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WAAREE ENERGIES

Growth story of scaling integrated capacity, and global footprint

INITIATING COVERAGE ● **September 16, 2025**

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INITIATING COVERAGE | Sector: Energy

Waaree Energies Ltd

Growth story of scaling integrated capacity, and global footprint

By FY28, Waaree Energies (WEL) is poised to achieve a phenomenal 25.7GW module capacity and 15.4GW cell capacity, ably backed by 14GW ingot-wafer facilities, 3.2GW U.S. modules, adjacencies in inverters, BESS, and green hydrogen. Impressive retail reach (~388 franchise partners), strong order book, and leading DCR market share together provide WEL with ample volume visibility, while U.S. expansion ensures premium IRA-linked margins. Further, backward integration should structurally reduce import dependence and boost profitability. Notably, WEL is pursuing key tech collaborations for Perovskite tandem cells, which reflects sustained R&D investment in next-gen technologies. Notwithstanding the growing competition and oversupply risks, WEL is poised for a healthy uptick in volumes and value. We initiate coverage with a BUY.

Solar sector tailwinds favor integrated domestic players

India's target of 500GW non-fossil capacity by 2030 and the increasing share of DCR mandates (mandatory domestic sourcing) provide WEL with a strong multi-year tailwind. Key programs like the Production-Linked Incentive (PLI) scheme for high-efficiency modules, ALMM (Approved List of Models and Manufacturers) mandate favoring domestic manufacturers, PM-KUSUM scheme promoting distributed solar adoption, and state-level policies incentivizing open access solar projects should boost domestic demand and localization.

Backward integration to structurally improve margins

WEL imports bulk of its raw materials, largely from China, and marginally from Thailand and Vietnam. However, the ongoing cell expansion and upcoming integrated facility with 10 GW each for cell and wafer, and 6GW module, scheduled for FY27 commissioning, backed by a Rs19.23bn PLI allocation, will help the company move up the value chain - **from an assembler to a fully integrated manufacturer** - while reducing raw material price volatility and Chinese dependence to reposition it favorably for DCR and ALMM-compliant orders. We reckon the backward integration would improve EBITDA margins by ~500bps over FY25-28e.

Largest domestic player with accelerating capacity additions

WEL is India's largest solar PV module manufacturer with an installed module capacity of 15GW as of Jun'25 expanding to 28.9GW by FY28e (Including U.S.) while Cell/Wafer will expand to 15.4/14.0 GW by FY28e. WEL is also incorporating adjacencies like 3GW inverters, 3.5GWh of battery storage, 300MW of electrolysers, and laterally into glass, aluminum, junction boxes, encapsulants, and sealants to deepen control over the value chain. The company has built a dominant position with ~12% market share in India and a strong export base, mainly targeting the U.S, capitalizing on its large import dependence and the tightening tariffs on Southeast Asian players that enabled Chinese rerouting. We expect a CAGR volume growth of ~29.4% over FY25-28e for the company despite strong competition.

Strong order book offers revenue visibility

The company reported a robust pending order book of ~25GW as of Q1FY26, valued at ~Rs490bn, with a geographical split of 41% India and 59% overseas. This includes ~3.16GW of EPC orders under Waaree Renewable Technologies Ltd. (WRTL). The domestic orderbook benefits from DCR-linked schemes, while the U.S. pipeline (~3.75GW) extends visibility until FY30 under IRA-backed projects.

Valuation: Robust growth inspires coverage with a BUY and TP Rs4,610

We believe WEL's Revenue/EBITDA/PAT will record a ~33/45/46% CAGR over FY25-28e led by a 29.4% CAGR in volumes for the same span. Given the robust growth, we initiate coverage with a BUY and a TP of Rs 4,610, based on 22x FY28e (implied PEG of ~0.5x). Key Risks include oversupplies, project delays, policy & trade uncertainties, tech disruptions, and raw material price volatility.

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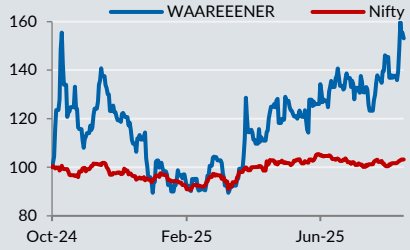
Reco	:	**BUY**
CMP	:	Rs 3,580
Target Price	:	Rs 4,610
Potential Return	:	+28.8%

Stock data (as on Sep 15, 2025)

Nifty	25,069
52 Week h/l (Rs)	3865 / 1863
Market cap (Rs/USD mn)	1044045 / 11844
Outstanding Shares (mn)	287
6m Avg t/o (Rs mn):	6,330
Div yield (%):	-
Bloomberg code:	WAAREEEN IN
NSE code:	WAAREEENER

Stock performance



	1M	3M	1Y
Absolute return	24.2%	26.8%	-

Shareholding pattern (As of Jun'25 end)

Promoter	64.3%
FII+DII	5.5%
Others	30.2%

Financial Summary

(Rs bn)	FY26E	FY27E	FY28E
Revenue	222.2	313.6	343.5
YoY Growth	53.8	41.1	9.5
EBIDTA	51.7	73.9	82.4
OPM %	23.3	23.6	24.0
PAT	35.7	54.0	60.2
YoY Growth	85.0	51.3	11.5
ROE	31.3	34.0	27.9
EPS	124.2	187.9	209.5
P/E	28.8	19.1	17.1
BV	458.2	646.1	855.6
EV/EBITDA	19.4	13.7	11.9

HARSHRAJ AGGARWAL
Lead Analyst
+91 22 6992 2934 / 35 / 36

STORY IN CHARTS

Exhibit 1: Capacity additions over the next 2-3 years towards backward integration

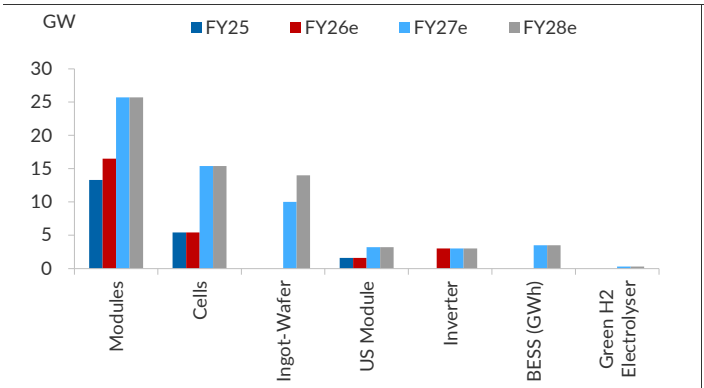
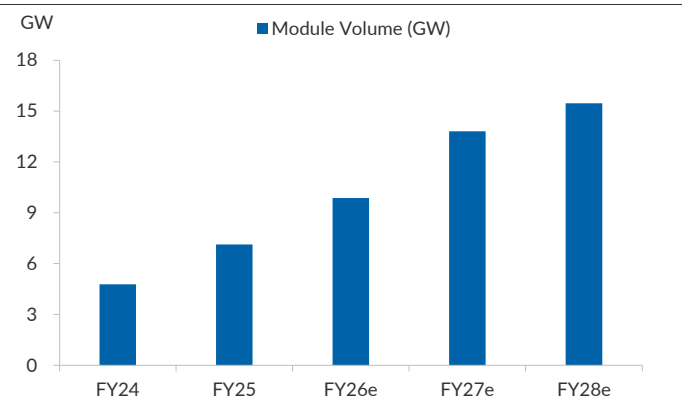


Exhibit 2: Domestic Module Volumes growing at a CAGR of 29.4% over FY25-28e



Source: Company, YES Sec

Exhibit 3: Revenue growing at a CAGR of 33.5% over FY25-28e

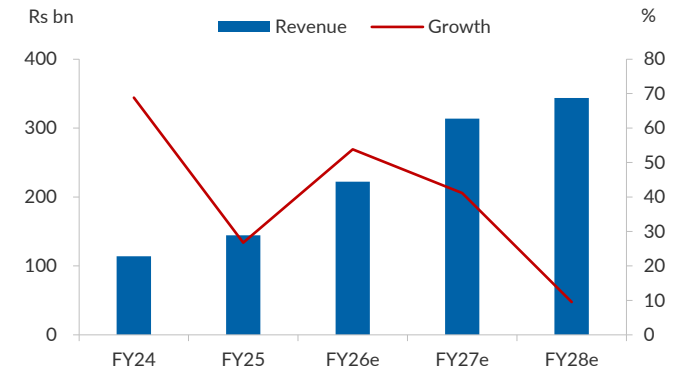
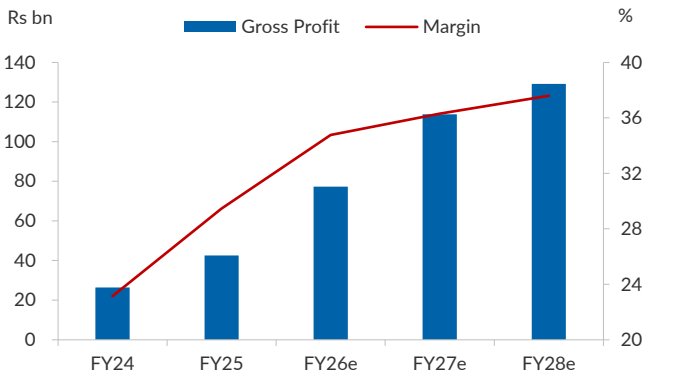


Exhibit 4: Gross Profit margins expand on backward integration and shift to DCR Model sales



Source: Company, YES Sec

Exhibit 5: EBITDA growing at a CAGR of 44.6% over FY25-28e

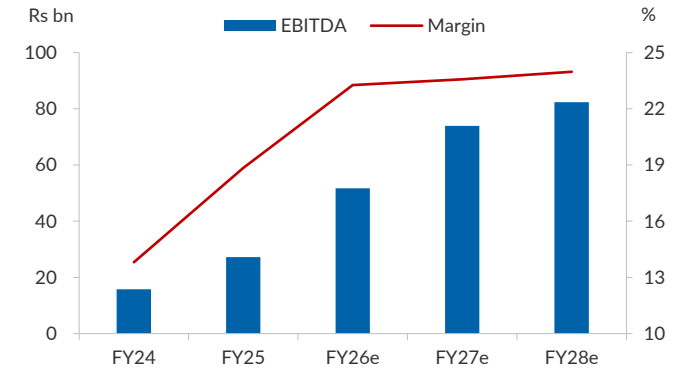
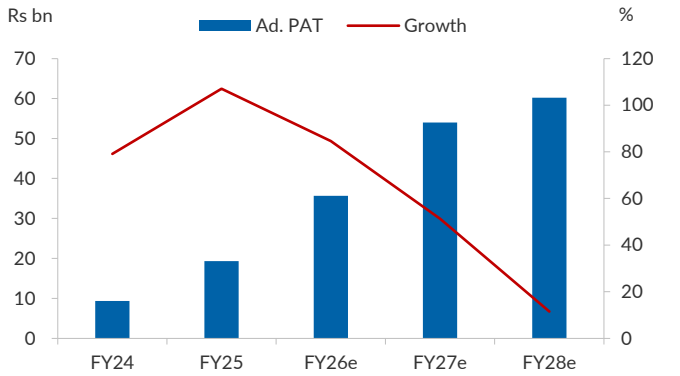


Exhibit 6: Net Profit growing at a CAGR of 46.1% over FY25-28e



Source: Company, YES Sec

Exhibit 7: Turnover ratios

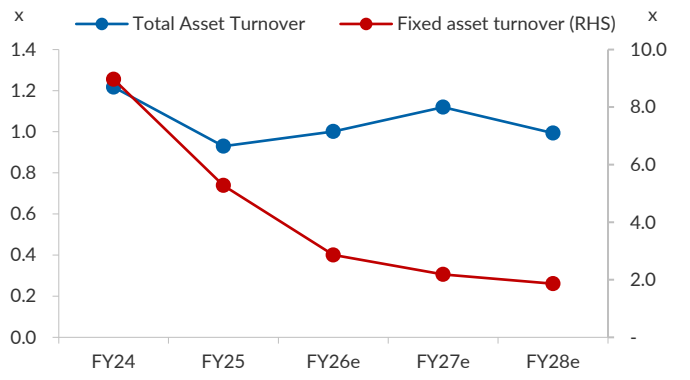
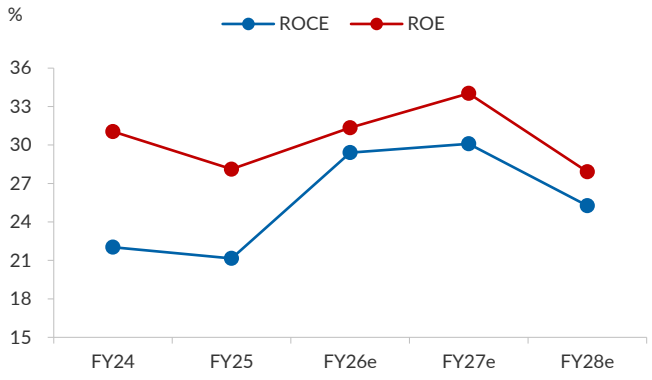


Exhibit 8: Return ratios



Source: Company, YES Sec

Exhibit 9: Capex of over Rs150bn in the next two years

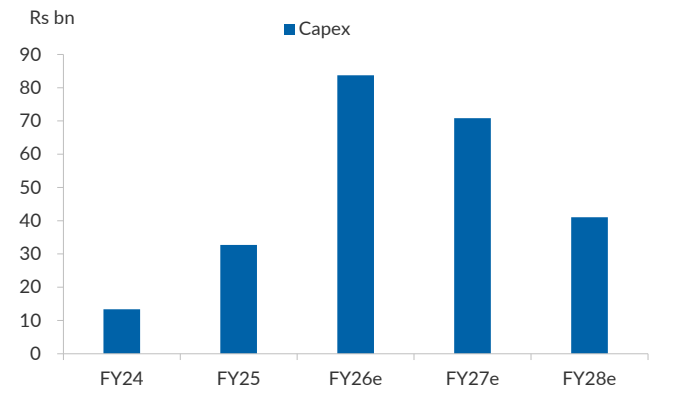
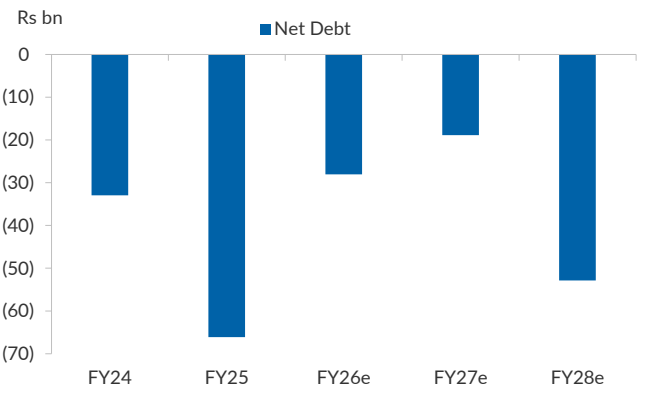


Exhibit 10: Net Debt



Source: Company, YES Sec

Exhibit 11: OCF

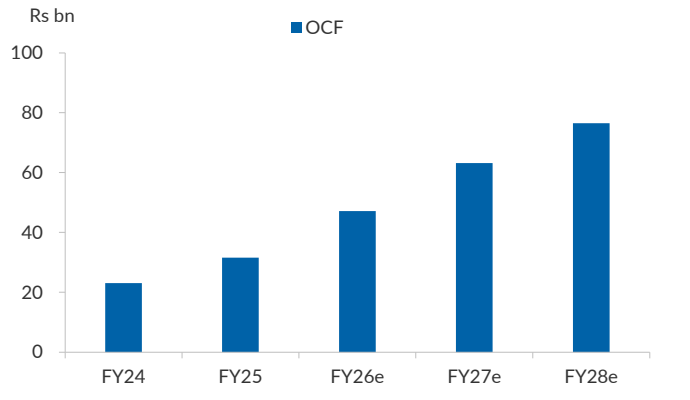
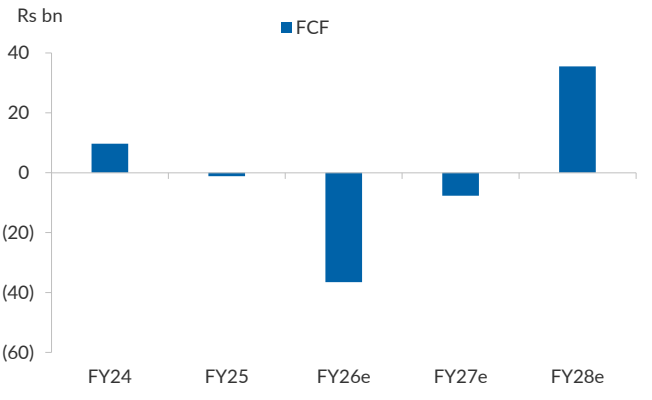


Exhibit 12: FCF



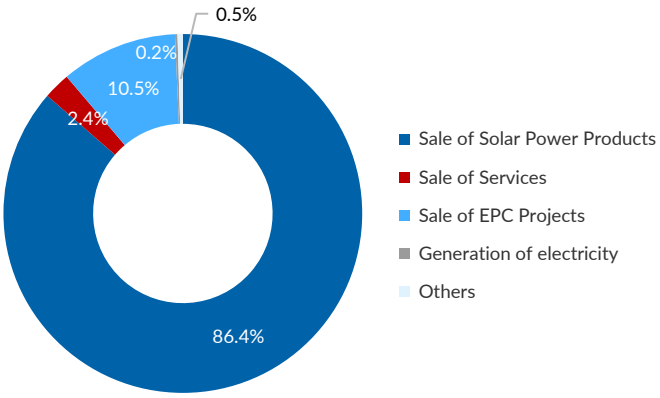
Source: Company, YES Sec

INVESTMENT RATIONALE

Revenue Mix

Waaree Energies (WEL) is one of the largest vertically integrated company into solar module manufacturing in India with capacity of 13.3 GW (additional 1.6 in U.S.) and having cell manufacturing capacity of 5.4 GW. WEL's revenue is primarily derived from the sale of solar photovoltaic (PV) modules, which currently account for the bulk of its total income. As per our FY28e, we expect sale of solar power products share to increase to ~92% versus 86.4% in FY25.

Exhibit 13: FY25 Revenue Mix

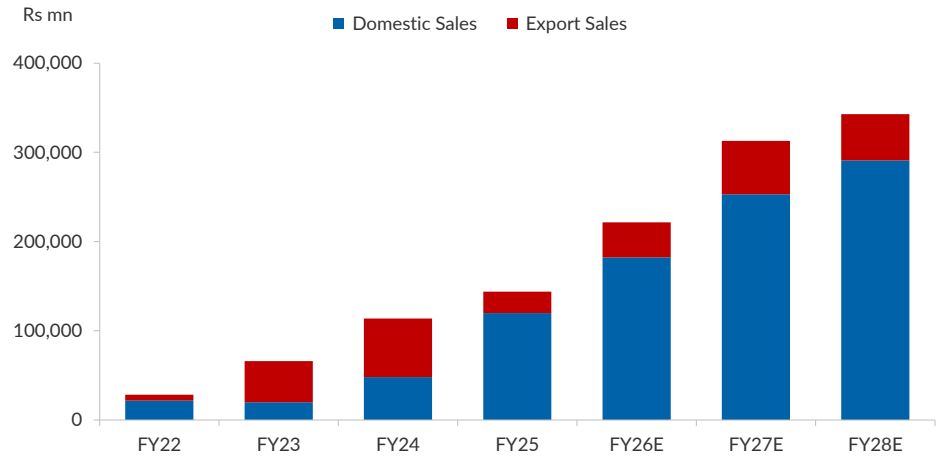


Source: Company, YES Sec

- **Solar PV Power Products:** WEL primarily generates revenue from the sale of its manufactured solar modules, which form a significant part of its product offering. However, the company also imports solar modules to meet specific market demands and offer a wider variety of products. In FY25 this segment generated revenue of 124.8bn which is 86.4% of total revenue, exhibiting 25% YoY growth. Even though company currently manufactures cells, it does not have any plans to sell them as they plan to use them for captive consumption of cells serving their aim of backward integration.
- **Sale of Services:** This category primarily includes Operation and Maintenance (O&M) services and ancillary services related to their Engineering, Procurement, and Construction (EPC) projects. Revenue from services amounted to Rs 3.5bn for FY25 (+10% YoY) accounting for 2.4% of total revenue.
- **Engineering, Procurement, and Construction (EPC) projects:** The EPC operations are primarily undertaken through its subsidiary, Waaree Renewable Technologies Limited (WRTL) in which WEL has 74.39% stake. WRTL is a listed entity focused on providing turnkey EPC services across the solar power value chain developing both on-site solar installations (including rooftop and ground-mounted systems) as well as off-site solar farms through open access models. Additionally, the company offers a wide range of solar-related products such as off-grid inverters, on-grid inverters, solar modules, water pumps, solar streetlights, solar thermal systems, and lithium-ion batteries. For FY25 the Company reported a revenue of Rs 15.2bn (+79% YoY) from EPC services which is 10.5% of its total revenue.
- **Generation of Electricity from Renewable Sources:** WEL also operates power generation assets, contributing Rs 335mn in revenue for FY25. While currently a negligible segment, it demonstrates a presence across the solar energy value chain.
- **India's ambitious target of 500GW of non-fossil capacity by 2030**, alongside policies like the PLI scheme and DCR mandates, is creating a strong domestic demand for solar power, supporting localization and growth. Additionally, global opportunities are opening up, particularly with the U.S. Inflation Reduction Act (IRA), which provides significant incentives for non-Chinese manufacturers like WEL to expand into the U.S. market, positioning the company for long-term growth both locally and internationally.

Geographical split

Exhibit 14: Revenue mix



Source: Company, YES Sec

Company has domestic as well as international market for their solar products and EPC services. For FY22-FY24 the exports had witnessed a surge which has been tapered in FY25 to ~17% of company's total revenue. The United States (U.S.) is the key export destination, accounting for ~99% of total exports, while other countries such as Yemen, the Philippines, Italy, and Japan collectively contributed the remaining.

Meanwhile, the domestic market continues to strengthen driven by independent power producers (IPPs) and increased orders under various central and state government schemes.

The shift towards a higher domestic revenue share in recent periods is a key trend. Management explained that the discrepancy between the sales profile and the order book is due to the longer execution timelines for international projects, particularly in the U.S. (1-2 years), compared to India (1-2 months for retail, 9-12 months for large utility). This suggests that while the order book reflects continued international demand, revenue recognition is currently skewed towards domestic projects with shorter cycles.

Products

Company has facility to manufacture different types of modules for catering different pool of customers.

- **Multicrystalline module:** These are a traditional type of solar module that WEL continues to manufacture which they expect to shift to monocrystalline.
- **Monocrystalline PERC module:** WEL also produces monocrystalline modules, which generally offer higher efficiency compared to multicrystalline modules. Passivated Emitter Rear Cell technology uses highly efficient large-sized silicon wafers. This line can produce bifacial modules (Mono PERC), which can absorb sunlight from both the front and rear surfaces, increasing energy generation.
- **TOPCon modules:** WEL manufactures modules using Tunnel Oxide Passivated Contact (TOPCon) technology. This emerging technology helps reduce energy loss and enhances the overall efficiency of the solar modules and is dominating the upcoming lines.
- **Flexible Modules:** WEL offers flexible solar modules, including glass flexible modules. These are designed for niche applications such as automotive, EVs (Electric Vehicles), and building integration (BIPV).
- **Building Integrated Photovoltaics (BIPV) Modules:** These modules can be integrated into the building envelope, serving both as a construction material and a power generator.

- **Mono PERC cells:** Company currently has commenced pilot production of Mono-PERC cells with expanded capacity of 1.4 GW.
- **TOPCon cells:** Company has commenced its TOPCon cell production from Apr'25 with capacity of 4 GW.

In-house cell production will help company achieve DCR module requirement for government projects as they plan use cell for captive consumption rather than selling.

Beyond their significant presence in solar PV module manufacturing, WEL is strategically diversifying its offerings across the renewable energy value chain. This includes battery energy storage systems, where they manufacture Lithium-Ion Batteries with a substantial annual capacity, featuring automated production and proprietary Battery Management Systems, offering customized sizes. WEL also manufactures on-grid and off-grid inverters, a critical component for solar installations, with ongoing investment in this business segment. Furthermore, the company provides solar water pumps, utilizing solar power for water pumping needs in various applications. Looking towards future energy solutions, WEL is actively entering the green hydrogen sector by developing electrolysers. Complementing these core product lines, WEL's involvement in EPC services and their extensive franchisee network suggest they offer a broader range of integrated solar energy solutions and potentially smaller retail products.

Exhibit 15: Solar Module ranges

Technology & Type	Output Power (W)	Cell Count	Cell Size & Type
Small Modules (Mono/Multicrystalline)	40–235	48–72	Cut-size / standard
Monofacial – Multicrystalline	250–350	60 / 72 / 144	157 × 157 mm
Monofacial – Mono PERC	315–665	60–144	- 158.75 × 158.75 mm (G1) - 83 × 166 mm (M6 Half-cut) - 91 × 182 mm (M10 Half-cut) - 105 × 210 mm (M12 Half-cut)
Bifacial – Mono PERC	350–665	72–156	- 158.75 × 158.75 mm (M2.5) - 79.375 × 158.75 mm (M2.5 Half-cut) - 83 × 166 mm (M6 Half-cut) - 91 × 182 mm (M10 Half-cut) - 105 × 210 mm (M12 Half-cut)
Monofacial – TOPCon	415–700	108–156	- 91 × 182 mm (M10 Half-cut) - 105 × 210 mm (M12 TOPCon)
Bifacial – TOPCon	415–700	108–156	- 91 × 182 mm (M10 TOPCon) - 105 × 210 mm (M12 TOPCon)
Bifacial – HJT	620–715	120 / 132	105 × 210 mm (M12 HJT Half-cut)

Source: Waaree DRHP, YES Sec

Raw material procurement and challenges

Exhibit 16: Monocrystalline Solar Modules Global Price

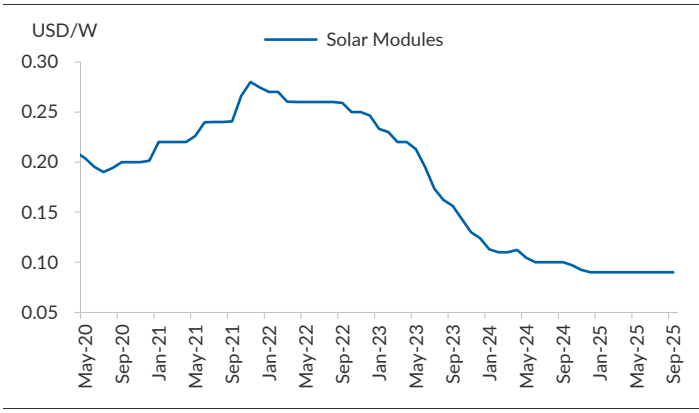
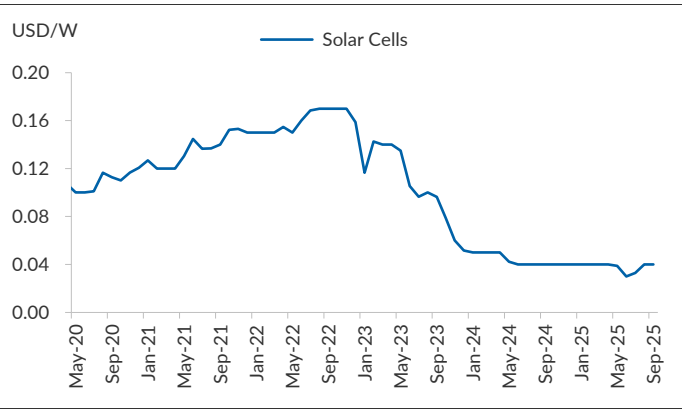


Exhibit 17: Monocrystalline Solar Cells Global Price



Source: Industry, Bloomberg, YES Sec

WEL operations are critically dependent on the procurement of raw materials, with a substantial portion sourced from international markets. The company imports majority of its total raw material requirements (~90% in FY24) which is poised to decline with backward integration, underscoring its significant reliance on global supply chains. This dependency exposes the company to risks associated with international logistics, foreign exchange volatility, and geopolitical disruptions.

The primary raw materials for manufacturing solar PV modules and cells include:

- Photovoltaic Cells (for modules)
- Silicon Wafers (for cells)
- Glass, EVA sheet (Ethylene Vinyl Acetate) – Encapsulants, Backsheets, Junction Boxes, and Aluminum Frames

For cell manufacturing, high-purity silicon wafers are the fundamental input, while for modules, solar cells themselves constitute a key raw material along with the associated encapsulation and structural materials.

- The company's backward integration initiatives have led to a significant reduction in manufacturing costs; however, it continues to rely heavily on imports from China and other Southeast Asian countries for critical raw materials. With the commencement of solar cell manufacturing operations, the company will primarily procure wafers, silver paste, aluminium paste, and a variety of gases and chemicals essential for the production of solar cells. In addition to raw materials for cells, the company also externally sources several key components required for the manufacturing of PV modules, such as backsheets, encapsulants, glass, aluminium frames, ribbons, and junction boxes. While vertical integration has improved cost efficiency, dependence on external suppliers for these components remains. The company aims to continue further backward integration to enhance operational efficiency.
- As of FY24, ~90% of the company's raw materials were imported, amounting to Rs78bn, with China being the dominant supplier, contributing ~54% of total imports. The remaining imports are sourced from Malaysia, Thailand, and other Asian countries. The company relied on its top 10 suppliers for over 60% of its total purchases, encompassing both domestic and international vendors.
- Company sources its raw materials on historical level of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. The engage in short term contracts and demand them based on requirement which does not keep working capital tied up, some of the key suppliers provide credit period of 30-90 days.

- Despite a well-structured procurement strategy, WEL faces challenges related to raw material sourcing. A major supply chain concern arises from the price volatility of key raw materials such as solar ingots, solar wafers, and solar cells. This issue can be exacerbated by geopolitical factors; for instance, a conflict or war-like situation between India and China could lead to a halt in trade between the two nations, while additional duties may increase product costs.
- The global market remains heavily dependent on China, as it is the largest supplier of critical materials like silicon, with the world's highest silica quartz reserves. Additionally, China possesses the most advanced infrastructure for processing silica quartz into the final product used in solar modules. Although the company has alternative sourcing options in other Southeast Asian markets, China cannot be immediately replaced. Any disruption within China or geopolitical tensions involving the country could significantly impact the market. Furthermore, the assessment of supplier's operational practices is conducted by third parties whose credibility remains uncertain.

Exhibit 18: Purchases from its key Suppliers

Sr. No.	Project Component	Estimated Cost	Key Suppliers / Vendors	Quotation Dates	Validity
1	Ingot & wafer plant (machinery, automation, lab tools, silicon recycler, jaw crusher)	18,748.5	Linton Technologies, Jingsheng Mechanical, UIS Tech, Global Marketing, GreatSemi, Fast Forward, Procam	May 14 – Jun 30, 2024	As per vendor; latest by Jun'24
2	Cell manufacturing plant (plant setup, MES, AGVs, packaging line, turnkey & lab)	20,041.5	China S.C New Energy, Zuvay Technologies	May 5 – Aug 28, 2023	Jun'24 – Jul'24
3	Module plant (stringers, sun simulator, lab & balance line equipment)	4,655.3	Jinchen, Autowell, Gsolar, Pasan SA, CTI Group	Feb 14 – Sep 1, 2023	Jun'24
4	Plant-wide utilities (for ingot, cell, module plants & common infra)	29,318.8	Zuvay, Polyplast, Atlas Copco, Paharpur, Sterling & Wilson, Mahindra, Vertiv, Avant Garde, others	Aug 9 – Dec 4, 2023	Mar'24 – Jul '24
5	IT Infrastructure	930.0	Honeywell, Rockwell Automation	Aug 9 – Nov 29, 2023	Mar'24
6	Freight (logistics for all 3 manufacturing plants)	1,286.0	Fast Forward Logistics, Procam Logistics	Aug 26 – Dec 2, 2023	Mar'24 – Jun'24
	Total	**74,980.1**			

Source: Company, YES Sec

Operational dynamics – on the growth path

Exhibit 19: Domestic Module Capacity and Utilization

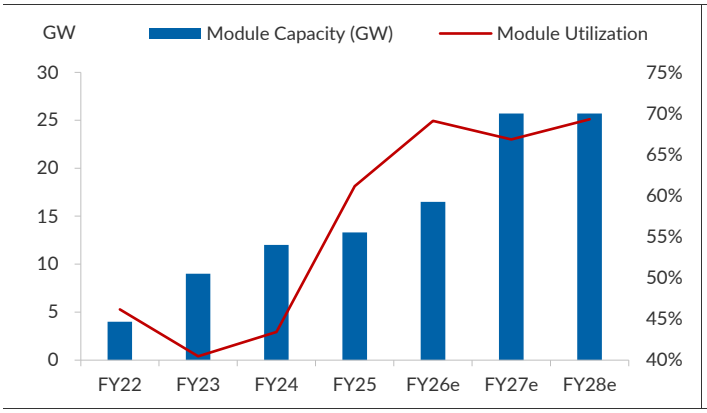
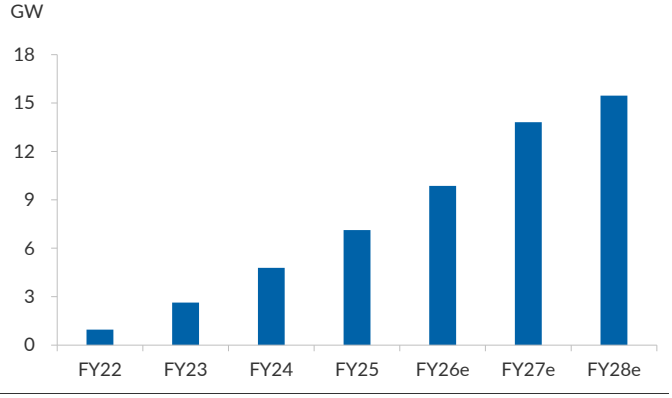


Exhibit 20: Domestic Module Volumes



Source: Company, YES Sec

We expect a CAGR volume growth of ~29.4% over FY25-28e for the company despite concerns of oversupply and strong competition, order continues to expand

Currently, WEL operates with an installed module manufacturing capacity of 13.3GW domestically. The company is investing in advanced technologies such as TOPCon (Tunnel Oxide Passivated Contact) modules, which offer higher efficiencies and support higher wattage ratings, aligning with evolving market demand.

On the solar cell manufacturing front, WEL has an operational capacity of 5.4GW, split between 1.4GW for Mono PERC cells and 4GW for TOPCon cells, supporting its backward integration strategy and strengthening supply chain resilience.

Along with the increasing nameplate capacity, the plant utilization as a % of effective capacity is also improving adding larger volumes for sales, we expect the production in FY28 to reach 15.5GW which is 69% of WEL's effective capacity.

Exhibit 21: WEL segmental assets (Jun'25)

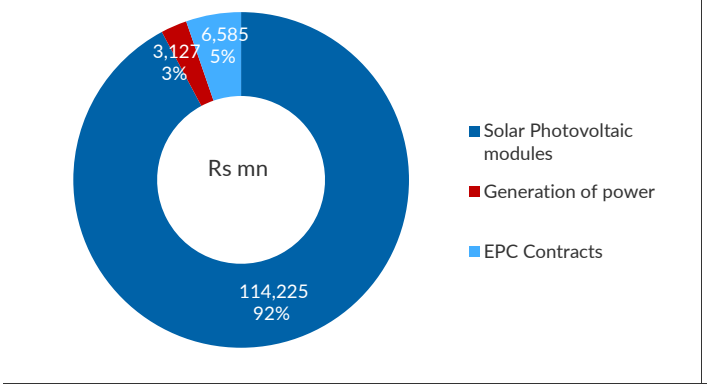
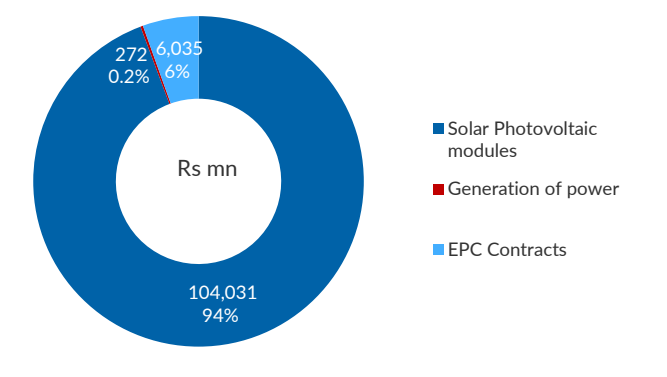


Exhibit 22: WEL segmental liabilities (Jun'25)



Source: Company, YES Sec

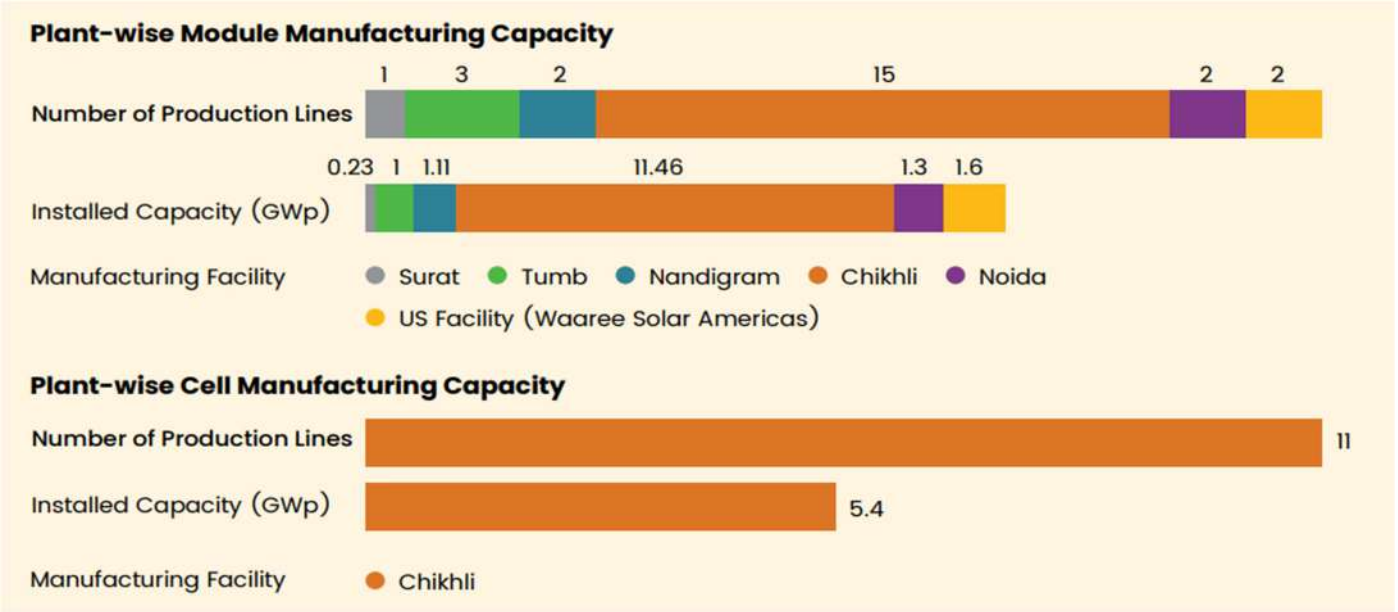
As of Jun'25 WEL's asset base remains dominated by Solar PV modules with ~92% share while IPP and EPC segment with a 3/5% share. This share is mirrored by in the liabilities as well and we expect the split to persist going forward.

Manufacturing facilities

Installed Capacity (GW)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Modules							
Surat	0.5	0.2	0.2	0.2	0.2	0.2	0.2
Tumb	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Nandigram	0.5	1.3	1.1	1.1	1.1	1.1	1.1
Chikhli	2.0	6.5	9.7	9.7	12.9	12.9	12.9
Indosolar	-	-	-	1.3	1.3	1.3	1.3
Gujarat (Sangam Solar One)	-	-	-	-	-	9.2	9.2
Total domestic module capacity	**4.0**	**9.0**	**12.0**	**13.3**	**16.5**	**25.7**	**25.7**
USA	-	-	-	1.6	1.6	3.2	3.2
Total Module Capacity	**4.0**	**9.0**	**12.0**	**14.9**	**18.1**	**28.9**	**28.9**
Cells							
Chikhli	-	-	-	5.4	5.4	5.4	5.4
Gujarat (Sangam Solar One)	-	-	-	-	-	10.0	10.0
Total Cells	**-**	**-**	**-**	**5.4**	**5.4**	**15.4**	**15.4**
Ingot-Wafers							
Maharashtra (Sangam Solar One)	-	-	-	-	-	10.0	14.0

Source: Company, YES Sec

Exhibit 23: Chikhli to remain key manufacturing facility



Source: Company, YES Sec

Surat plant:

- The Surat facility operates with only one production line, unlike other WEL plants which have multiple lines.
- In FY22, it had an installed manufacturing capacity of 500MW, achieving a capacity utilization of 47.29% and producing 240MW of modules. However, by FY24, production volumes declined to 30MW, with utilization dropping sharply to 10.81%. This drop was primarily due to the company's strategic decision to shut down one of the Surat factories and reconfigure the existing production line to transition to higher wattage modules, upgrading from 475Wp to 550Wp modules. The rerating process, necessary for higher efficiency modules, resulted in a reduction in installed capacity.
- The Surat plant has comparatively older manufacturing lines and, going forward, is expected to be deprioritized in favor of newer, larger facilities like Chikhli (Gujarat) and Nagpur (Maharashtra).

Tumb Plant:

- The Tumb facility operates with three production lines.
- In FY22, Tumb had an installed capacity of 1,000MW, with a capacity utilization rate of 44.42%, producing 440MW. By FY24, capacity utilization improved to 54.45%, resulting in 550MW of annual production, while installed capacity remained constant.
- This facility recorded the highest capacity utilization among WEL's plants during FY24, indicating better operational efficiency.
- Tumb is primarily oriented towards high-volume production of standard mono PERC modules, serving both domestic and export markets. Future upgrades to accommodate TOPCon manufacturing are under consideration but not yet finalized.

Nandigram Plant:

- Nandigram manufactures a wide range of products: Mono PERC modules, TOPCon modules, and flexible bifacial modules, offered in both framed and unframed variants, along with Building Integrated Photovoltaic (BIPV) modules. The facility operates with two production lines.
- In FY22, installed capacity was 500MW, achieving 49% capacity utilization and producing 250MW.
- In FY23, the installed capacity increased to 1,280MW, though effective installed capacity was reduced to 560MW due to addition of new lines and rerating for higher wattage modules. Capacity utilization stood at 59.8%.
- In FY24, after refurbishing older production lines and re-rating, installed capacity was adjusted to 1,110MW with an effective installed capacity of 1,110MW. The plant achieved 51.9% utilization, resulting in 570MW of production.
- Nandigram plays a key role in manufacturing niche products like BIPV and flexible bifacial modules, which are targeted at premium applications such as architectural solar integration and specialized rooftop projects.

Chikhli plant:

- The Chikhli plant is WEL's largest and most technologically advanced facility, manufacturing MonoPERC and TOPCon modules, including bifacial modules and BIPV modules. It operates with 15 production lines, the highest among all WEL plants.
- In FY22, installed capacity was 2,000MW, but effective installed capacity was only 80MW since the plant became operational in March 2022 with four production lines.

- By FY23, installed capacity ramped up to 6,490MW and effective installed capacity rose to 4,510MW, with a capacity utilization of 40.61%, resulting in 1,830MW of production.
- Further expansion in FY24 increased installed capacity to 9,660MW and effective capacity to 8,670MW, with a capacity utilization of 41.88%, and production output of 3,630MW.
- The Chikhli facility is developed as WEL's main integrated manufacturing hub. It houses the company's 5.4GW (4GW TOPCon and 1.4GW Mono PERC) solar cell manufacturing operations launched in Apr'25.
- The plant is vertically scalable, designed for automation upgrades and future technology shifts like TOPCon and Heterojunction Technology (HJT) if market adoption increases.
- WEL plans to eventually expand Chikhli's capacity to support part of its exports to the U.S. market, alongside its Houston plant

Noida plant (Indosolar):

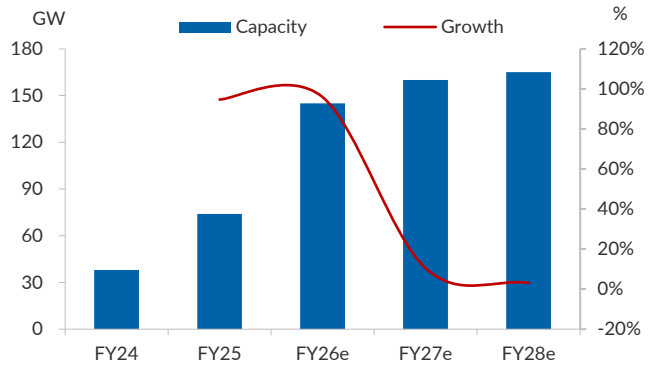
- The Noida facility, acquired through WEL's subsidiary Indosolar Limited, commenced operations in FY25. It is dedicated to solar module manufacturing with an annual installed capacity of 1,300MW. It operates 2 production lines currently.
- The facility is undergoing upgradation and refurbishment to align it with WEL's current product portfolio of monocrystalline high-wattage modules.
- The Noida plant is strategically located to serve northern India's solar demand and to support upcoming government-led tenders that favor domestic module sourcing under DCR norms.

United States Module Manufacturing Facility (Houston, Texas)

- WEL has successfully commenced operations at its US solar module manufacturing plant in Houston, Texas in Jan'25, with an initial installed capacity of 1.6GW. It operates with 2 production lines.
- Expansion plans include scaling the facility to 3.2GW by FY27, although expansions beyond 3.2GW will depend on market demand, policy stability, and financial returns.
- WEL's US plant will benefit from the Inflation Reduction Act (IRA) incentives, notably the Advanced Manufacturing Production Credit which provides USD0.07/W for domestically manufactured modules.
- Manufacturing in the US allows WEL to bypass US import tariffs on Chinese modules and address the local sourcing requirements of US utility-scale projects.
- WEL has incorporated a US subsidiary, Waaree Solar Americas Inc., to directly manage US operations and client relationships.
- **Market Potential:** The US is targeting 1TW of installed solar capacity by 2050, providing a vast long-term demand runway. Domestic manufacturing in the US is under-supplied relative to demand, giving WEL a competitive advantage in a tightening market.

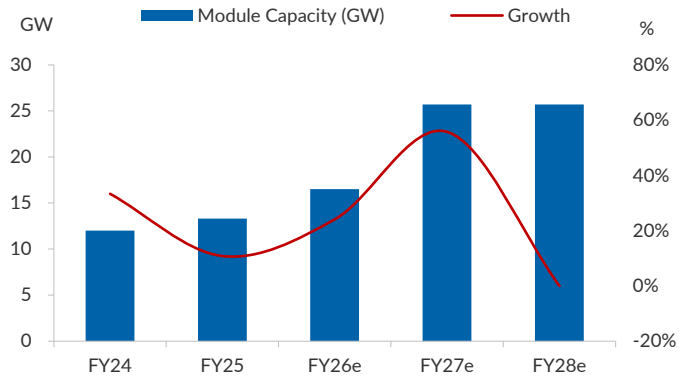
WEL Solar Module capacity versus India capacity

Exhibit 24: India's total Solar Module capacity



Source: PIB, Vikram Solar RHP, Crisil Intelligence, YES Sec

Exhibit 25: WEL's Solar Module capacity

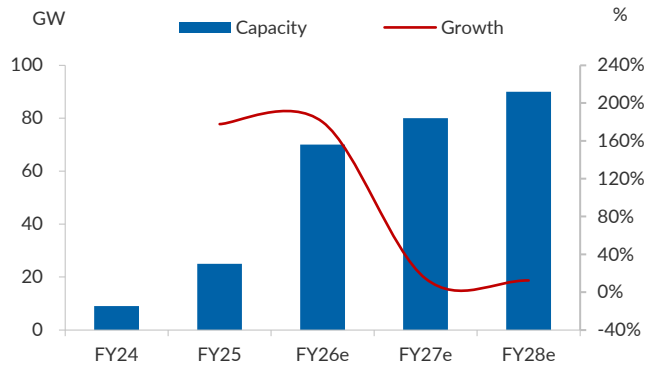


Source: Company, YES Sec

India's solar module manufacturing capacity moved up sharply from 4.2 GW in FY2017 to ~74 GW by FY25, growing at an astonishing 50.6% CAGR. As a result, India has emerged as the third-largest solar module manufacturer globally (~3% share), following China (~90% share) and Vietnam (~5% share). The Indian government's supply-side initiatives, including Basic Customs Duty (BCD), the Approved List of Models and Manufacturers (ALMM), and the Production Linked Incentive (PLI) scheme, have played a crucial role in this rapid expansion. Given the rapid expansion, India's module manufacturing capacity is projected to reach 160-170 GW by FY28.

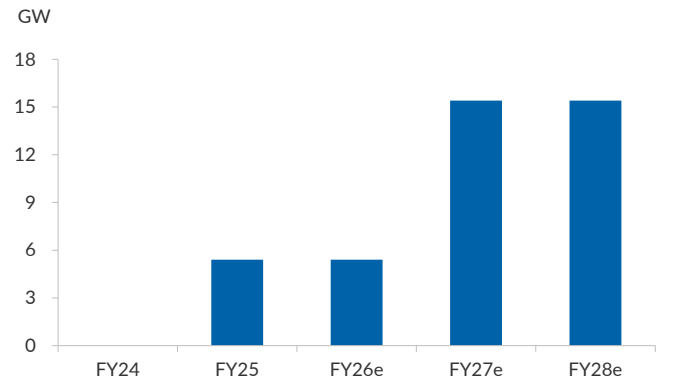
WEL held 18% share of domestic manufacturing in FY25 (13% in Jun'25), with the upcoming expansion to 25.7GW by FY28 its share would slightly moderate to ~16%.

Exhibit 26: India's total Solar Cell capacity



Source: PIB, Vikram Solar RHP, Crisil Intelligence, YES Sec

Exhibit 27: WEL's Solar Cell capacity



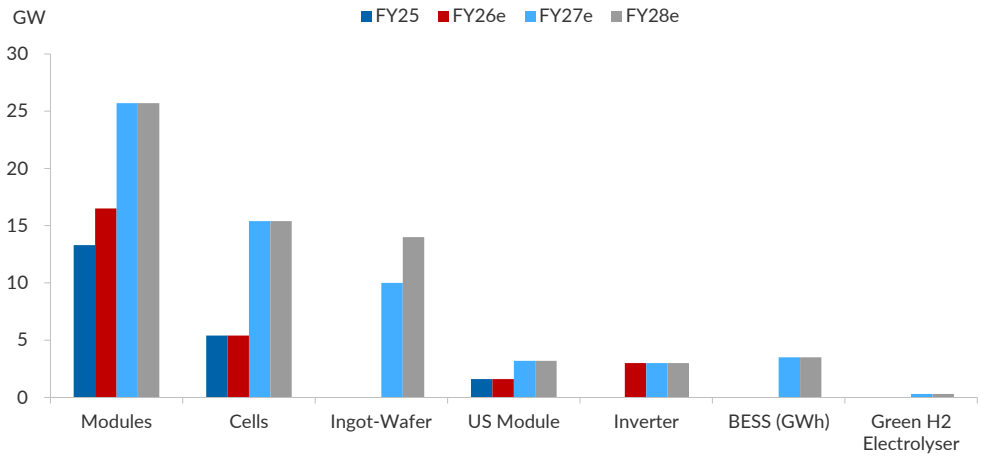
Source: Company, YES Sec

While India has achieved remarkable growth in module manufacturing, solar cell production lags significantly. As of FY24, India's solar cell manufacturing capacity stood at just 9 GW, creating a major dependence on imported cells—primarily from China. Within a year the capacity almost tripled to 25GW by FY25. Given the increasing industry-wide self-reliance push, India's cell manufacturing capacity is projected to reach ~90GW by FY28.

WEL held 12% share of domestic manufacturing in FY25 (22% in Jun'25), with the upcoming expansion to 15.4GW by FY28 its share would expand to ~17%.

Upcoming projects

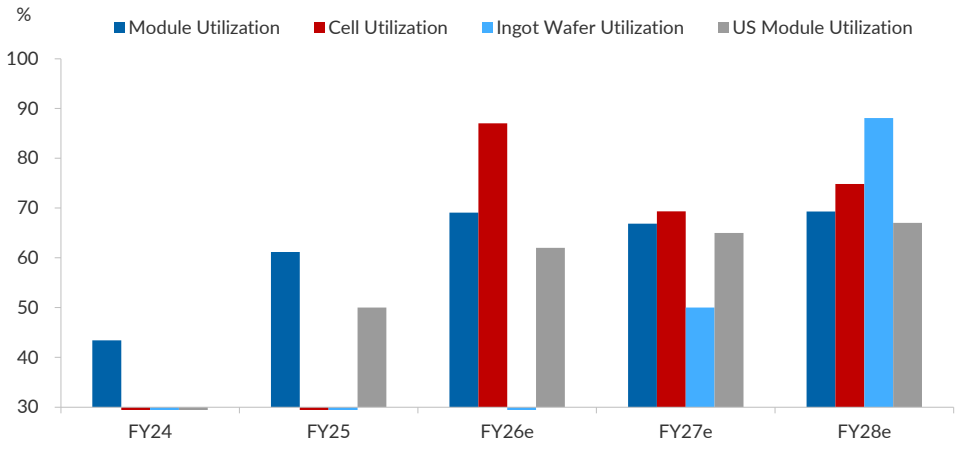
Exhibit 28: Capacity development



Source: Company, YES Sec

The above chart highlights WEL's aggressive capacity expansion across the solar value chain, positioning it as a fully integrated player by FY27. Module capacity is set to nearly double from 13.3GW in FY25 to 25.7GW by FY27, supported by a sharp ramp-up in cell capacity from 5.4GW to 15.4GW. The integrated facilities will drive backward integration, with ingot-wafer capacity of 10GW by FY27 and 14GW by FY28, significantly reducing reliance on imports. International diversification is reinforced by the U.S. module plant, scaling from 1.6GW in FY25 to 3.2GW by FY27, leveraging IRA incentives. Adjacent businesses; 3GW of inverters, 3.5GWh of BESS, and 300MW of electrolyzers are scheduled to come online by FY26–FY27, broadening WEL's portfolio and providing multiple earnings streams beyond modules, with strong margin accretion potential through integration and new verticals.

Exhibit 29: Capacity utilization



Source: Company, YES Sec
Note: the utilization is on effective capacity and not nameplate capacity

Exhibit 30: Timeline and Progress

Segment	Target Capacity	Timeline	Key Projects	Status / Update so far
Modules (India)	25.7GW	FY27	6GW Gujarat retrofit facility; part of Odisha plan reallocated	Facility secured in Gujarat; retrofit in progress; expected operational by end-CY25/early CY26
Modules (US)	3.2GW	FY27	U.S. module facility leveraging IRA incentives	Ramp-up in phases; regulatory clarity and incentives in place; expansion under execution
Cells (India)	15.4GW	FY27	10GW cell capacity near Chikhli Giga campus (phased); integrated with modules	Existing lines at ~80% utilisation; incremental lines under construction; full 10GW by FY27
Ingot–Wafer	10GW	FY27	10GW Butibori (MIDC, Maharashtra); Board-approved incremental 4GW	Land possession completed; engineering & land prep underway; commissioning FY26–FY27; commercial volumes FY27
BESS	3.5GWh	FY27	Lithium-ion cell manufacturing facility (~Rs20.7bn capex)	Detailed plant engineering and financing underway; operations expected FY27
Inverters	3GW	FY26	Dedicated inverter manufacturing plant (~Rs1.3bn)	Construction/installation underway; commissioning FY26
Electrolyzers (Green H2)	300MW	FY27	Green hydrogen electrolyser facility (~Rs5.51bn)	PLI allocation secured; SECI tender win (90,000 tpa green hydrogen); commissioning FY27

Source: Company, YES Sec

Integrated Ingot-wafer to module project

Management has reconfigured the previously disclosed Odisha integrated ingot–wafer–cell–module project. The Board has approved an amendment to the IPO object clause to enable the change.

What changed for Odisha plant

The earlier plan for a single, integrated 6GW per vertical plant in Odisha has been **split and relocated** to multiple sites for faster commissioning and better industrial fit. Management has also approved incremental capacity expansion, increasing the originally-planned quantum for cells and ingot–wafers.

Revised net configuration (management guidance):

- **Modules:** 6GW (retrofit facility, Gujarat)
- **Cells:** 10GW (phased; located near Chikhli Giga campus, Gujarat)
- **Ingot–Wafers:** 10GW (Butibori, Nagpur, Maharashtra - MIDC land)

Board approvals & capex: The Board approved an additional capex of Rs27.54bn to expand cell capacity and ingot–wafer capacity by 4GW each, lifting cumulative targets to 10GW (cells) and 10GW (ingot–wafers). This is over and above earlier plans. Group-level project capex estimate remains at the same order (~Rs90.5bn total programme cost); the incremental Rs27.54bn is part of that ongoing capex envelope and will be financed from a mix of accruals and debt.

Site-level allocation & status

Gujarat - Modules & Cells

- **Modules (6GW):** The company secured a largely done-up facility in Gujarat (requires retrofit). This allows rapid commissioning; expected operational within ~6 months (i.e., by end-CY25 / early CY26).
- **Cells (part of 10GW cell target):** Cell lines are being constructed close to the Chikhli Giga campus (Gujarat). Existing lines already stabilized at high utilization (~80% on early lines); incremental cell lines are being built and will be ramped in phases to reach the 10GW target (FY27 horizon for full scale).
- **Rationale:** quicker module ramp, proximity to Chikhli (logistics + integration), ability to serve domestic and export orders.

Butibori (MIDC), Maharashtra - Ingots & Wafers

- **Ingots–Wafers (10GW):** Company has MIDC land possession in Butibori, Nagpur; engineering work and land preparation are underway. This location is better suited for ingot–wafer operations (industrial infrastructure, utilities and environment clearance pathways). Management expects machinery deliveries and commissioning through FY26–FY27 with commercial volumes emerging by FY27.

PLIs / incentives / regulatory matters

Earlier disclosures referenced Rs19.23bn incentives under the PLI scheme (Tranche II) for the backward-integration program. With the relocation, management confirmed the Board-level reconfiguration and indicated they will pursue necessary regulatory / administrative steps to retain or transfer PLI benefits to the new site allocations. Final PLI treatment is subject to governmental approvals and standard regulatory processes; outcome not guaranteed and hence to be monitored.

Activity	Revised target / July'25 status
Land acquisition (Gujarat & Butibori)	Completed / in possession (management statement)
Module facility (Gujarat) - retrofit & commissioning	Operational within ~6 months from 30 Jul 2025 (expected end-CY25 / early CY26)
Cell facility (near Chikhli) - construction & ramp	Construction ongoing; early lines at ~80% utilization; phased scale to full target by FY27
Ingot–Wafer (Butibori) - engineering, machinery & commissioning	MIDC land taken; engineering & civil on track; commissioning & commercial flows through FY26–FY27, meaningful volumes by FY27
Shareholder approvals / IPO object clause / PLI revalidation	Shareholder approval sought; PLI transfer revalidation pending regulatory process

Adjacencies

Exhibit 31: Strategic Investments

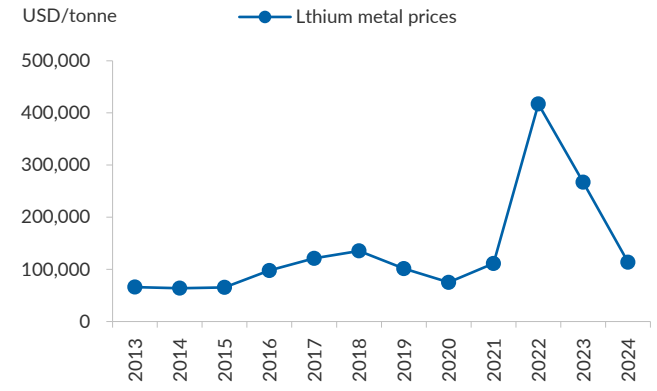
	Battery Energy Storage System	Inverters	Green Hydrogen Electrolyser	Renewable Power Infrastructure	
	Lithium-ion Storage Cell and Energy Storage System	Renewable Power Projects and Bidding Pipeline	Awarded PLI for a 300 MW Electrolyser Manufacturing Facility	Renewable Power Generation	Renewable Power Infrastructure
Investment	Up to ₹2,073 Cr.	Up to ₹130 Cr.	Up to ₹551 Cr.	Discussions ongoing with EGPIPL	Equity Outlay of ₹650 Cr. + approved
Key Updates	• Plant capacity[4]: 3.5 GWh • Operational by FY27	• Plant capacity[4]: 3L invertors – 3 GW per annum • Operational within FY26	• Plant capacity[4]: 300 MW • Operational by FY27	PPA signed – 170 MW project	
Current Status	On track; Factory under construction at Rola (Valsad), Gujarat	On track; Factory under construction at Sarodhi (Valsad), Gujarat	On track; Factory under construction at Dungri (Valsad), Gujarat	Pursing connectivity of ~5 GW	

Source: Company, YES Sec

Battery energy storage solutions (BESS)

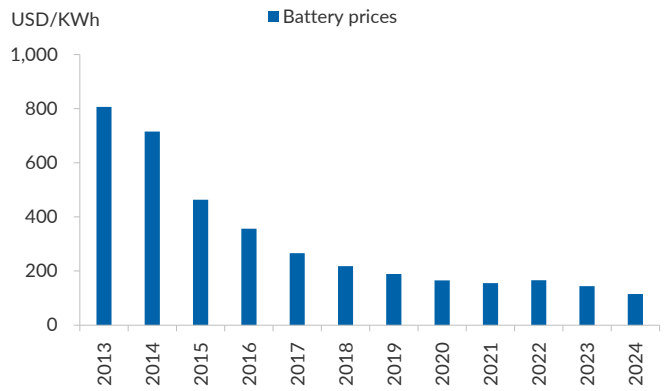
Global Lithium-ion-phosphate (LFP) Battery cost have been down by 84% in the last 10 years from USD 715/KWh in 2014 to USD 115/KWh in 2024 to even further down to USD 55/KWh in May 2025. Battery prices have seen a huge drop due to optimization in supply chain management driven by China where battery prices are at historical low as they have built an ecosystem for batteries driven by boost in EV sales and renewable energy push.

Exhibit 32: Lithium metal prices over the years



Source: IMF, YES Sec

Exhibit 33: Lithium-ion battery cost



Source: Mercom, BNEF, YES Sec

Demand for batteries used in Energy Storage Systems (ESS) has witnessed significant growth in India, primarily driven by EPC contractors and independent power producers (IPPs) operating solar-based utilities. India faces transmission challenges due to grid integration issues across several states, along with unmet peak power demand attributable to round-the-clock (RTC) supply constraints. In response, the government has revised the tariff structure for private power producers. Previously, tariffs ranged between Rs 3.04 and Rs 3.45/kWh for plants with only solar capacity; these have now been increased to Rs 3.41 to Rs 5.66/kWh, varying by region. This adjustment aims to enhance revenue realization for companies operating integrated energy storage systems.

Currently, India imports over 75% of its batteries from China, with additional imports from countries such as Hong Kong, South Korea, and Vietnam. Domestic production remains a small fraction of the total demand, primarily fulfilled by companies like Exide. Indian manufacturers are subject to a 15% duty on imports of lithium-ion cells. This tariff structure, coupled with the government's Production-Linked Incentive (PLI) scheme aimed at promoting domestic battery manufacturing, presents a significant opportunity to enhance the cost competitiveness of Indian battery manufacturers and encourage increased in-house production.

Lithium-ion Battery Manufacturing Facility (Energy Storage Systems)

- WEL plans to diversify into the battery energy storage segment by setting up a lithium-ion cell manufacturing facility, with operations expected to start by FY27. The planned facility will have an annual production capacity of 3.5GWh and involves a total investment of ~Rs20.7bn.
- **Strategic Rationale:** The energy storage market in India is expected to grow rapidly driven by increased solar and wind penetration and the need for grid stabilization. India's National Energy Storage Mission and incentives for battery manufacturing align with WEL's entry strategy.
- **Current Status:** Detailed plant engineering and financing are underway. While current visibility on revenue contribution from ESS is limited, management noted that battery storage is a fast-growing adjacency, and WEL aims to tap into the market surge expected post-2030.

Inverter Manufacturing Facility

- WEL is setting up a dedicated inverter manufacturing plant with an annual capacity of 3GW, scheduled for commissioning in FY26. The investment outlay for this project is Rs1.3bn.
- Inverters are critical in any solar installation as they convert DC to AC electricity, and the market is currently dominated by Chinese players. Management emphasized that entering this space ensures better control over system integration, caters to data security concerns under India's Atmanirbhar Bharat initiative, and fills a growing domestic demand-supply gap.

Green Hydrogen and Electrolyser Manufacturing Facility

- WEL is entering the green hydrogen segment by establishing a manufacturing facility for electrolysers with a planned annual capacity of 300MW, expected to be operational by FY27.
- The company has secured a PLI allocation and a SECI tender win for green hydrogen production of 90KTPA. The total investment estimated for the electrolyzer facility is Rs5.51bn.

Forward Integration

WEL is executing a strategic forward integration plan aimed at strengthening its control over the solar manufacturing value chain. The company currently operates a 5GW junction box facility at Noida, with plans to scale capacity to 20GW by FY28, including 15GW in the US to align with growing export opportunities. Aluminum capacity is set for a significant ramp-up from 10ktpa today to 180ktpa. Further, the company is entering critical ancillary segments; glass (targeting 1,250tpd by FY28), encapsulant (25GW), and sealants (30GW) where it currently has no presence.

Exhibit 34: IPO Funds Utilization

Rs bn	To be utilized	Utilized by FY25	Funds available
6W integrated capacity expansion	27.8	-	27.8
General corporate purposes	7.0	7.0	-
Other related expenses	1.3	0.4	0.9
Total IPO proceeds	**36.0**	**7.4**	**28.6**

From the Rs36bn IPO proceeds, WEL has so far drawn down only Rs7.4bn, leaving a substantial Rs28.6bn still available for deployment. The entire Rs27.8bn earmarked for the 6GW integrated capacity expansion remains untouched as of FY25, underscoring that the bulk of the funds are aligned to the Butibori ingot–wafer–cell–module project and will be progressively utilized as commissioning milestones approach in FY27.

Engineering, Procurement, and Construction

WEL's Engineering, Procurement, and Construction (EPC) business forms a critical pillar of its integrated solar solutions offering, leveraging its extensive expertise in solar module manufacturing to deliver comprehensive EPC services. With over a decade of experience, the company has successfully executed over 3GW of solar projects, spanning ground-mounted, rooftop, and floating solar installations. As of Q1FY26, WEL has an additional 3.16GW of EPC projects under execution, demonstrating strong operational momentum.

- WEL's EPC services cover the full project lifecycle, from conceptualization, design and engineering, procurement of components, construction, to commissioning, ensuring seamless project delivery. The company caters to a wide spectrum of clients, ranging from utility-scale developers to commercial and industrial (C&I) consumers, offering customized solutions tailored to specific site and customer requirements. An important differentiator is WEL's ability to integrate operations and maintenance (O&M) services post-commissioning, ensuring the long-term performance, uptime, and efficiency of the solar plants it constructs.
- The Indian solar EPC market offers significant opportunities, supported by favorable government policies (such as the Solar Park Scheme and KUSUM Scheme), increased national renewable energy targets (500GW non-fossil fuel capacity target by 2030), and the rising corporate demand for clean energy solutions through open access and captive models. However, the sector faces notable challenges, including regulatory uncertainties, land acquisition complexities, delays in grid connectivity, and variability in policy implementation across states, all of which necessitate proactive risk mitigation and strategic planning.
- WEL competes with leading EPC players such as Tata Power Solar, Sterling & Wilson, and Vikram Solar. Its strong competitive advantages stem from an in-house supply of modules, a robust supply chain network, proven project execution capabilities, and longstanding relationships with equipment vendors and subcontractors. The company's consistent adherence to global quality standards, adoption of latest technologies (including bifacial modules and smart inverters), and emphasis on cost and time efficiencies further reinforce its position as a leading player in India's solar EPC segment.

Electricity Generation Business

- WEL has also established a growing portfolio of power generation assets, contributing directly to its revenue through the sale of electricity under long-term Power Purchase Agreements (PPAs).
- One of the company's key operating assets is a solar power plant managed by its subsidiary Haet Energies at Bid Pipliya, which operates under a 25-year PPA with MP Power Management Company Limited, including the West Discom and Central Discom. Additionally, WEL has undertaken projects such as the Indraprastha Power Generation facility in collaboration with the Government of Delhi and a rooftop solar project with Nashik Municipal Corporation through its associate company Waasang Solar One Private Limited.
- WEL's renewable energy generation footprint is expanding with new developments underway. The company is actively developing solar power plants at Yavatmal and Murtizapur, signaling its strategic intent to deepen its presence in the renewable energy generation segment.
- In line with this strategy, WEL completed the acquisition of EGPIPL (Enel Green Power India Pvt Ltd) for Rs7.92bn, strengthening its renewable portfolio. Additionally, the company has acquired a 170MW solar project from RUMSL (Rewa Ultra Mega Solar Limited), further scaling up its operating capacity and aligning with India's clean energy transition goals.
- The generation business provides WEL with steady, long-term revenue visibility, diversified cash flows, and complements its core manufacturing and EPC operations, positioning the company as an integrated renewable energy player.

Exhibit 35: WEL's Q1FY26 segmental revenue

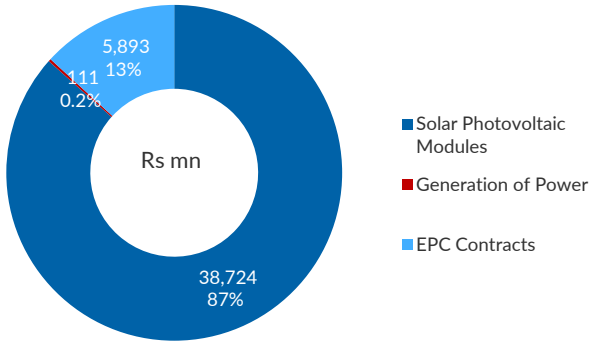
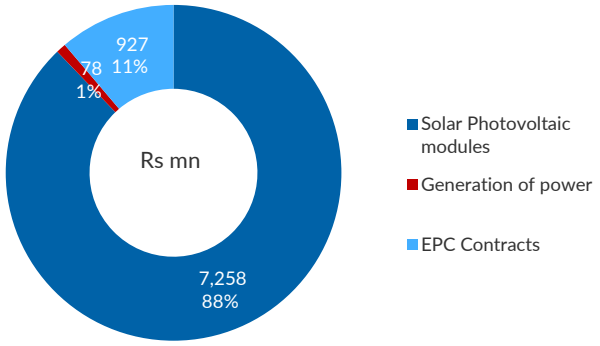


Exhibit 36: WEL's Q1FY26 segmental EBIT



Source: Company, YES Sec

Customer concentration

- WEL exhibits a relatively high degree of customer concentration, a characteristic typical of the solar manufacturing sector where large utility and C&I customers dominate procurement.
- A large portion of WEL's export revenues, particularly to the U.S., is derived from a few large EPC and solar project developers, increasing exposure to customer-specific risks like order deferrals or cancellations.
- The company is actively broadening its client base, especially in international markets, including expanding its distribution footprint across Europe, Middle East, and Australia to mitigate reliance on any single geography or customer.
- For domestic sales, WEL continues to supply major independent power producers (IPPs) and government projects under the CPSU (Central Public Sector Undertaking) and PM-KUSUM schemes, further diversifying institutional risk.

Exhibit 37: India's Module exports

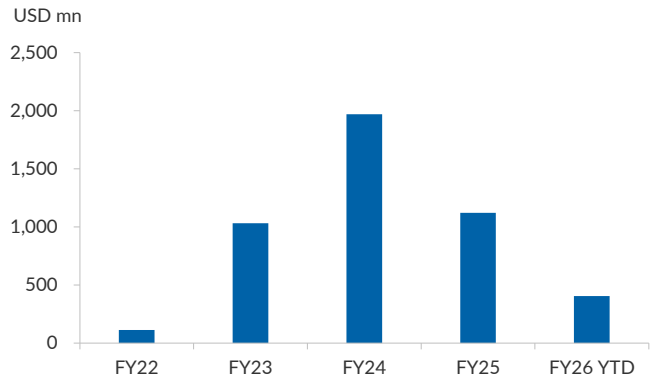
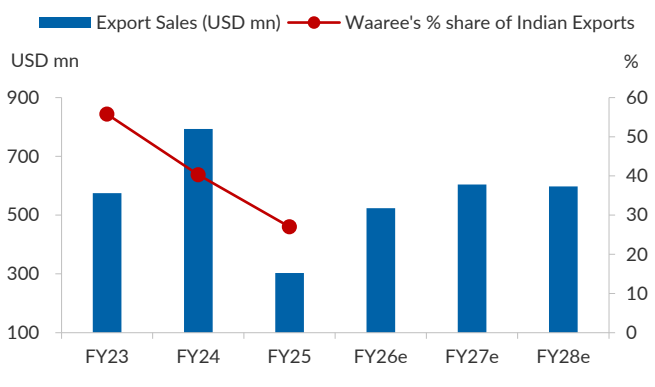


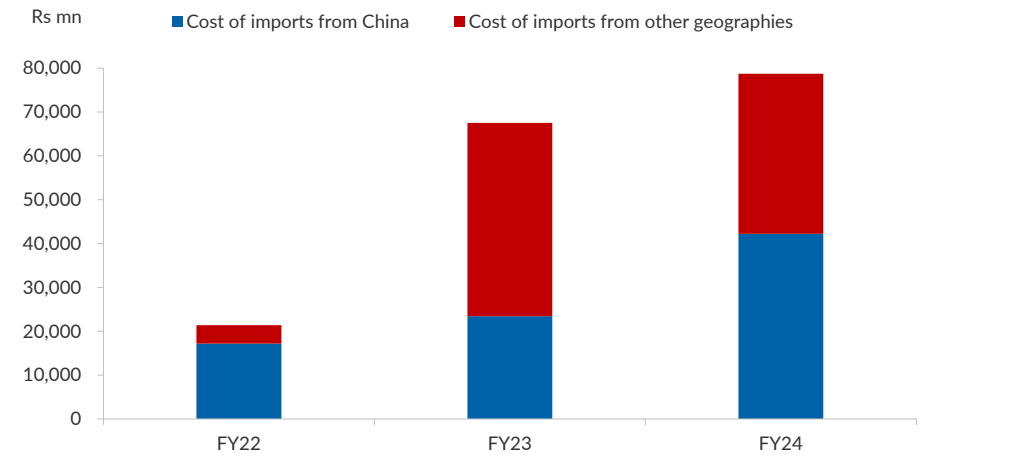
Exhibit 38: WEL's Module exports



Source: Ministry of Commerce, YES Sec
Note: FY26 YTD as of Jun'25

Supplier's concentration

Exhibit 39: Imports from China vs Others

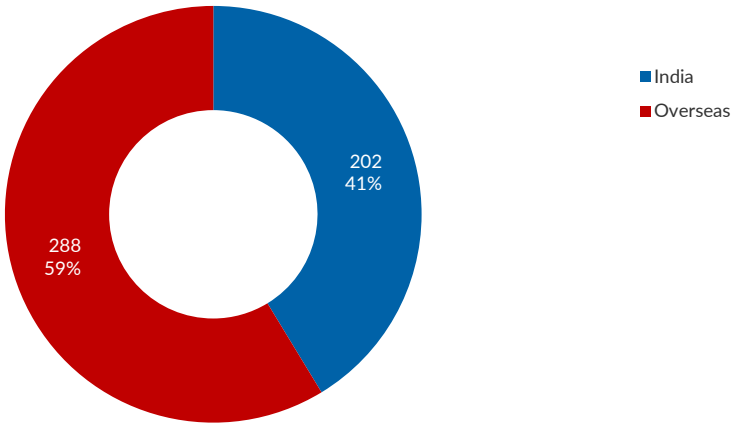


Source: WEL DRHP, YES Sec

- Major raw materials sourced include polysilicon, solar wafers, solar cells, EVA films, back sheets, and aluminum frames. WEL Energies also faces significant supplier concentration risks, particularly for critical raw materials.
- Moreover, WEL does not have long-term fixed-volume procurement contracts with its key suppliers. Instead, it engages in short-term purchase agreements based on forecasted production needs, historical sales trends, and near-term demand visibility. While this strategy provides procurement flexibility and reduces working capital tie-ups, it exposes WEL to risks of price volatility, supply shortages, and logistics disruptions.
- Suppliers generally extend credit terms ranging from 30 to 90 days, helping manage cash flows. However, reliance on a few large suppliers, coupled with the absence of binding long-term contracts, means that any supply-side shocks such as trade restrictions, geopolitical tensions, or commodity price spikes could materially impact WEL's production costs, delivery timelines, and profitability.
- Mitigation Efforts: WEL's ongoing backward integration initiatives, with a facility (ingot to module) are specifically aimed at reducing import dependency over the medium term. Post commissioning of its own cell, wafer, and ingot production capacities, the company expects significant reduction in external procurement requirements, particularly from China, thereby mitigating supplier concentration risks.

Orderbook details

Exhibit 40: Orderbook (Rs bn) as of Jun'25



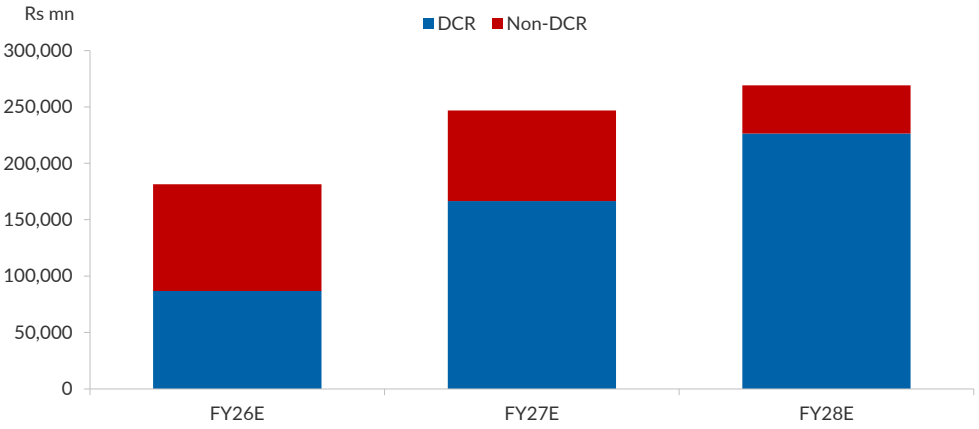
Source: Company, YES Sec

WEL has built a strong and growing order book, with the order backlog serving as a key forward revenue visibility indicator, although it is not contractually guaranteed and is subject to cancellations, rescheduling, or modifications.

- WEL Energies maintained a robust order pipeline in Q1FY26, with a total pending solar PV module orderbook of ~25GW as of Jun'25 valued ~Rs490bn. This includes 41.3% of domestic orders and 59% of international orders, with the latter primarily from the U.S.
- The orderbook continues to have strong visibility into FY27, with certain U.S. orders extending up to FY30 under long-term supply arrangements that qualify for Inflation Reduction Act (IRA) incentives.
- Domestic orders are anchored by utility-scale developers, C&I rooftop customers, and government tenders requiring DCR-compliant modules, supported by ongoing schemes such as PM-KUSUM, CPSU, and state-level solar programs.
- International orders are dominated by large utility-scale developers in the U.S., with WEL benefiting from its Houston manufacturing facility's local supply advantage and IRA-linked pricing competitiveness.
- Q1FY26 saw order inflows of ~3GW, with management noting strong traction in both the U.S. and India despite seasonal softness in certain export markets.
- Cancellation risks remain low for domestic DCR-linked orders but higher for certain U.S. orders, especially in segments dependent on project financing timelines. Management reiterated its practice of advance payments and staggered deliveries to mitigate default risks.
- The company continues to leverage its franchisee network of ~388 partners for small-scale rooftop orders, which while lower in volume, provide higher-margin business and aid in market penetration.

The DCR Boon

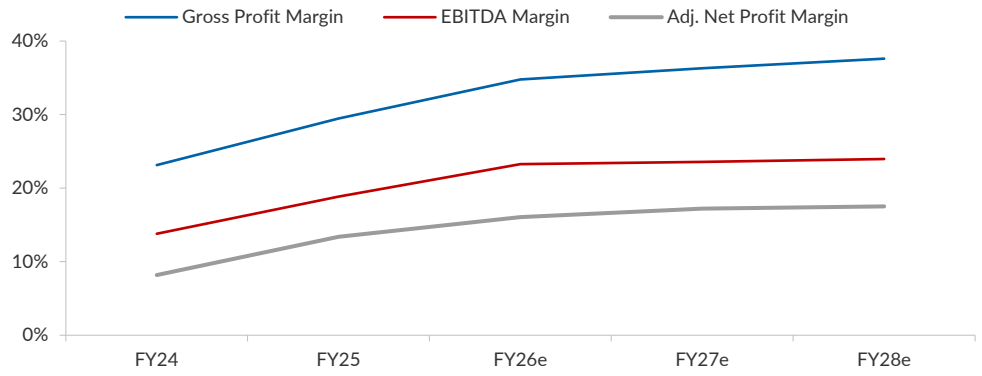
Exhibit 41: Revenue split – Modules DCR/Non-DCR



Source: YES Sec

WEL's revenue mix is undergoing a decisive pivot towards DCR modules, which are projected to rise from 48% of total volumes in FY26 to 100% by FY29e, fully replacing non-DCR sales. This structural shift not only provides higher visibility given strong policy support, but also drives sustained volume expansion from 7.1GW in FY25 to 15.5GW in FY28. Importantly, profitability strengthens alongside this transition: gross margins expand by ~800bps to 37.6% and EBITDA margins improve by ~500bps to 24% by FY28, reflecting pricing premiums on DCR modules, improved operating leverage, and backward integration benefits. Net margins also climb steadily to 17.5% in FY28, underlining WEL's ability to translate scale into bottom-line growth. The combination of volume-led growth, rising margin trajectory, and policy-anchored demand creates a powerful earnings visibility, positioning WEL as a standout beneficiary of India's DCR-driven solar push.

Exhibit 42: Profit Margin development



Source: Company, YES Sec

Margin Expansion

With improved scale and newly online cell capacities followed by upcoming ingot-wafer integration, the management is confident in their guidance of Rs55-60bn guidance for FY26 which is just short of double the FY25 number, based on our estimates we expect WEL to report an EBITDA of ~Rs51.7bn (Rs58bn including other income) which is up 98% from FY25, exhibiting a margin expansion of ~440bps to ~23.3%.

Why scale helps EBITDA:

- Greater backward integration reduces input procurement (wafer/cell) premium and import exposure.
- Export mix (U.S.) benefits from IRA and avoids certain tariffs when locally manufactured.
- Larger gigafactory (Chikhli + Gujarat + Butibori) yields operating leverage and higher absorption of fixed overheads.

Why we expect WEL to grow faster than Premier Energies (PEL)

- **Bigger capacity roller and targets (faster scaling):** By FY28, WEL would reach 25.7GW of module capacity versus Premier's 11.1GW, alongside higher backward integration with 15.4GW of cells and 14GW of ingot-wafer capacity compared to Premier's 10GW each. Importantly, WEL's U.S. module plant (3.2GW) positions it to tap IRA-linked demand in a premium market, while Premier's U.S. plans are limited to 1.2GW of cells. WEL EBITDA is growing at a CAGR of ~46% for FY25-28e while Premier Energies EBITDA at a CAGR of ~39% for the same period.
- **Integrated upstream build (ingot-wafer + cells):** WEL is explicitly building ingot-wafer (Butibori 10 GW) + cell + module footprint and pursuing PLI; Premier's focus is cell + module lines, but Premier's public program is smaller in ingot-wafer scale versus WEL's announced integrated plan. Integrated upstream gives WEL greater potential gross-margin improvement through reduced import dependency.
- **U.S. manufacturing & export play (IRA / FEOC resilience):** WEL has an operational Houston plant (1.6 GW initial) and management emphasized U.S. orders (2.23 GW in Q1FY26). This direct U.S. presence helps WEL capture IRA incentives and insulate certain export flows from tariffs (FEOC discussions). Premier has largely domestic focus (industry commentary indicates Premier's business is 99% domestic historically). That gives WEL an edge for faster topline growth via exports.
- **Orderbook & pipeline scale:** WEL management reported an order book of ~25GW (Rs490bn); Premier's public orderbook is smaller by comparison at 5.5GW (Rs86bn). Large orderbook gives WEL more secured near-term revenue to onboard new capacity.
- **Fortified retail footprint:** WEL has built a deep retail presence through ~388 franchise partners and distributors across India, enabling it to tap into the fragmented rooftop and MSME solar markets with faster order conversion and recurring volumes. This network supports not only module sales but also bundled EPC and O&M services, creating a strong brand recall in tier-2/3 geographies. Premier, by contrast, has a limited retail footprint and primarily relies on utility-scale and institutional clients, which constrains its ability to capture the fast-growing small-scale DCR-compliant demand segment where WEL enjoys a clear first-mover advantage.

Robust Cash Position Enables Self-Funded Expansion

WEL has guided for Rs150bn of capex over the next two years, with spends directed toward the 10GW ingot–wafer–cell–module complex at Butibori, expansion of the Gujarat/Chikhli module lines, scale-up of junction boxes, aluminum, glass, encapsulants and sealants, as well as adjacencies in inverters, BESS, and electrolysers. Against this backdrop, we build in consolidated capex of Rs83.7bn in FY26, Rs70.9bn in FY27, and Rs41.0bn in FY28, reflecting both the core module-cell expansion cycle and incremental backward integration projects.

The balance sheet provides visibility to fund this program. WEL closed FY25 with Rs77.5bn in cash, remains in net cash position, and has Rs28.6bn of IPO proceeds unutilized almost entirely earmarked for the Butibori integrated facility. This war chest, supplemented by strong operating cash flow, ensures that the expansion pipeline can be executed without incremental leverage and with minimal execution risk from funding delays.

On our forecasts, free cash flow to the firm turns positive at Rs35.5bn by FY28 as utilization ramps, backward integration improves margins, and adjacencies begin contributing. This reinforces the investment case that WEL's current capex-heavy phase is a deliberate front-loading of integration, with the cash-rich balance sheet cushioning any near-term drag and positioning the business for a structurally stronger margin and free cash flow profile from FY28 onward.

Exhibit 43: OCF & Capex

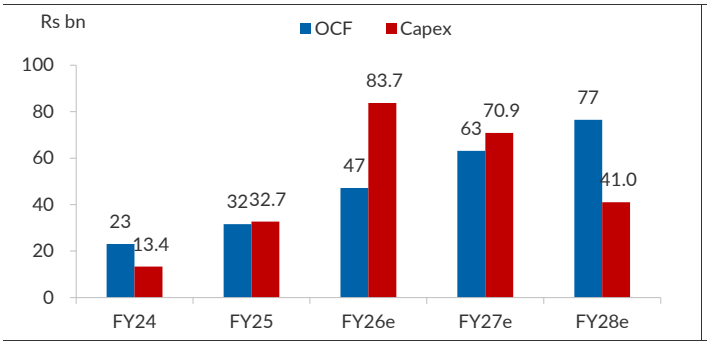
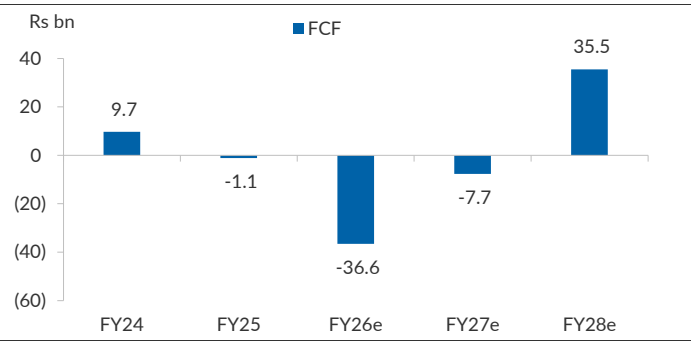


Exhibit 44: FCFF



Source: Company, YES Sec

US Policy Tailwinds Strengthen the Case for Indian Solar Players

In CY24 the US imported 54.3GW of solar panels of which ~80% was sourced from Southeast Asian countries namely Vietnam, Thailand, Malaysia and Cambodia. These countries have long standing manufacturing ties with Chinese players allowing them to circumvent their way into the US. Indian solar manufacturers already benefit from the IRA's USD 0.07/W advanced manufacturing credit by producing modules locally, a strong launched base for further gains. Beyond that, the US is increasingly targeting Southeast Asian suppliers with punitive tariffs (some as high as 3,500%) for Chinese-linked producers and initiated new investigations into Indian solar imports under anti-dumping and countervailing duty petitions. If these moves materialize into broader duties, Indian-origin product lines (especially those with transparent, compliant supply chains) may receive preferential treatment as a lesser-risk alternative to China-linked exports.

Why WEL Stands to Gain

WEL is already producing modules in the US via its Houston facility, giving it both operational presence and qualification under domestic content criteria. As additional US policies evolve to penalize opaque or indirect China-linked supply starts, WEL's compliant footprint and clear governance could give it leverage both in pricing and eligibility and position it ahead of lower-traceability competitors. WEL ensures no inputs from FEOC countries for US-bound exports, including in the polysilicon stage. US manufacturing capacity is fully booked, prompting ramp-up to a 3.2GW facility within 9 months. Anti-dumping investigation in the US is expected to take 6-12 months. Contracts have risk mitigation clauses to protect profitability. Big Bill (IRA) impacts include a retained 45X tax credit and a clear FEOC country list. Its expanding US module capacity (from 1.6 GW today to 3.2 GW by FY27) aligns neatly with these emerging tectonic shifts in US trade and clean-energy policy.

PEER ANALYSIS

Geography	Country	Company	Market Data (Rs Mn)					
			Last Price (Rs)	Nos. shares (mn)	Market Cap	EV	Book Value	BVPS
US	US	First Solar	18,248	107	1,956,920	1,915,660	732,469	6,830
	North America	Canadian Solar	1,059	67	70,890	577,221	244,678	3,654
China	China	LONGI Green Energy	211	7,578	1,595,783	1,487,797	697,202	92
	China	Jinko Solar	68	10,005	677,922	939,690	352,843	35
	China	JA Solar	166	3,310	549,771	914,899	299,957	91
	China	Trina Solar	211	2,179	459,739	983,621	279,338	128
	China	Tongwei	277	4,502	1,248,047	2,374,094	537,991	120
	China	CSI Solar	155	3,688	572,903	716,577	285,591	77
India	India	**Premier Energies (PEL)**	**1,051**	**451**	**473,741**	**474,567**	**28,221**	**63**
	India	**Waaree Energies (WEL)**	**3,580**	**287**	**1,028,474**	**971,687**	**94,792**	**330**

Source: Company, Bloomberg, YES Sec Note: Data dated 15-Sep 2025

Geography	Country	Company	Financials FY26e/CY25e (Rs mn)			Valuation				
			Revenue	EBITDA	Profit	*EV/S*	*EV/EBITDA*	*P/S*	*P/E*	*P/B*
US	US	First Solar	465,743	195,051	143,782	4.11	9.82	4.20	13.61	2.67
	North America	Canadian Solar	513,265	47,919	-9,565	1.12	12.05	0.14	-7.41	0.29
China	China	LONGI Green Energy	917,330	12,484	-47,167	1.62	119.18	1.74	-33.83	2.29
	China	Jinko Solar	926,131	33,589	-48,217	1.01	27.98	0.73	-14.06	1.92
	China	JA Solar	745,173	42,478	-51,984	1.23	21.54	0.74	-10.58	1.83
	China	Trina Solar	944,460	41,447	-49,245	1.04	23.73	0.49	-9.34	1.65
	China	Tongwei	1,169,275	55,340	-73,199	2.03	42.90	1.07	-17.05	2.32
	China	CSI Solar	533,609	74,367	24,076	1.34	9.64	1.07	23.80	2.01
India	India	**Premier Energies (PEL)**	**94,667**	**25,724**	**14,755**	**5.01**	**18.45**	**5.00**	**32.11**	**16.79**
	India	**Waaree Energies (WEL)**	**222,208**	**51,701**	**35,670**	**4.37**	**18.79**	**4.63**	**28.83**	**10.85**

Source: Company, Bloomberg, YES Sec Note: Data dated 15-Sep 2025

Among Indian players, WEL commands a significantly larger revenue base (Rs222.2bn FY26e) and higher absolute profitability (EBITDA Rs51.7bn, net profit Rs35.7bn) versus Premier Energies, while also trading at a slightly more attractive valuation (EV/EBITDA 18.8x vs 18.5x, P/E 28.8x vs 32.1x). Against Chinese peers such as Jinko, JA Solar, and Trina, WEL's topline scale is smaller, but its profitability ratios are relatively stronger, aided by premium pricing from DCR modules and better domestic market positioning. Compared to U.S. players, First Solar leads in size and efficiency, but WEL trades at lower valuation multiples, suggesting rerating potential as scale and backward integration expand. Overall, WEL's blend of high growth, improving integration, and DCR-led pricing power provides a favourable risk-reward relative to Premier and a differentiated niche against Chinese scale players.

KEY CHARTS COMPARING WEL AND PEL

Exhibit 45: WEL and Premier Energies (PEL) share of Domestic Module Manufacturing (Jun'25)

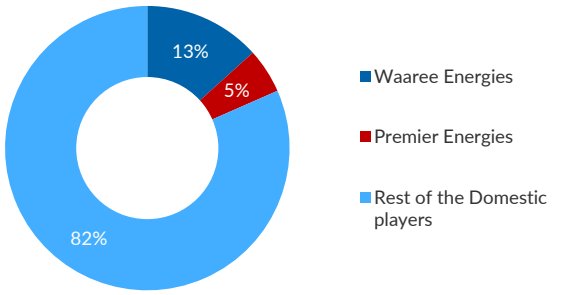
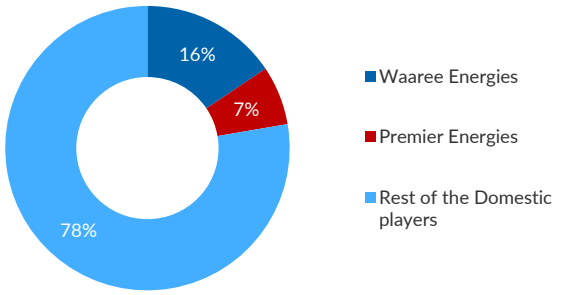


Exhibit 46: WEL and PEL share of Domestic Module Manufacturing (FY28)



Source: Industry, Company, YES Sec

Exhibit 47: WEL and PEL share of Domestic Cell Manufacturing (Jun'25)

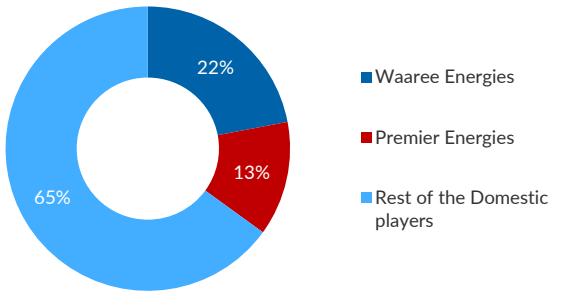
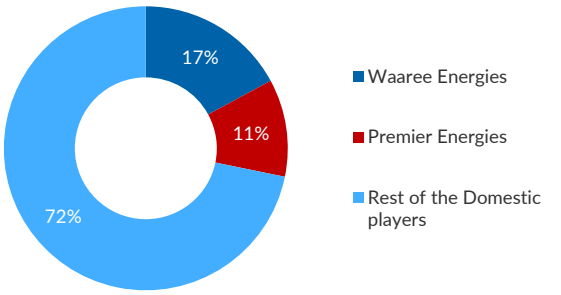


Exhibit 48: WEL and PEL share of Domestic Cell Manufacturing (FY28)



Source: Industry, Company, YES Sec

Exhibit 49: Revenue and Growth

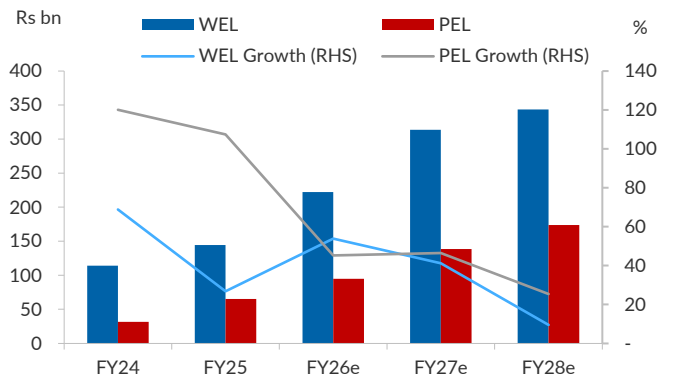
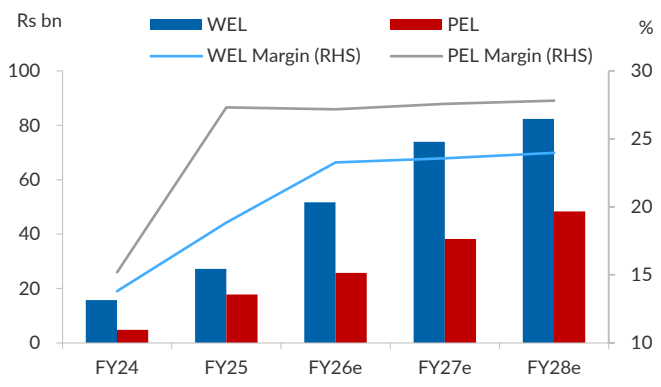


Exhibit 50: EBITDA and Margin



Source: Company, YES Sec

Exhibit 51: Adj. PAT and Growth

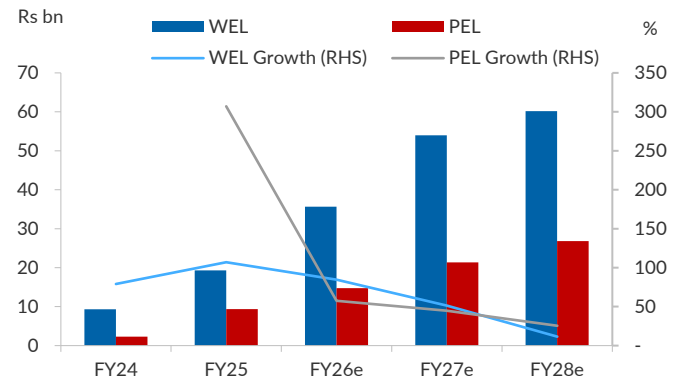
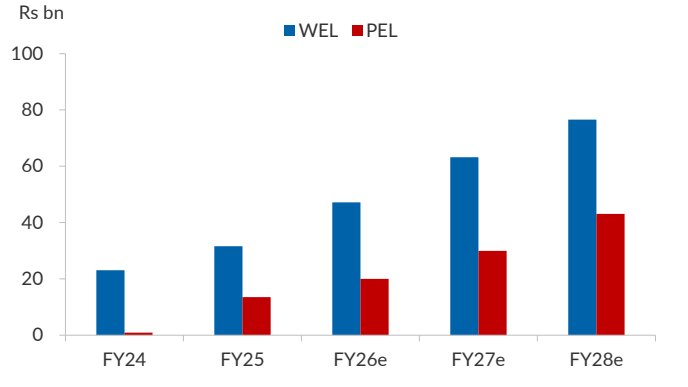


Exhibit 52: OCF



Source: Company, YES Sec

Exhibit 53: Capex

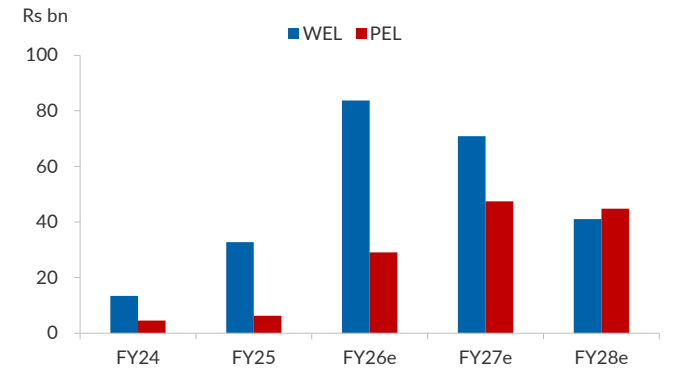
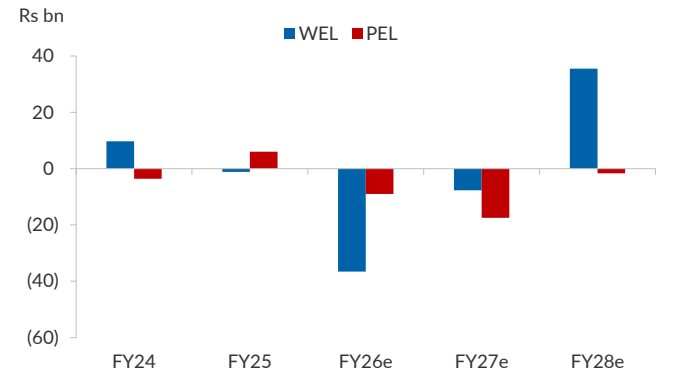


Exhibit 54: FCF



Source: Company, YES Sec

Exhibit 55: Net Debt to Equity

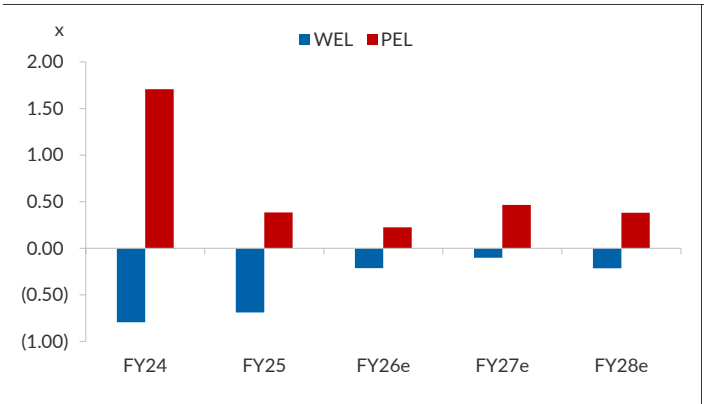
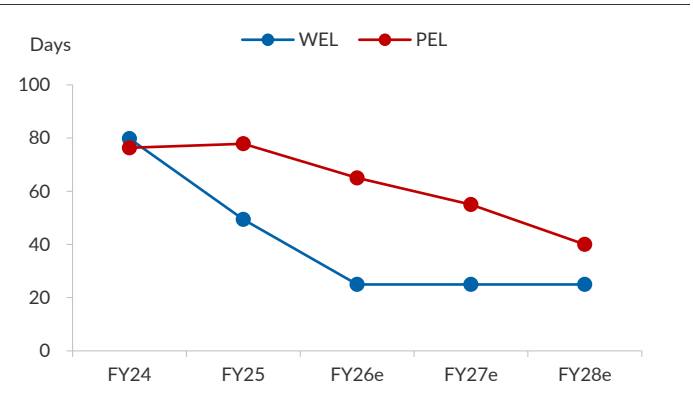


Exhibit 56: WC days



Source: Company, YES Sec

Exhibit 57: Total Asset Turnover

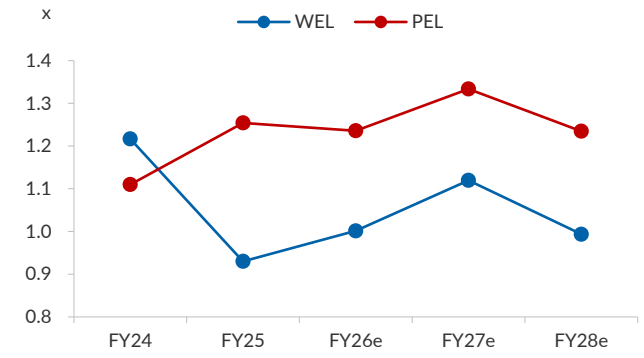
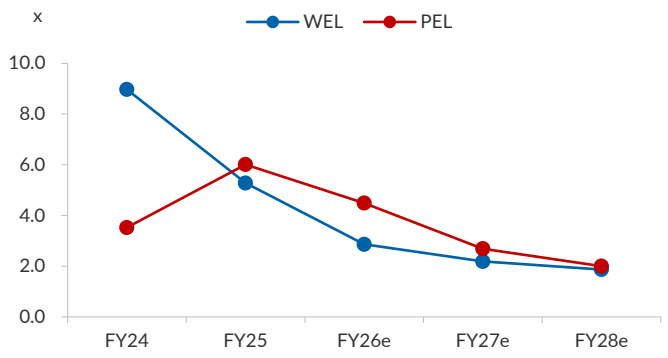


Exhibit 58: Fixed Asset Turnover



Source: Company, YES Sec

Exhibit 59: ROCE

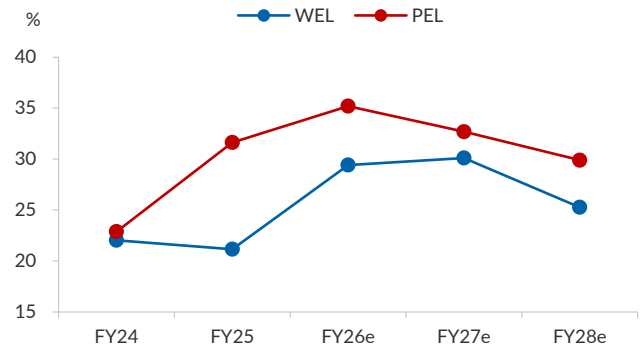
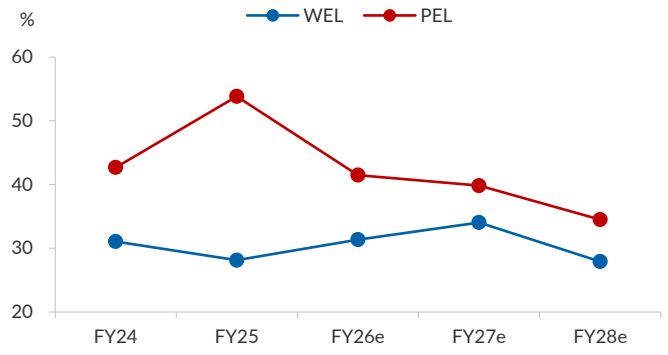


Exhibit 60: ROE



Source: Company, YES Sec

Exhibit 61: WEL Capacity Blueprint

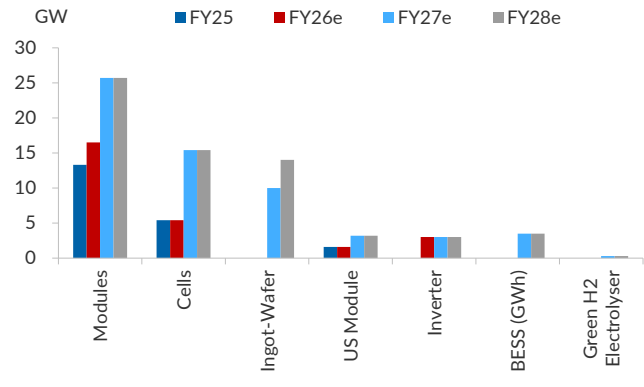
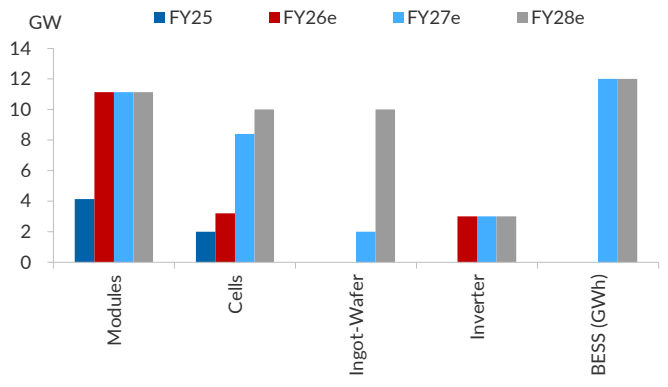


Exhibit 62: PEL Capacity Blueprint



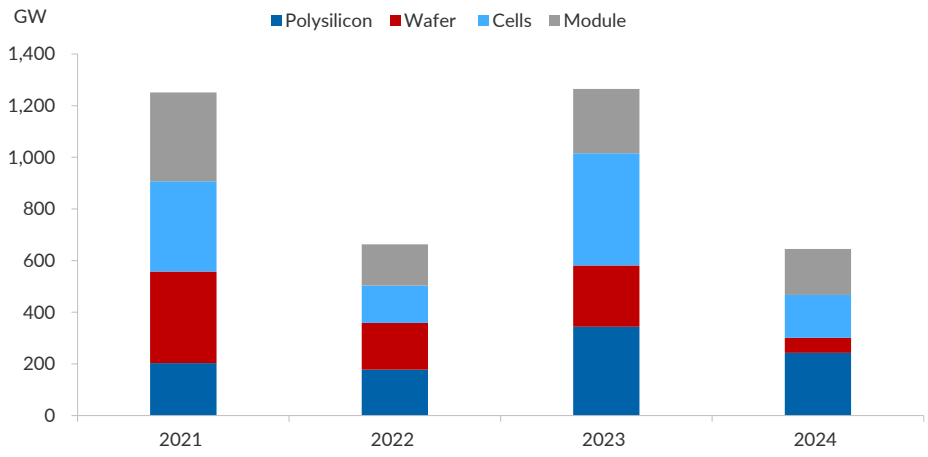
Source: Company, YES Sec

RISK FACTORS

- **Demand/off-take mismatch and oversupply risk**: India's nameplate module capacity rose from the high-teens to ~100 GW within a short period; announced additions could push nameplate capacity far beyond domestic demand (estimates of 160–170GW by 2028 in industry roadmaps). With WEL's increasing skew towards domestic offtake, the threat of oversupply becomes even more consequential. If domestic tenders, export windows (US/EU) or rooftop uptake slow, utilization will fall, and margins will compress. Oversupply is not hypothetical, inventory/price pain already visible in China and globally.
- **Raw Material Volatility**: The cost of materials consumed is a significant portion of total expenses, increasing from Rs 17.9bn (~64% of total expenses) in FY22 to Rs 83.6bn (~80% of total expenses) in FY24. The company does not have long-term supply contracts for raw materials such as wafers, solar cells, backsheets, and encapsulants, making it susceptible to price volatility due to factors like commodity market fluctuations, currency exchange rates, and transportation costs.

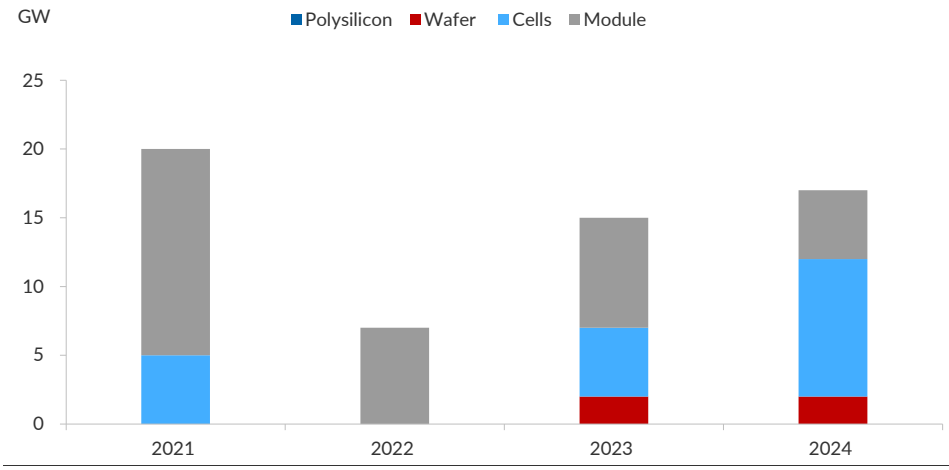
  For example, polysilicon, a key raw material in solar PV manufacturing, saw global prices surge from USD 6.8/kg in July 2020 to USD 43/kg in November 2021 due to supply chain disruptions and energy shortages. If such volatility persists, it may impact profitability since price increases cannot always be passed on to customers.
- **China Dependence:** A substantial portion of the company's raw materials, including wafers and solar cells, is imported from China. The proportion of cost of imported materials from China decreased from Rs 17.2bn (~80% of Total Cost of Materials Imported) in FY22 to Rs 42.2bn (~54% of Total Cost of Materials Imported) in FY24. India's imposition of a 20% basic customs duty on solar cells from Feb'25 has further decreased procurement costs. Additionally, the U.S. Uyghur Forced Labor Prevention Act (UFLPA) and other trade restrictions on China could disrupt supply chains and impact exports. Any escalation in geopolitical tensions could significantly impact raw material availability and costs.

Exhibit 63: China's capacity additions integrating backward



Source: IEA, YES Sec

Exhibit 64: India's capacity additions integrating backwards



Source: IEA, YES Sec

- **Duties, Tariffs, and Subsidies:** The company faces risks from fluctuating duties and government policies. For instance, In Budget 2025, The government has restructured the 40% BCD on modules to 20% BCD and 20% AIDC, while on solar cells, its reduced from 25% (+2.5% SWS) to 20% (+7.5% AIDC), marginally reducing production costs. The Indian government has introduced the Approved List of Models and Manufacturers (ALMM) and Domestic Content Requirement (DCR), which encourage domestic production but limit international procurement flexibility. Subsidies under schemes like SPECS (Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors) provide 25% capital incentives, but any reduction or withdrawal of such benefits could impact profitability. Further, if the U.S. imposes countervailing duties on solar cells and modules that use Chinese components, it could reduce the demand for Indian solar exports.
- **Technological Changes:** The company operates in a rapidly evolving industry where new technologies such as TOPCon (Tunnel Oxide Passivated Contact) and HJT (Heterojunction Technology) are replacing older PERC (Passivated Emitter and Rear Cell) technology. If the company invests heavily in one technology and a superior alternative emerges, it could face obsolescence risks. For instance, transitioning from PERC to TOPCon requires substantial capital investment, but if HJT or tandem technology becomes dominant, this transition may be less effective. Additionally, the cost of upgrading manufacturing facilities could significantly impact financials without guaranteed returns.

Exhibit 65: Technological changes coming forward

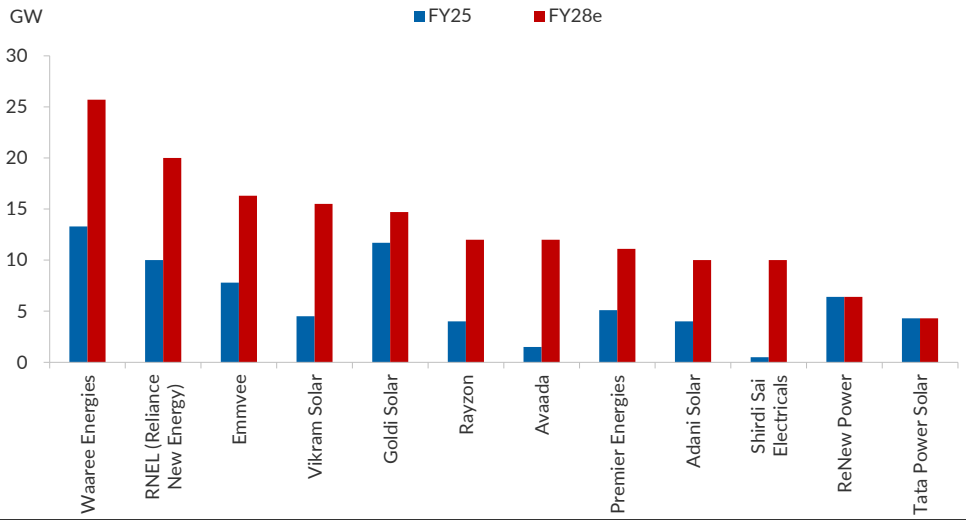
Parameters	Mono PERC	TOPCon	HJT
Initial Capex	USD 31-38 mn/GW	USD 38-46 mn/GW	USD$ 69-75 mn/GW
Cell Efficiency	23.2% - 23.7%	24.5% - 25.2%	24.5% - 25.2%
Module Efficiency	20.0% – 21.5%	22.0% - 23.0%	22.0% - 23.0%
Bi-faciality	70% - 75%	80% - 85%	80% - 90%
Complexity	Moderately complex	Less than HJT	Most complex
Temperature Co-efficient of Power (Pmax Temperature Co-efficient)	0.35% / °C.	0.29% / °C.	-0.24% to -0.26% / °C.
	PERC cells experience a more noticeable power decline at elevated temperatures	Offers a significant power improvement over PERC cell at elevated temperatures	Lowest temperature coefficient - HJT cells experience minimal power loss even at high temperatures.

Source: Company DRHP, YES Sec

- **Increased Competition:** The company faces intense competition from both domestic and international manufacturers. Key competitors include Premier Energies, Reliance New Energy, Mundra Solar (Adani Group), Vikram Solar, Goldi Solar, Emmvee, etc. Additionally,

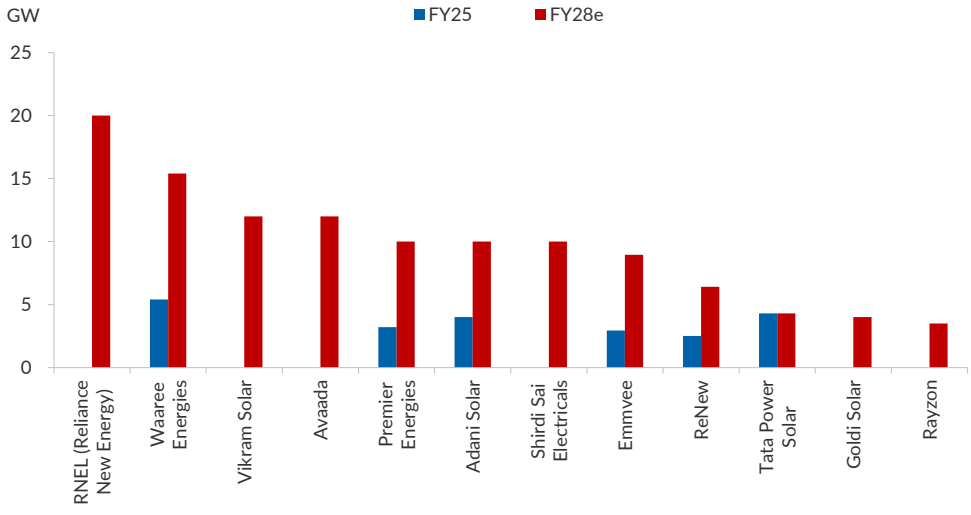
under the Free Trade Agreement between India and ASEAN countries, modules and cells from ASEAN nations are exempt from customs duties, allowing them to compete more effectively with domestic manufacturers. Increased competition could result in price reductions, thinner profit margins, and potential loss of market share.

Exhibit 66: Indian module manufacturers in coming years



Source: Industry, YES Sec

Exhibit 67: Indian cell manufacturers in the coming years



Source: Industry, YES Sec

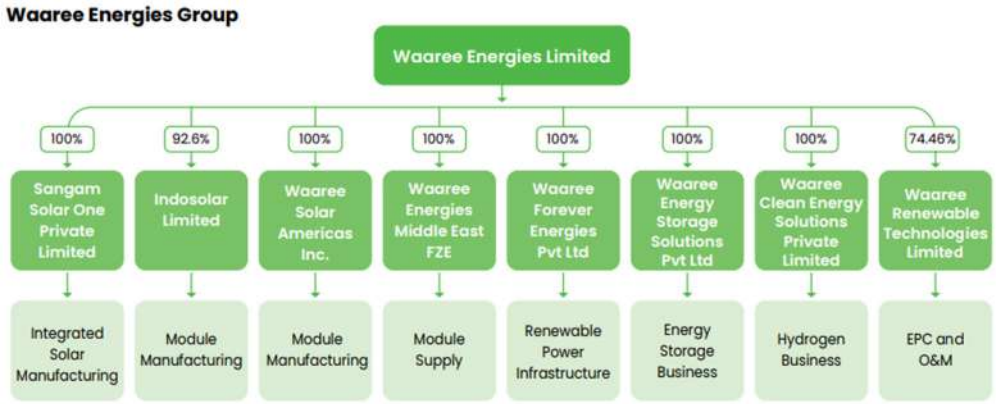
- **Project Delays:** WEL Energies is undertaking several large-scale capex initiatives, including its 6GW integrated Odisha facility (ingots, wafers, cells, modules) expected to commence by FY27, a 5GW U.S. plant (1.6GW commissioned in Jan'25), and new facilities for lithium-ion batteries (3.5GWh by FY27) and electrolyzers (300MW by FY27). These projects are exposed to risks related to construction timelines, equipment commissioning, technology integration (especially for new lines like TOPCon and storage), and regulatory clearances. Delays in the Odisha facility may impact the company's backward integration timeline and defer planned margin expansion, especially as ~90% of current raw materials are imported. Moreover, scaling beyond 1.6GW in the U.S. is contingent on market demand, and delays could affect execution of the 3.75GW U.S. orderbook, which is tied to IRA qualification timelines.

WAAREE ENERGIES

About company

Waaree Energies Ltd. (WEL) originally named Anmol fluid connectors private limited was founded in 1989, is India's leading solar panel manufacturer and a key player in the renewable energy sector. Initially starting as an instrumentation company, WEL transitioned into solar energy, becoming one of the largest producers of solar PV modules with domestic manufacturing capacity of 13.3 GW. Over the years, the company expanded globally, providing EPC services, project development, and independent power production. Today, WEL plays a crucial role in advancing clean energy solutions, serving industries, businesses, and residential sectors while contributing to India's renewable energy goals and global sustainability efforts.

Exhibit 68: WEL Group Structure



Source: Company, YES Sec

History: WEL Energies Limited was founded by Hitesh Chimanlal Doshi and originally incorporated as Anmol Fluid Connectors Private Limited in 1990, operating in the engineering sector. In 2007, the company shifted its focus to solar energy and rebranded as WEL Solar Private Limited, later becoming WEL Energies Limited in 2013. Over the years, it expanded its operations, forming a joint venture with NEEPCO in 2014 and executing major projects, including an international solar EPC project in Vietnam in 2019. Led by Hitesh Chimanlal Doshi, Viren Chimanlal Doshi, and Hitesh Pranjivan Mehta, the company has played a key role in India's New Energy growth, diversifying its business and strengthening its presence in the solar sector.

Exhibit 69: Milestone

Period	Milestone
1989-2007	Proven track record of scaling businesses – Hitesh Chimanlal Doshi, Chairman & MD sold his previous venture WEL Instruments Limited
2007-2011	2007: Entered solar energy sector 2011: Initiated EPC business
2011 – 2017	2017: Acquired NEEPCO's stake in the JV1 2014: JV with NEEPCO for a solar power project
2018 – 2021	2018: Divested Waaree Solar Pvt Ltd. to Hero Solar Energy Pvt Ltd. 2018: Commissioned 1GW PV plant capacity
2021 – 2023	Awarded PLI for a 6GW integrated ingots, wafer, cell, module mfg. facility Initiated construction of 5.4GW cell mfg. facility Increased capacity to 12GW Raised 2 equity rounds of Rs10,401mn and Rs10,000mn
2024 - 2027	Expansion of module capacity from 13.3GW to 25.7GW on track Commissioning of 5.4GW cell facility IPO object clause change for shifting and revision of 6 GW integrated facility with additional capex approval Approved investment in adjacencies including BESS, Inverters, IPP, Green Hydrogen, etc.

Source: Company, YES Sec

Exhibit 70: Management Team

Hitesh Chimanlal Doshi *Chairman & MD*	He is the founder of WEL Group and Holds a B.Com from University of Mumbai and a Doctorate in Professional Entrepreneurship from European Continental University; founder and promoter with over 22 years in engineering, associated with the Company since Oct 1999.
Viren Doshi *Whole-Time Director*	As one of the Company's promoters, he has passed his higher secondary exams from the Maharashtra State Board of Secondary and Higher Secondary Education. With over 15 years of experience in the engineering industry.
Hitesh Mehta *Whole-Time Director*	He has done B.Com from University of Bombay and Chartered Accountant (ICAI); over 23 years in engineering, solar and oil, joined WEL in Apr 2011, previously served as CFO.
Amit Paithankar *Whole-Time Director, CEO*	He holds B.E (Electrical), MBA (Global), and PhD (Technology) in electrical engineering; ex-MD South Asia and VP at Emerson Electric, joined in Mar 2024.
Sonal Shrivastava *Chief Financial Officer*	She holds B.Sc Engg (Chemical) from Vinoba Bhave University and MMS from University of Mumbai; ex-CFO at Vedanta, also with Lafarge India and Suzlon, joined in Sep 2024.
Rajesh Gaur *Company Secretary and Compliance Officer*	He has done B.Com from University of Mumbai and Company Secretary; ex-Ambuja Cements, joined in May 2023.
Jignesh Rathod *Director Operations*	He holds B.E from Gujarat University and PG & Master's in Business Management from NMIMS; with Co. since Nov 2007 overseeing operations.

Source: Company, YES Sec

VALUATION

BUY with a TP of Rs 4,610/share.

We believe WEL's Revenue/EBITDA/PAT to record a ~33/45/46% CAGR over FY25-28e led by a 29.4% CAGR in volumes for the same period. This growth will be driven by backward integration resulting in expanding margins, increased production and sales, healthy order book of Rs490bn and presence in US. We initiate coverage with a BUY and a TP of Rs 4,610, based on 22x FY28e (implied PEG of 0.5x) as the growth remains robust. The stock is currently trading at a PER of 19.1x/17.1x FY27/28e and at an EV/EBITDA of 13.7x/11.9x FY27/28e.

Sensitivity table (FY28)

Target Price Rs/Share		PAT CAGR FY25-28e				
		26%	36%	46%	56%	66%
PER (X)	20.0	2,694	3,388	4,191	5,112	6,159
	21.0	2,829	3,557	4,400	5,368	6,467
	22.0	2,964	3,726	**4,610**	5,623	6,775
	23.0	3,098	3,896	4,820	5,879	7,083
	24.0	3,233	4,065	5,029	6,134	7,391

Exhibit 71: Yes Sec versus Bloomberg Consensus

	YES Sec Estimates			Consensus Estimates			Difference		
Particulars (Rs bn)	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Revenue	222.2	313.6	343.5	218.7	273.7	306.4	1.6%	14.6%	12.1%
Gross Profit	77.3	113.8	129.2	73.1	90.2	96.5	5.7%	26.2%	33.8%
GM (%)	*34.8*	*36.3*	*37.6*	*33.4*	*33.0*	*31.5*	*134 bps*	*334 bps*	*611 bps*
EBITDA	51.7	73.9	82.4	50.8	65.0	69.8	1.7%	13.7%	18.0%
EBITDA (%)	*23.3*	*23.6*	*24.0*	*23.2*	*23.7*	*22.8*	*3 bps*	*-18 bps*	*120 bps*
EPS	124.2	187.9	209.5	122.6	150.3	156.2	1.3%	25.0%	34.2%

Source: Company, Bloomberg, YES Sec

Exhibit 72: P/E trading band

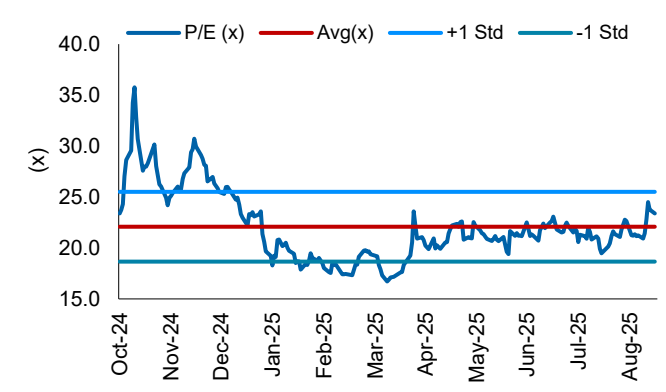
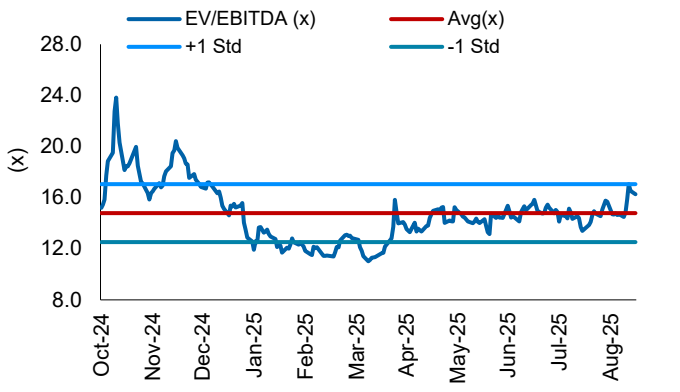


Exhibit 73: EV/EBITDA trading band



Source: Company, YES Sec

FINANCIALS

Exhibit 74: Income statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e	FY28e
Revenue	67,509	113,976	144,445	222,208	313,586	343,492
Total Expense	59,162	98,232	117,229	170,507	239,679	261,141
Operating Profit	**8,346**	**15,744**	**27,216**	**51,701**	**73,907**	**82,351**
Other Income	1,095	2,352	4,016	6,441	13,665	16,401
Depreciation	1,641	2,768	4,025	8,975	13,935	16,807
EBIT	7,800	15,328	27,208	49,167	73,637	81,946
Interest	823	1,399	1,521	1,499	1,499	1,499
Extraordinary Item	(206)	3,413	(40)	-	-	-
PBT	**6,772**	**17,342**	**25,646**	**47,668**	**72,138**	**80,447**
Tax	1,769	4,598	6,365	11,998	18,157	20,249
PAT	**5,003**	**12,744**	**19,281**	**35,670**	**53,981**	**60,199**
Adj. PAT	5,209	9,330	19,322	35,670	53,981	60,199
Eps	18.1	32.5	67.3	124.2	187.9	209.5

Exhibit 75: Balance sheet

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e	FY28e
Equity capital	2,434	2,630	2,873	2,873	2,873	2,873
Reserves	16,185	38,855	93,080	128,750	182,731	242,930
Net worth	**18,619**	**41,485**	**95,953**	**131,623**	**185,604**	**245,803**
Total Gross Debt	3,203	5,534	11,990	11,990	11,990	11,990
Deferred tax liab (net)	479	371	413	413	413	413
Other non current liabilities	3,970	13,949	10,762	10,762	10,762	10,762
Sundry creditors	14,316	14,752	22,549	35,742	49,251	52,843
Other current liabilities	33,612	37,047	55,807	55,807	55,807	55,807
Total Liabilities & Equity	**74,199**	**113,138**	**197,474**	**246,337**	**313,827**	**377,618**
Fixed assets	16,425	27,913	59,351	134,094	191,010	215,232
Investments	311	711	647	647	647	647
Other Non-current Assets	2,945	5,095	6,555	6,555	6,555	6,555
Inventories	27,089	25,855	26,921	35,742	49,251	52,843
Sundry debtors	3,126	9,714	11,848	15,220	21,478	23,463
Cash & Bank Balance	17,364	37,792	77,478	39,406	30,212	64,204
Other current assets	6,940	6,059	14,674	14,674	14,674	14,674
Total Assets	**74,199**	**113,138**	**197,474**	**246,337**	**313,827**	**377,618**
Net working capital	5,537	25,898	43,707	4,634	1,699	37,675
Capital Employed	24,907	58,906	109,612	145,283	199,264	259,462

Exhibit 76: Cash flow statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e	FY28e
PBT	6,772	17,342	25,646	47,668	72,138	80,447
Add: Depreciation & amortization	1,641	2,768	4,025	8,975	13,935	16,807
Add: Interest expense	580	933	766	1,499	1,499	1,499
Less: Interest/Dividend Income Received	(509)	(1,501)	(3,646)	-	-	-
(Inc)/Dec in working capital	7,196	5,916	11,574	1,000	(6,259)	(1,984)
Tax paid	(1,004)	(3,351)	(7,428)	(11,998)	(18,157)	(20,249)
Other operating Cash Flow	926	943	646	-	-	-
Cash flow from operating activities	**15,602**	**23,050**	**31,582**	**47,144**	**63,156**	**76,520**
Capital expenditure	(8,618)	(13,374)	(32,726)	(83,718)	(70,851)	(41,029)
FCFF	**6,984**	**9,677**	**(1,144)**	**(36,574)**	**(7,695)**	**35,491**
Add: Interest/Dividend Income Received	295	1,249	2,983	-	-	-
Inc/(Dec) in investments	(19,600)	(30,954)	(37,197)	36,574	7,695	(35,491)
Cash flow from investing activities	**(20,938)**	**(33,403)**	**(68,084)**	**(83,718)**	**(70,851)**	**(41,029)**
Inc/(Dec) in share capital	462	196	243	-	-	-
Inc/(Dec) in debt	(431)	2,331	6,456	-	-	-
Interest Paid	(580)	(933)	(766)	(1,499)	(1,499)	(1,499)
Dividend Paid						
Others	6,974	7,498	34,424	-	-	-
Cash flow from financing activities	**6,425**	**9,092**	**40,357**	**(1,499)**	**(1,499)**	**(1,499)**
Net cash flow	**1,089**	**(1,260)**	**3,856**	**(38,072)**	**(9,194)**	**33,992**

Exhibit 77: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e	FY28e
Tax burden (x)	0.8	0.5	0.8	0.7	0.7	0.7
Interest burden (x)	1.0	1.3	1.1	1.1	1.2	1.2
EBIT margin (x)	0.1	0.1	0.2	0.2	0.2	0.2
Asset turnover (x)	1.4	1.2	0.9	1.0	1.1	1.0
Financial leverage (x)	4.2	3.1	2.3	2.0	1.8	1.6
RoE (%)	45.3	31.0	28.1	31.3	34.0	27.9

Exhibit 78: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25	FY26e	FY27e	FY28e
Growth matrix (%)						
Revenue growth	136.5	68.8	26.7	53.8	41.1	9.5
Op profit growth	687.9	88.6	72.9	90.0	42.9	11.4
EBIT growth	389.8	96.5	77.5	80.7	49.8	11.3
Net profit growth	528.1	154.7	51.3	85.0	51.3	11.5
Profitability ratios (%)						
OPM	12.4	13.8	18.8	23.3	23.6	24.0
EBIT margin	11.6	13.4	18.8	22.1	23.5	23.9
Net profit margin	7.4	11.2	13.3	16.1	17.2	17.5
RoCE	26.9	22.0	21.2	29.4	30.1	25.3
RoE	45.3	31.0	28.1	31.3	34.0	27.9
RoA	10.9	10.0	12.4	14.5	19.3	17.4
Per share ratios						
EPS	18.1	32.5	67.3	124.2	187.9	209.5
Dividend per share	-	-	-	-	-	-
Cash EPS	23.1	54.0	81.1	155.4	236.4	268.0
Book value per share	64.8	144.4	334.0	458.2	646.1	855.6
Valuation ratios						
P/E	-	-	53.2	28.8	19.1	17.1
P/CEPS	-	-	44.1	23.0	15.1	13.4
P/B	-	-	10.7	7.8	5.5	4.2
EV/EBIDTA	-	-	35.4	19.4	13.7	11.9
Payout (%)						
Dividend payout	-	-	-	-	-	-
Tax payout	0.3	0.3	0.2	0.3	0.3	0.3
Liquidity ratios						
Debtor days	31.2	30.0	25.0	25.0	25.0	25.0
Inventory days	113.2	119.2	90.0	90.0	90.0	90.0
Creditor days	64.6	99.9	90.0	90.0	90.0	90.0

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DISCLOSURE OF INTEREST

Name of the Research Analyst : Harshraj Aggarwal

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SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

HARSHRAJ VIJAY AGGARWAL

Digitally signed by HARSHRAJ VIJAY AGGARWAL
Date: 2025.09.16 15:19:57 +05'30'

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