



IPO Report

18th Aug '25

Snapshot

As of March 31, 2025, company is one of India's largest solar photo-voltaic ("PV") modules manufacturers in terms of operational capacity, with more than 17 years of experience in the industry. With 4.50 GW of installed manufacturing capacity for solar PV modules , company is one of the largest pure play module manufacturers in India and its enlisted capacity as per Ministry of New & Renewable Energy's Approved List of Modules and Manufacturers ("ALMM") is 2.85 GW as of June 30, 2025

VALUATION

Company is bringing the issue at price band of Rs 315-332 per share at p/e multiple of approx. 86x on post issue FY25 basis.

Company is one of the largest pure play module manufacturers in India with 4.50 GW of installed manufacturing capacity. To meet growing demand, company is currently undertaking significant greenfield and brownfield expansion plans, which will increase its installed module manufacturing capacity to 15.50 GW by Fiscal 2026 and 20.50 GW by Fiscal 2027. Company is strategically backward integrating into the solar value chain by establishing a solar cell manufacturing facility with two units, 3.00 GW and 9.00 GW, and aim to start a greenfield project for battery energy storage system with an initial capacity of 1.00 GWh in Tamil Nadu which is expandable to 5.00 GWh in Fiscal 2027. Company's robust financial performance with a strong order book, providing clear visibility on future growth. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	315-332
Opening date of the issue	19th Aug '2025
Closing Date of the issue	21st Aug '2025
No of shares pre issue	31,65,36,309 Eq Shares
Issue Size	Rs 2050-2079 Cr
Fresh issue	Rs 1500 Cr
Offer For Sale	17,450,882 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	45

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 3,11,65,200 Eq Shares)
Non-Institutional	15% of the offer (Approx 93,49,560 Eq Shares)
Retail	35% of the offer (Approx 2,18,15,640 Eq Shares)
Employee	3,01,204 Eq Shares
Lead managers	JM Financial, Nuvama Wealth Management, UBS Securities India, Equirus Capital, Phillip Capital (India)
Registrar to the issue	MUFG Intime India Pvt. Ltd

WHAT WE LIKE

Company is one of the largest Indian solar PV module manufacturers with 4.50 GW operational capacity and actual production of 1,286.10 MW as on March 31, 2025

As on March 31, 2025, company is one of India's largest domestic solar PV module manufacturers in terms of operational capacity. As of the date, company have an aggregate installed manufacturing capacity of 4.50 GW and actual production of 1,286.10 MW for company's solar PV modules.

Company have strong technical proficiency in the solar PV module manufacturing

Company's manufacturing units are automated, utilising equipment and technologies from Japan, Germany, United States, Switzerland and China. These countries are considered pioneers in solar technology and have high-quality equipment in relation to solar . Company also use digitalization initiatives to cover planning, procurement, logistics, payment and inventory management of company's supply chain. Company have implemented enterprise applications such as Ariba and integrated with core ERP (SAP) to bring accuracy and operational excellence through e-Auctions.

Strong presence in domestic and international markets

Company have an extensive presence in the domestic market having pan-India presence in 19 states and two union territories, through an extensive distributor network which grew from 41 authorised distributors as on September 30, 2024 to 83 authorized distributors as on the date and 64 dealers as on September 30, 2024 to more than 250 dealers as on the date. Company's distribution team is designed to increase its footprint in the Western, Northern and Southern regions of India that have higher solar demand. Each region is managed by a cluster head and segregated into districts managed by territory managers to ensure high market penetration domestically.



COMPANY BACKGROUND

Company was also featured in BloombergNEF as a Tier 1 manufacturer in the first quarter of CY 2014, and have been subsequently listed repeatedly with the latest inclusion in the first quarter of 2025.

Furthermore, in May 2025 company have received the prestigious EUPD Top Brand PV Seal. Company strive to deliver reliable solar solutions through high efficiency and innovative products, and it propose to achieve this through its specialized high efficiency PV module manufacturing.

Company commenced its manufacturing operations in 2009 with an installed solar PV module manufacturing capacity of 12.00 MW, which has grown to 4.50 GW installed capacity as on the date. Company's existing manufacturing facilities are strategically located at Falta SEZ in Kolkata, West Bengal and Oragadam in Chennai, Tamil Nadu, with access to ports, rail and roads, helping it to facilitate both its domestic as well as international operations. To meet growing demand, company is currently undertaking significant greenfield and brownfield expansion plans, which are expected to increase company's installed solar PV module manufacturing capacity to up to 15.50 GW by Fiscal 2026 and up to 20.50 GW by Fiscal 2027. Furthermore, company is strategically backward integrating into the solar value chain by establishing a solar cell manufacturing facility with two units, 3.00 GW and 9.00 GW, in Gangaikondan, Tamil Nadu by Fiscal 2027. Company also aim to start with a greenfield project for battery energy storage system ("BESS") with an initial capacity of 1.00 GWh in Tamil Nadu which is expandable to 5.00 GWh in Fiscal 2027, representing a strategic diversification to capitalize on the growing demand for BESS along with positioning company as a leader in energy generation and storage, and thereby adding to its revenues and profitability

Company have developed strong engineering capabilities in designing highly-automated production lines using specifically-chosen equipment, allowing it to increase the average efficiency level (i.e., a measure of electrical energy generated from a solar module to the amount of light energy from the sun that is incident on it ("Efficiencies")) of its products from 17.52% in CY 2016 to 23.66 % in CY 2025 (till March 2025). This capability has also allowed it to build a strong reputation for its solar PV modules over these years, as evidenced by the Company being the first Indian company to be featured in the Kiwa Photo-Voltaic Evolution Labs ("PVEL") report in 2017 in relation to the results of company's modules' reliability testing and being a 'Top Performer' for seven consecutive times in PVEL's Reliability Scorecard since 2019 (*Source: CRISIL Report*), in various segments (namely simulated hail, thermal cycling, damp heat, UV exposure and degradation, light induced degradation, static and dynamic load, and light and elevated temperature induced degradation tests).

Company's capability in the solar domain extends beyond solar PV manufacturing, where in 2013, company designed and installed a 100kW installation at the Cochin International Airport, Kochi, Kerala, which is the world's first fully solarized airport, and further company was also one of the first to execute floating solar plant in India. Company's portfolio of solar energy products consists of the following high-efficiency solar PV modules: (i) p-type monocrystalline silicon based Passivated Emitter and Rear Contact ("PERC") modules; (ii) N-Type monocrystalline silicon ("N-Type") modules; and (iii) n-type monocrystalline silicon based heterojunction technology ("HJT") modules; all of these being either bifacial (glass-to-glass/ glass-to-transparent back sheet) or monofacial (glass-to-white/black back sheet) modules. Company's products are also differentiated based on the cell size. In particular, company's latest generation solar PV modules (including those under testing) have wattages between 395Wp and 735Wp rating. Their efficiencies range between 20.23% and 23.66% which are in line with the products available in market with similar technology (*Source: CRISIL Report*). Furthermore, driven by company's emphasis on quality, its modules undergo highly accelerated stress tests ("HAST"), such as thermal cycling, potential induced degradation, light induced degradation, damp heat, ultraviolet exposure and degradation tests. As a result, company is able to offer 12 years product warranty (on materials and workmanship), and 27 to 30 years performance warranties (on power output) for its solar PV modules at par with global standards. (*Source: CRISIL Report*).



INVESTMENT RATIONALE

<p><i>Strong R&D focus with robust quality control systems.</i></p>	<p>Company's technical expertise in the solar PV module manufacturing is due to its strong focus on research and development ("R&D") and robust Quality Control ("QC") system, and the talent company is able to attract and retain for such functions. Company is focused on converging digital technologies with its manufacturing operations, using tools such as machine learning and robotic process automation. Over the years, this has allowed company to introduce new features / products, such as M10R, G12, G12R, G12R 132HC, N-Type (Hypersol) and HJT (Suryava) modules, and developing composite frames, alloy steel frames, G12 Paradea variant with white or black mesh back sheet, and implementation of QR code on packing list, compact design frame with improved bi-faciality, among others. Strategic collaborations are currently under process with leading academic institutions and organizations to analyse the opportunities for reducing Cell to Module ("CTM") loss through optical modelling and design optimization.</p>
<p><i>Company have a strong brand recognition and customer base due to good understanding of its customers and the high quality of its products</i></p>	<p>Company's brand is associated with high quality products and backed by services with a strong execution experience, as evidenced by its inclusion as a Tier 1 solar PV module manufacturer in the list maintained by Bloomberg NEF in CY 2014, and have been subsequently listed repeatedly with the latest inclusion in the first quarter of 2025.</p> <p>Furthermore, in May 2025 company have received the prestigious EUPD Top Brand PV Seal. This report showcases company's manufacturing excellence in both company's facilities, highlighting its strict quality control protocols and inspection processes, high automation with minimum human interference in company's manufacturing and its R&D lab performance.</p> <p>Besides company's brand recognition, company have a diversified portfolio of product offerings including cell technologies, such as Mono PERC, N-Type and HJT, that are manufactured under various brands and cater to specific applications for distinct customer segments.</p>
<p><i>Robust financial performance with a strong order book, providing clear visibility on future growth.</i></p>	<p>As of March 31, 2025, company had an Order Book of 10,340.82 MW (which is 2.30 times of company's total rated capacity as of Fiscal 2025), of which 6,424.93 MW comprise projects/operations which are already under execution and 3,915.89 MW comprise projects which are yet to be executed. In CY 2024, the Company has won marquee orders to supply modules to large projects such as the 326.00 MW project developed by GIPCL Limited for the Khavda Renewable Energy Park—a project in the Great Rann of Kutch, Gujarat, 397.70 MW project developed by NTPC Renewable Energy Limited in Gujarat, 393.90 MW project developed by NLC India Limited in Gujarat and 251.25 MW developed by GIPCL in Gujarat Hybrid Renewable Energy Park in Kutch, Gujarat. In addition, company have 200MW+ orders from each AMPIN Energy and Sterling and Wilson in CY 2024. In CY 2024, company also won a 1,000 MWp order for supply of high-efficiency solar PV modules, a 112.73 MW solar module order for multiple project sites in Tamil Nadu and Uttar Pradesh. Company have also received an order from Adani Green Energy Limited in March 2025 as well. Furthermore, in company's bid to expand presence in the C&I segment, company have won 1.40 GW orders from two C&I solutions providers. The marked increase in its Order Book and the quantum of order size are buoyed by the enforcement of ALMM from April 1, 2024 and its constant endeavour in maintaining its quality and consistent module performance.</p>



OBJECTS OF OFFER

The Offer comprising of a Fresh Issue aggregating up to ₹ 15,000.00 million by company and an Offer for Sale of an aggregate of up to 17,450,882 Equity Shares by the Selling Shareholders.

Requirement of funds

Company proposes to utilise the Net Proceeds towards funding of the following objects, as approved by the Board pursuant to its resolutions dated September 30, 2024 and August 12, 2025:

1. Partial funding of capital expenditure through investment in its wholly owned Subsidiary, VSL Green Power Private Limited, for setting up of an integrated 3,000 MW solar cell and 3,000 MW solar module manufacturing facility at plot no. A-5, A-6, A-7 & A-10, SIPCOT Industrial Complex, Gangaikondan, District Tirunelveli 627 352, Tamil Nadu ("Project Site") ("Phase-I Project");
2. Funding of capital expenditure through investment in company's wholly owned Subsidiary, VSL Green Power Private Limited, for expanding the manufacturing capacity of the solar module manufacturing facility set up under the Phase-I Project from 3,000 MW to 6,000 MW at the Project Site ("Phase-II Project"); and
3. General corporate purposes.

RISKS

As of Fiscal 2025, Fiscal 2024 and Fiscal 2023, company derive 98.23%, 97.34%, and 46.84%, respectively, of company's operational revenue from only solar photovoltaic modules and therefore its continued success is necessary for company's business and prospects. Any decline in the demand for such product could have an adverse impact on company's business, revenue and profitability.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	20732.30	25109.90	34234.53
Total Expenditure (B)	18870.52	21124.11	29314.42
EBIDTA	1861.78	3985.79	4920.11
EBIDTA Margin	8.98	15.87	14.37
Other Income	186.81	129.72	360.74
Depreciation	639.37	1380.09	1560.02
EBIT	1409.22	2735.42	3720.83
Interest	1220.48	1546.15	1547.20
PBT	188.74	1189.27	2173.63
Share of profit in Asso	0.00	0.00	0.00
PBIT	188.74	1189.27	2173.63
Exceptional	0.00	116.44	0.00
PBT	188.74	1072.83	2173.63
Tax	43.83	275.65	775.32
PAT	144.91	797.18	1398.31
NPM	0.70	3.17	4.08
ROE%	3.97	17.90	11.26
EPS	0.56	3.08	4.61
Eq Cap	2588.30	2588.30	3165.36
Net Worth	3,651.95	4,454.17	12,419.89

(Source: RHP)



Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Company</i>	<i>10.00</i>	<i>4.60</i>	<i>---</i>	<i>11.26</i>	<i>39.24</i>
Peers					
Waaree Energies Limited	10.00	68.24	45.79	20.09	334.00
Premier Energies Limited	1.00	21.35	47.01	33.21	62.61
Websol Energy System Limited	10.00	36.66	40.04	55.65	65.88

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