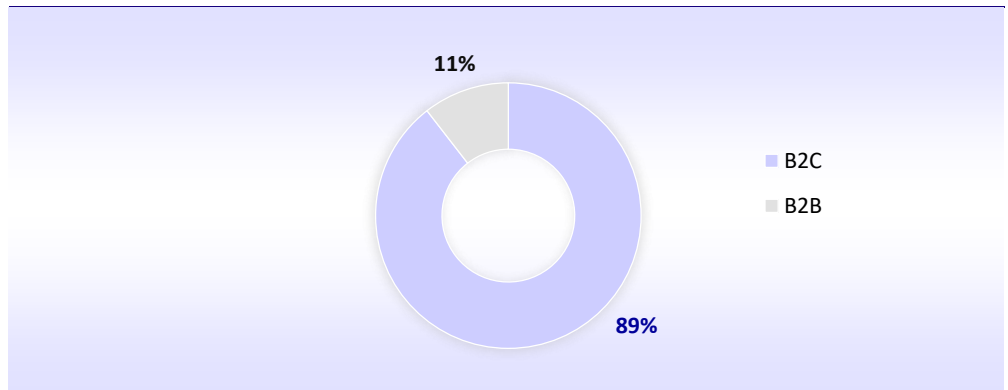
Source: Company, MOFSL

Exhibit 26: Distributors in special focus states to increase



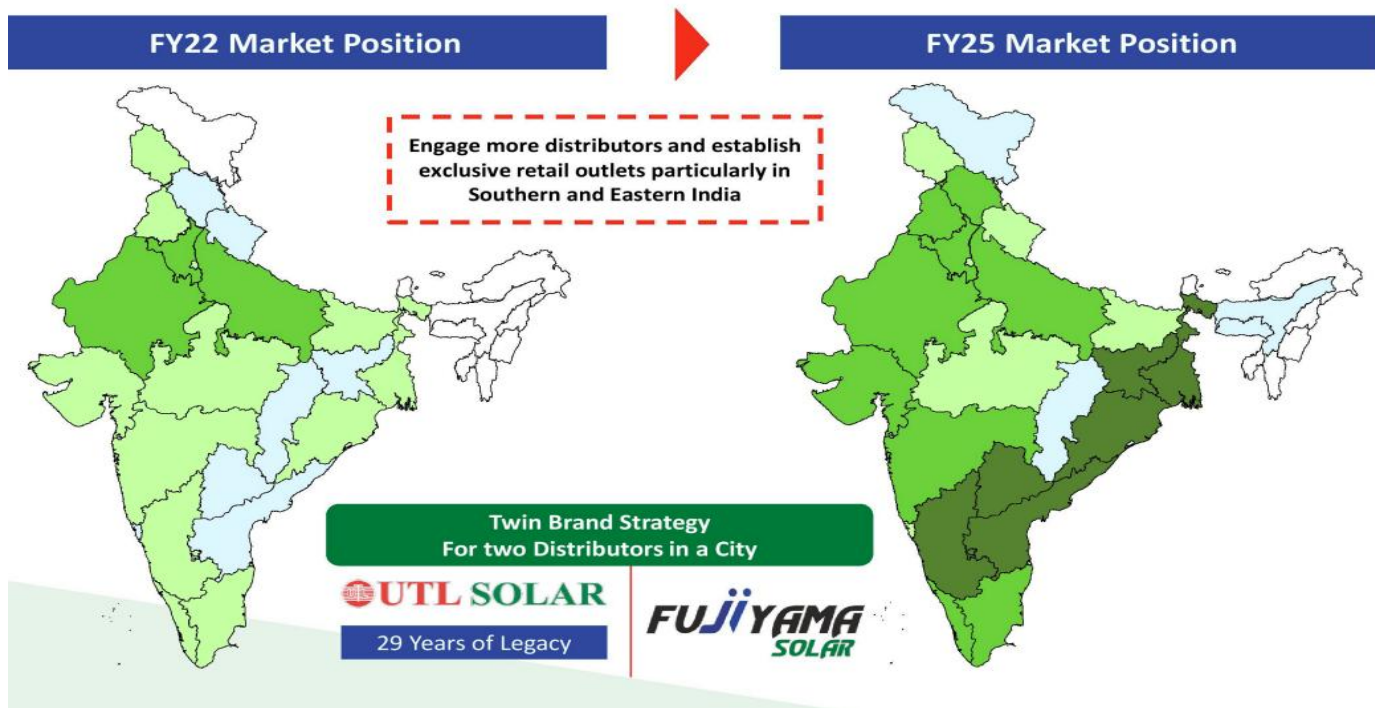
Source: Company, MOFSL

**Exhibit 27: B2C business accounts for ~90% revenue**



Source: Company, MOFSL

**Exhibit 28: UTLSOLAR is expanding its footprint to more states**



Source: Company

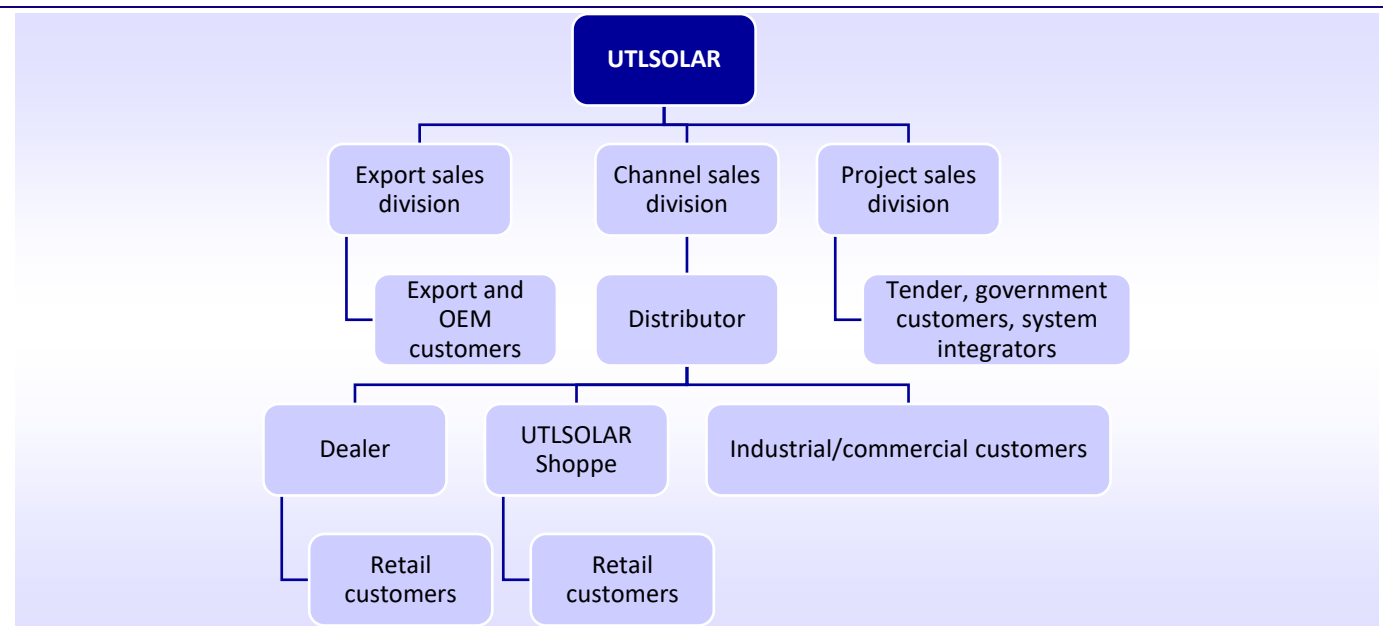
The company follows a franchise-led model wherein partners stock a wide range of products and guide customers in selecting and purchasing complete rooftop solar systems and components from a single platform.

- The company follows a franchise-led model wherein partners stock a wide range of products and guide customers in selecting and purchasing complete rooftop solar systems and components from a single platform.
- A dedicated local sales force—including regional and area sales managers, sales engineers, and sales-cum-collection managers—supports distributors in driving secondary sales, collections, and onboarding new dealers and distributors. **Channel partners and shoppe engineers are trained by the company prior to deployment.**
- UTLSOLAR shoppe is an exclusive branded retail/franchise outlet that sells UTL solar products and provides customer guidance and basic service support. These shoppes have increased from 942 in FY23 to 1,100 in Jun'25. **Further, the company expects to expand the shoppe facility to 1,400 by FY28 to support aggressive sales and distribution expansion.**

The project sales division operates independently of the channel sales network, allowing for a focused approach toward strategic alliances and the execution of large-scale projects.

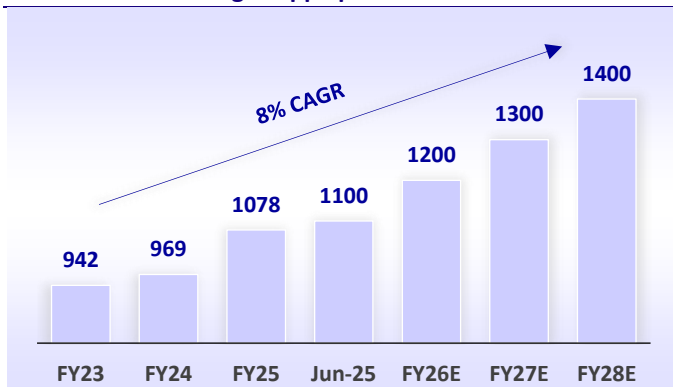
- The project sales division operates independently of the channel sales network, allowing for a focused approach toward strategic alliances and the execution of large-scale projects.
- In B2B, the company has established strong partnerships with system integrators in the telecom and renewable energy sectors, strengthening its capability to deliver end-to-end renewable energy solutions.
- Further, the team actively participates in tenders and empanelment processes for renewable energy schemes announced by state nodal agencies and the central government from time to time.
- Overall, the company's twin-brand approach, expanding distribution network, and focused sales structure provide a scalable go-to-market model, strengthening market reach and execution across both retail and project segments.

Exhibit 29: Sales network in UTLSOLAR



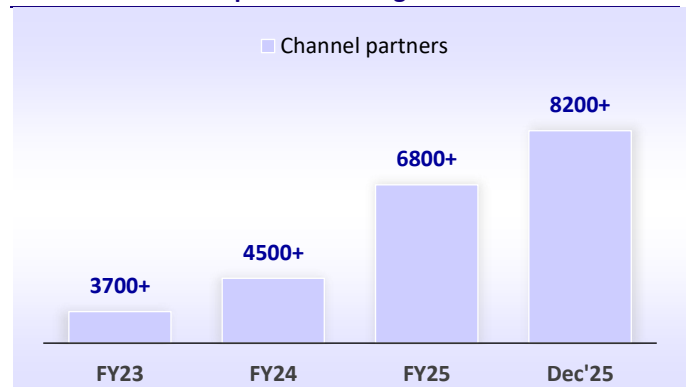
Source: Company

Exhibit 30: Increasing shoppe presence



Source: Company, MOFSL

Exhibit 31: Channel partners have grown more than 2x



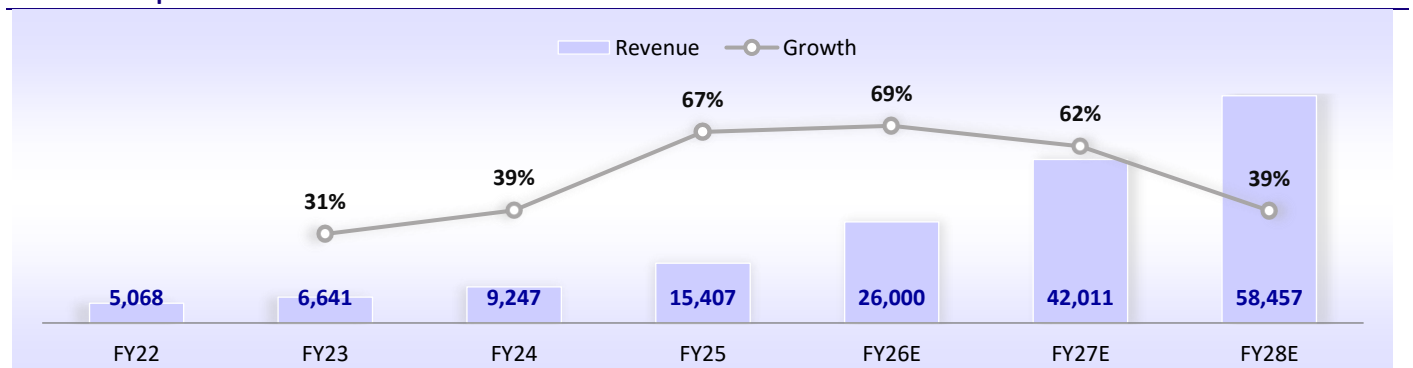
Source: Company, MOFSL

## Valuation and view

UTLSOLAR's capacity expansion is supported by a rapid scale-up in sales and distribution, with a growing pan-India network of distributors, dealers, and franchise-led shoppes improving market reach, especially in underpenetrated states.

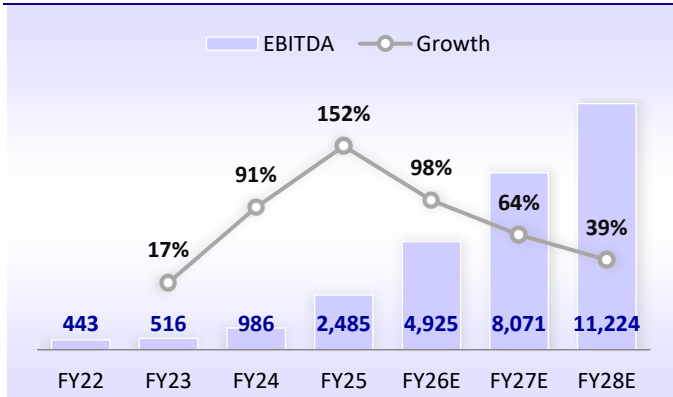
- UTLSOLAR is expanding capacity across all verticals to capitalize on accelerating rooftop solar demand, driven by policy support, consumer awareness, declining system costs, and rising power tariffs, while strengthening its position as an end-to-end solution provider.
- The opportunity is further strengthened by PMSGMBY, which targets 10m residential rooftop installations by FY27 (with ~7.1m installations still untapped, implying ~26GW potential). With eligibility contingent on DCR-compliant materials, the company's in-house DCR cell plant at Dadri positions it well to capture incremental demand under the scheme.
- Further, backward integration improves cost control, reduces reliance on imports, and enhances margins, while expansion in lithium-ion batteries and solar inverters positions the company to benefit from the solar energy upcycle. Overall, the multi-vertical capacity expansion is aligned with strong demand visibility, margin expansion, and long-term competitiveness.
- UTLSOLAR's capacity expansion is supported by a rapid scale-up in sales and distribution, with a growing pan-India network of distributors, dealers, and franchise-led shoppes improving market reach, especially in underpenetrated states. A dedicated project sales division further enables efficient execution of large institutional and commercial orders, aligning sales growth with expanding manufacturing capacity.
- Given the absence of a direct listed peer in the rooftop solar segment, we value the company using an equal-weighted blend of three comparable industries—consumer durables, solar, and batteries. The FY28 average P/E across these segments stands at ~24x. However, we assign a discount of ~37% to account for UTLSOLAR's relatively modest scale, valuing the company at 15x FY28E EPS.
- UTLSOLAR delivered a CAGR of 45%/78%/76% in revenue/EBITDA/Adj PAT over FY22-25. We expect the company to achieve a CAGR of 56%/65%/65% in revenue/EBITDA/adj. PAT over FY25-28. It currently trades at 27x/16x/11x FY26E/FY27E/FY28E EPS with an RoE/RoCE of 33%/28% in FY28E. We value UTLSOLAR at 15x FY28E EPS to arrive at our TP of INR340. We initiate coverage with a BUY rating on the stock.

**Exhibit 32: Expect revenue CAGR of 56% over FY25-28**



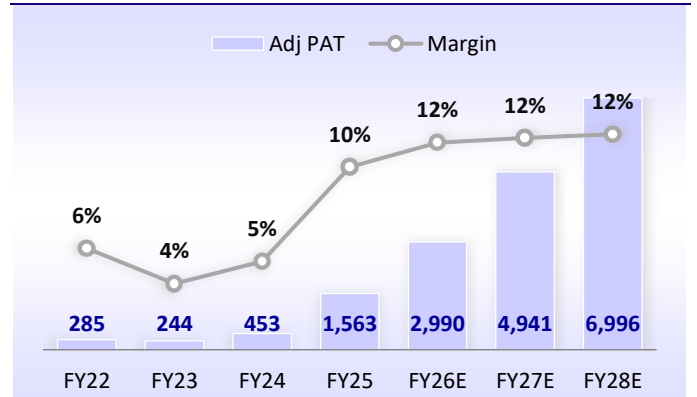
Source: MOFSL

**Exhibit 33: EBITDA to clock a CAGR of 65% over FY25-28E**



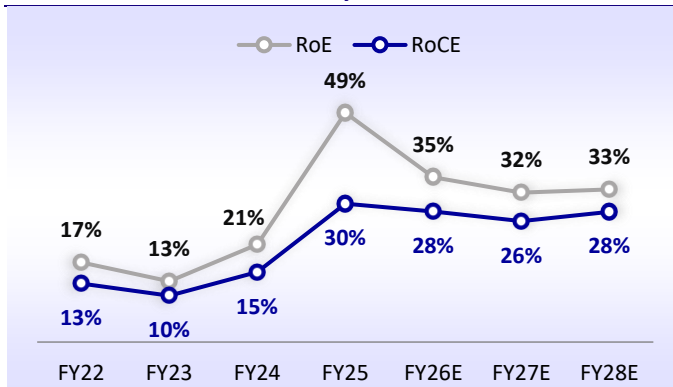
Source: MOFSL

**Exhibit 34: PAT to expand at a 65% CAGR over FY25-28E**



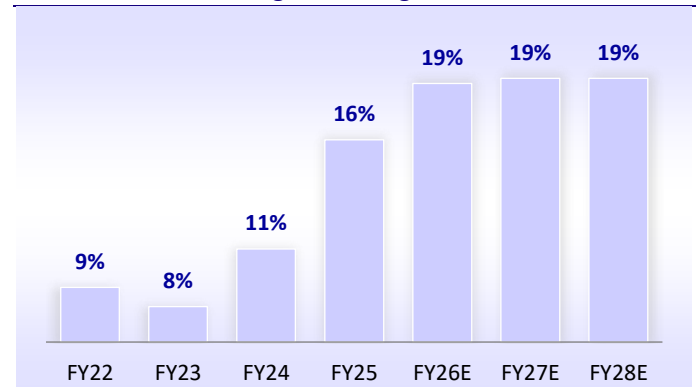
Source: MOFSL

**Exhibit 35: To maintain healthy RoE and RoCE**



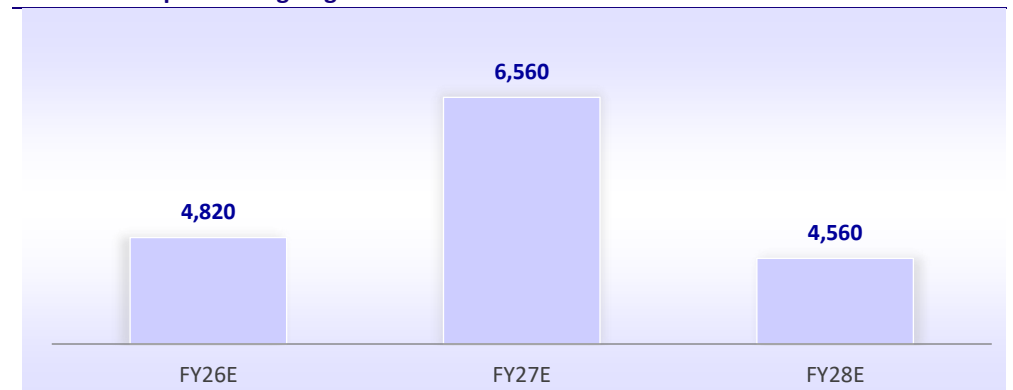
Source: MOFSL

**Exhibit 36: EBITDA margin to strengthen**



Source: MOFSL

**Exhibit 37: Capex trend going forward**



Source: MOFSL

The company has outlined substantial capacity expansion plans across product categories. Delays in executing the planned capex could defer capacity additions and slow down the company's growth trajectory.

## Key risks

- The company's manufacturing operations are exposed to operational risks. Any shutdown of existing or upcoming facilities, or disruptions arising from unforeseen events, could impact production, reduce sales, and adversely affect business performance.
- The company relies on third-party suppliers for key raw materials and components. Any disruption in supply, constraints in sourcing materials that meet required quality standards, or volatility in input prices could negatively impact operations and profitability.
- The company's retail sales growth is closely linked to the strength of its relationships with distributors, dealers, and franchisees. Any inability to sustain or expand this distribution network could adversely affect sales momentum.
- The company has outlined substantial capacity expansion plans across product categories. Delays in executing the planned capex could defer capacity additions and slow down the company's growth trajectory.

## ESG initiatives



### Environmental initiatives

- UTLSOLAR manufactures and supplies solar panels, inverters, batteries, and complete solar rooftop systems—directly supporting clean energy adoption and reduced reliance on fossil fuels.
- The company's products (solar panels and power electronics) are designed for high efficiency and performance to maximize energy yield and minimize wastage.
- The company has delivered significant capacity across India (e.g. cumulative solar panels, inverters, and solar batteries) to enhance distributed renewable generation.
- Company has announced 15 MW (Banda, UP) solar park held for captive consumption

### CSR initiatives

- The company spends towards CSR under NAPS (National Apprenticeship Promotion Scheme) apprenticeship training 'apprentices Act,1961
- The company engages in partner training and enablement across its dealer/distributor network to improve technical competence and service quality.

### Governance

- The Board comprises highly experienced persons of repute and is optimum, balanced, and diverse to benefit from fresh perspectives, new ideas, and broad experience.
- As of Dec'25, the company's Board had six members, with Mr. Pawan Kumar Garg serving as Chairman and Joint Managing Director. Further, the Board comprises three independent directors (50% of the total strength).

## Bull and Bear cases

Exhibit 38: Bull and Bear cases

		FY26E	FY27E	FY28E	CAGR % (FY25-28E)	Reasoning
<b>Bear case</b>	Revenue (INR m)	24,767	38,038	49,886	48	❖ Lower growth on account of planned expansion not being added on a timely basis
10x P/E	EBITDA (INR m)	4,552	6,777	8,408	50	
<b>INR170</b>	EPS (INR)	9.0	13.5	17.1	50	
<b>Base case</b>	Revenue (INR m)	26,000	42,011	58,457	56	❖ Revenue growth driven by demand-led capacity expansion
15x P/E	EBITDA (INR m)	4,925	8,071	11,224	65	
<b>INR340</b>	EPS (INR)	9.8	16.1	22.8	65	
<b>Bull case</b>	Revenue (INR m)	27,233	46,181	67,954	64	❖ Margin expansion to be supported by improving operating leverage and strengthening demand momentum
20x P/E	EBITDA (INR m)	5,297	9,476	14,600	80	
<b>INR600</b>	EPS (INR)	10.5	19.0	29.7	80	

Source: MOFSL

## SWOT analysis

- ✔ UTLSOLAR operates across multiple categories in the rooftop solar domain, providing it with a competitive advantage over other players.
- ✔ The company has built a strong distribution network with a deep presence in tier-2 and tier-3 cities.

**S**

STRENGTH



- ✔ Although company has backward integration in all three components i.e solar panel, solar inverter, battery, current dependence on Import (25% of total purchase) is a major weakness

**W**

WEAKNESS



- ✔ Demand for rooftop solar is increasing, supported by PMSGMBY.
- ✔ Further, India's rooftop solar market is expected to scale to ~100GW by FY30, driven by rising electricity costs, declining battery system costs, and strong policy support.

**O**

OPPORTUNITY



- ✔ Retail sales growth depends on a strong distributor, dealer, and franchisee network; any weakness in expanding or retaining this network could impact growth.
- ✔ Delays in executing planned capex could postpone capacity additions and slow growth.

**T**

THREATS



## Management team



### Mr. Pawan Kumar Garg, Chairman and Joint Managing Director

- Mr. Garg holds a diploma in industrial electronics & instrumentation from the Government Institute of Engineering and Technology, Hisar.
- He has been associated with the company since CY17. He has over 29 years of experience in hardware and software design of solar equipment and R&D in solar equipment. He is also a partner at the company and was previously associated with UTL Electronics as a founder.



### Mr. Yogesh Dua, CEO and Joint Managing Director

- Mr. Dua holds a diploma in industrial electronics & instrumentation from the Government Institute of Engineering and Technology, Hisar.
- He has been associated with the company since CY17, and brings over 29 years of experience in power electronics and the solar industry. He is responsible for marketing, sales, research and development, and managing the day-to-day operations of the company.



### Mr. Sunil Kumar, Non-executive Director

- Mr. Kumar holds a bachelor's degree in technology in electrical engineering from the Indian Institute of Technology, Delhi
- He has over 24 years of experience in developing software solutions. He is also associated with Sowiz Solutions Private Limited as the CEO and was previously associated with Google LLC as senior software engineer, Xilinx Inc as a software engineer, and Mentor Graphics (India) Private Limited as the lead manager of technical staff.



### Mr. Prashant Gupta, CFO

- Mr. Gupta has been associated with the company since Nov'24, and is responsible for overseeing the company's overall financials.
- He has 11 years of experience in accounting and finance. Prior to joining the company, he was associated with Hindware Limited as assistant general manager, Triguna Hospitality Ventures (Private Limited) as finance manager, MSKA & Associate as assistant manager, MZSKA & Associates as a senior associate, and S.R. Batliboi & Co. as associate executive.



### Mr. Rajesh Kumar Choudhary, Independent director

- Mr. Choudhary has over 18 years of experience in banking services. He was previously associated with Standard Chartered Bank as an associate director, Axis Bank as a senior manager, and the State Bank of Bikaner and Jaipur as an assistant manager.

## Financials and valuations

Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>5,068</b>	<b>6,641</b>	<b>9,247</b>	<b>15,407</b>	<b>26,000</b>	<b>42,011</b>	<b>58,457</b>
Change (%)	25.1	31.0	39.2	66.6	68.8	61.6	39.1
RM Cost	3,826	5,178	7,175	11,419	18,681	29,963	41,109
Employees Cost	328	436	506	699	1,108	1,879	2,511
Other Expenses	471	511	579	804	1,286	2,098	3,613
<b>Total Expenditure</b>	<b>4,626</b>	<b>6,125</b>	<b>8,261</b>	<b>12,922</b>	<b>21,075</b>	<b>33,940</b>	<b>47,233</b>
% of Sales	91.3	92.2	89.3	83.9	81.1	80.8	80.8
<b>EBITDA</b>	<b>443</b>	<b>516</b>	<b>986</b>	<b>2,485</b>	<b>4,925</b>	<b>8,071</b>	<b>11,224</b>
Margin (%)	8.7	7.8	10.7	16.1	18.9	19.2	19.2
Depreciation	14	59	128	180	474	811	1,252
<b>EBIT</b>	<b>429</b>	<b>457</b>	<b>858</b>	<b>2,305</b>	<b>4,451</b>	<b>7,260</b>	<b>9,972</b>
Int. and Finance Charges	46	154	257	268	467	714	677
Other Income	13	12	25	94	30	60	58
<b>PBT bef. EO Exp.</b>	<b>396</b>	<b>315</b>	<b>626</b>	<b>2,131</b>	<b>4,013</b>	<b>6,606</b>	<b>9,353</b>
EO Items	0	0	0	0	6	0	0
<b>PBT after EO Exp.</b>	<b>396</b>	<b>315</b>	<b>626</b>	<b>2,131</b>	<b>4,008</b>	<b>6,606</b>	<b>9,353</b>
Total Tax	110	71	173	568	1,022	1,665	2,357
Tax Rate (%)	27.8	22.6	27.6	26.6	25.5	25.2	25.2
Minority Interest	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>285</b>	<b>244</b>	<b>453</b>	<b>1,563</b>	<b>2,986</b>	<b>4,941</b>	<b>6,996</b>
<b>Adjusted PAT</b>	<b>285</b>	<b>244</b>	<b>453</b>	<b>1,563</b>	<b>2,990</b>	<b>4,941</b>	<b>6,996</b>
Change (%)	44.4	-14.6	85.9	245.1	91.3	65.3	41.6
Margin (%)	5.6	3.7	4.9	10.1	11.5	11.8	12.0

Consolidated - Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	136	136	245	280	306	306	306
Preference Capital	1,089	1,089	0	0	0	0	0
Total Reserves	585	706	2,150	3,688	12,648	17,589	24,585
<b>Net Worth</b>	<b>1,811</b>	<b>1,931</b>	<b>2,395</b>	<b>3,968</b>	<b>12,954</b>	<b>17,895</b>	<b>24,891</b>
Minority Interest	0	0	0	0	0	0	0
Total Loans	1,414	2,153	2,046	3,462	3,462	7,962	2,962
Deferred Tax Liabilities	-6	42	115	206	206	206	206
<b>Capital Employed</b>	<b>3,219</b>	<b>4,126</b>	<b>4,556</b>	<b>7,637</b>	<b>16,623</b>	<b>26,064</b>	<b>28,060</b>
Gross Block	462	1,796	2,383	3,987	8,307	14,867	19,427
Less: Accum. Deprn.	14	59	186	366	840	1,651	2,902
<b>Net Fixed Assets</b>	<b>449</b>	<b>1,737</b>	<b>2,197</b>	<b>3,620</b>	<b>7,467</b>	<b>13,216</b>	<b>16,524</b>
Goodwill on Consolidation	693	564	564	564	564	564	564
Capital WIP	0	80	0	0	500	0	0
<b>Total Investments</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>
Current Investments	0	0	0	0	0	0	0
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,851</b>	<b>2,744</b>	<b>3,336</b>	<b>5,904</b>	<b>11,725</b>	<b>18,183</b>	<b>19,201</b>
Inventory	1,781	1,872	2,321	3,826	6,060	9,745	10,956
Account Receivables	395	285	647	731	1,425	2,302	3,203
Cash and Bank Balance	0	1	149	206	3,135	4,351	2,557
Loans and Advances	675	585	219	1,141	1,105	1,785	2,484
<b>Curr. Liability &amp; Prov.</b>	<b>774</b>	<b>1,019</b>	<b>1,540</b>	<b>2,503</b>	<b>3,684</b>	<b>5,950</b>	<b>8,280</b>
Account Payables	457	714	1,151	1,205	2,457	3,967	5,521
Other Current Liabilities	277	265	340	1,219	1,066	1,722	2,397
Provisions	40	41	49	80	161	260	362
<b>Net Current Assets</b>	<b>2,077</b>	<b>1,724</b>	<b>1,796</b>	<b>3,401</b>	<b>8,040</b>	<b>12,232</b>	<b>10,920</b>
Misc Expenditure	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>3,219</b>	<b>4,126</b>	<b>4,556</b>	<b>7,637</b>	<b>16,623</b>	<b>26,064</b>	<b>28,060</b>

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>							
EPS	0.9	0.8	1.5	5.1	9.8	16.1	22.8
Cash EPS	1.0	1.0	1.9	5.7	11.3	18.8	26.9
BV/Share	5.9	6.3	7.8	13.0	42.3	58.4	81.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
P/E	278	326	175	50.7	27	16	11
Cash P/E	265	262	137	45.5	22.9	13.8	9.6
P/BV	44	41	33	20.0	6.1	4.4	3.2
EV/Sales	16	12	9	5.4	3.1	2.0	1.4
EV/EBITDA	182	158	82	33.2	16.2	10.3	7.1
Dividend Yield (%)	0	0	0	0.0	0.0	0.0	0.0
FCF per share	-7	-4	2	-3.5	-8.6	-8.6	12.5
<b>Return Ratios (%)</b>							
RoE	17.1	13.0	20.9	49.1	35.3	32.0	32.7
RoCE	12.6	9.9	15.0	29.7	28.0	25.9	27.9
RoIC	12.2	9.8	14.7	28.7	32.6	31.4	31.7
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	11.0	3.7	3.9	3.9	3.1	2.8	3.0
Asset Turnover (x)	1.6	1.6	2.0	2.0	1.6	1.6	2.1
Inventory (Days)	128	103	92	91	85	85	68
Debtor (Days)	28	16	26	17	20	20	20
Creditor (Days)	33	39	45	29	34	34	34
<b>Leverage Ratio (x)</b>							
Current Ratio	3.7	2.7	2.2	2.4	3.2	3.1	2.3
Interest Cover Ratio	9.2	3.0	3.3	8.6	9.5	10.2	14.7
Net Debt/Equity	0.8	1.1	0.8	0.8	0.0	0.2	0.0

### Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	396	315	626	2,131	4,013	6,606	9,353
Depreciation	14	59	128	180	474	811	1,252
Interest & Finance Charges	46	154	257	268	438	654	619
Direct Taxes Paid	-147	-31	-75	-436	-1,022	-1,665	-2,357
(Inc)/Dec in WC	-892	282	-155	-1,987	-1,710	-2,977	-481
<b>CF from Operations</b>	<b>-584</b>	<b>779</b>	<b>782</b>	<b>156</b>	<b>2,193</b>	<b>3,429</b>	<b>8,385</b>
Others	-1	0	72	25	0	0	0
<b>CF from Operating incl EO</b>	<b>-585</b>	<b>779</b>	<b>855</b>	<b>181</b>	<b>2,193</b>	<b>3,429</b>	<b>8,385</b>
(Inc)/Dec in FA	-324	-1,371	-471	-1,148	-4,820	-6,060	-4,560
<b>Free Cash Flow</b>	<b>-908</b>	<b>-593</b>	<b>384</b>	<b>-967</b>	<b>-2,627</b>	<b>-2,631</b>	<b>3,825</b>
(Pur)/Sale of Investments	-139	47	34	0	0	0	0
Others	5	2	-9	-33	30	60	58
<b>CF from Investments</b>	<b>-457</b>	<b>-1,323</b>	<b>-446</b>	<b>-1,181</b>	<b>-4,790</b>	<b>-6,000</b>	<b>-4,502</b>
Issue of Shares	0	0	0	0	6,000	0	0
Inc/(Dec) in Debt	1,086	697	-110	1,460	0	4,500	-5,000
Interest Paid	-46	-145	-251	-256	-467	-714	-677
Dividend Paid	0	0	0	0	0	0	0
Others	0	-7	-7	-165	-6	0	0
<b>CF from Fin. Activity</b>	<b>1,040</b>	<b>545</b>	<b>-368</b>	<b>1,040</b>	<b>5,527</b>	<b>3,786</b>	<b>-5,677</b>
<b>Inc/Dec of Cash</b>	<b>-2</b>	<b>1</b>	<b>41</b>	<b>40</b>	<b>2,930</b>	<b>1,215</b>	<b>-1,794</b>
Opening Balance	2	0	1	42	206	3,135	4,351
Other cash & cash equivalent	0		107	123	0	0	
<b>Closing Balance</b>	<b>0</b>	<b>1</b>	<b>149</b>	<b>206</b>	<b>3,135</b>	<b>4,351</b>	<b>2,557</b>

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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