

## Company Overview

Incorporated in 2005, Vikram Solar Limited has established itself as a leading player in the solar energy industry, specializing in the manufacturing of high-efficiency solar photovoltaic (PV) modules. The company operates in three core areas: manufacturing solar PV modules, providing Engineering, Procurement, and Construction (EPC) services, and offering Operations and Maintenance (O&M) services. Over the years, Vikram Solar has built a robust reputation for quality and innovation in the renewable energy sector, positioning itself as a trusted partner for solar solutions in India and globally. Vikram Solar's solar energy products are known for their advanced technology and high efficiency. The company manufactures a variety of solar PV modules, including: (i) p-type monocrystalline silicon based Passivated Emitter and Rear Contact ("PERC") modules; (ii) n-type monocrystalline silicon based Tunnel Oxide Passivated Contact ("TOPCon") modules; and (iii) n-type monocrystalline silicon based heterojunction technology ("HJT") modules; all of these are available in both bifacial (glass-to-glass or glass-to-transparent back sheet) and monofacial (glass-to-white/black back sheet) designs. Vikram Solar has manufacturing facilities in Falta SEZ, Kolkata, and Oragadam, Chennai, which are certified under ISO 14001:2015 (environment management) and ISO 45001:2018 (occupational health and safety). Vikram Solar is poised for substantial growth, with plans to expand its production capacity to 15.5 GW by FY26 and 20.5 GW by FY27. The company is also backward integrating by establishing a solar cell manufacturing unit in Tamil Nadu, aiming for a 12 GW capacity by FY27. Moreover, it is diversifying into battery energy storage systems (BESS), targeting 5 GWh by FY27. The company has established a pan-India presence, serving 19 states and two union territories, through an extensive distributor network of 41 authorized distributors, 64 dealers and 67 system integrators. The company's domestic customers include prominent government entities, such as National Thermal Power Corporation, Neyveli Lignite Corporation Limited and Gujarat Industries Power Company Limited, and large private independent power producers ("IPPs"), such as ACME Cleantech Solutions Pvt. Ltd.

## Objects of the issue

The company proposes to utilise the net proceeds from the issue towards the following objects:

- ⇒ Partial funding of capital expenditure for the Phase-I project;
- ⇒ Funding of capital expenditure for the Phase-II project; and
- ⇒ General corporate purposes.

## Investment Rationale

### Leading solar PV module manufacturer in India, with an operational capacity of 4.5 GW

Vikram Solar Limited, one of India's largest solar PV module manufacturers, presents a strong investment case due to its robust growth trajectory, technological leadership, and expanding market presence. As of March 31, 2025, the company operates with a capacity of 4.5 GW, producing 1,286.1 MW annually, with manufacturing facilities in Falta SEZ (3.2 GW) and Oragadam, Chennai (1.3 GW). The company plans to scale its capacity to 15.5 GW by FY26 and 20.5 GW by FY27, with a backward integration strategy into solar cell production, including a planned 12 GW facility in Tamil Nadu. Vikram Solar's commitment to adopting advanced technologies, such as N-Type, PERC, and HJT modules, positions it as a technology leader in the solar energy space. Its R&D team, backed by a NABL-accredited lab, focuses on continuous innovation, developing cutting-edge products like M10R, G12, and N-Type modules, while prioritizing cost-efficiency and market trends. Additionally, the company ensures high-quality production through strict quality control processes and an SAP-based traceability system, meeting international certifications like IEC, UL, and BIS. With a proven track record, expanding capacity, and a solid technological foundation, Vikram Solar is well-positioned for sustained growth.

### Strong presence in domestic and international markets

The company has an extensive presence in the domestic market, with pan-India presence in 19 states and two union territories. The company has expanded its distributor network from 41 authorised distributors and 64 dealers as on September 30, 2024 to 83 authorized distributors and more than 250 dealers as on August 12, 2025. Focused on high-demand regions like Gujarat, Rajasthan, Uttar Pradesh, and Uttarakhand, the company is increasing its footprint by onboarding new distributors and dealers. Additionally, it has partnered with channel financing companies to improve liquidity and streamline transactions for distributors. The company's manufacturing facilities are strategically located near ports, providing cost benefits and faster access to raw materials and global markets. With India's solar market expected to grow, Vikram Solar aims to leverage its extensive distribution network to capture a larger share of the market. Additionally, the company is launching an e-commerce platform and exploring new product offerings like inverters, cables, and solar kits to expand its sales channels both domestically and internationally.

## Issue Details

Offer Period	19 <sup>th</sup> Aug 2025 - 21 <sup>st</sup> Aug 2025
Price Band	Rs. 315 to Rs. 332
Bid Lot	45
Listing	BSE & NSE
Issue Size (no. of shares in mn)	62.6
Issue Size (Rs. in bn)	20.8
Face Value (Rs.)	10

## Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	JM Financial Ltd., Nuvama Wealth Management Ltd., UBS Securities India Pvt. Ltd., Equirus Capital Pvt. Ltd., Phillip Capital (India) Pvt.
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Registrar	MUFG Intime India Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	77.6	63.1
Public	22.4	36.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

(Assuming issue subscribed at higher band)

**Research Team - 022-61596138**

# Vikram Solar Ltd.

## Valuation

India's solar photovoltaic (PV) manufacturing sector is benefiting from immense policy support, rising renewable energy targets, and robust domestic demand, emerging as one of the fastest-growing segments in the country's transition to clean energy. Government initiatives like the Production Linked Incentive (PLI) scheme and increasing customs duties on imports have accelerated domestic capacity addition, with expected growth in PV module demand from both large-scale utility and distributed solar projects. This industry tailwind provides strong multi-year visibility for sector participants. Vikram Solar Limited is exceptionally well placed to capture this growth. As one of India's largest and most technologically advanced solar PV module manufacturers, with an operational capacity of 4.5GW and a proven product range including high-efficiency PERC, TOPCon, and HJT modules, the company combines scale with a reputation for innovation and quality. Its industry leadership is underpinned by "Tier 1" global rankings and repeated recognition as a top performer in international module reliability tests. The company's ambitious expansion plan targets a leap in module capacity to 20.5GW and backward integration into 12GW of solar cell manufacturing by FY27, alongside new investments in battery energy storage systems. These initiatives will enable Vikram Solar to address a greater share of the value chain, diversify its product offering, and mitigate supply chain risks, reinforcing growth visibility. Financially, the company demonstrated consistent improvement over last three years. The revenue from operations grew at a CAGR of 28.5% from Rs. 20,732 million in FY23 to Rs. 34,235 million in FY25. The EBITDA grew at a CAGR of 62.6% from Rs. 1,862 million in FY23 to Rs. 4,920 million in FY25, with a robust improvement in its EBITDA margin from 9.0% in FY23 to 14.4% in FY25. This financial performance was supported by a strong order book from Rs. 2,787 million in FY23 to Rs. 10,341 million in FY25. **The current issue is priced at a P/E of 72.2x on the upper band, which is comparatively higher than its peers. However, the company's strong market positioning, technological edge, strategic capacity expansion, and industry tailwinds position it well for sustained growth. Therefore, we recommend a "SUBSCRIBE" rating for the issue, with a medium- to long-term investment horizon.**

## Key Risks

- ⇒ As of Fiscal 2025, 2024, and 2023, the company derived 98.2%, 97.3%, and 46.9%, respectively, of its operational revenue from solar photovoltaic modules. Therefore, the continued success of this product is crucial for the company's business and prospects. A decline in demand for solar PV modules could negatively impact its revenue, business performance, and profitability.
- ⇒ As of Fiscal 2025, 77.5% and 88.7% of the company's revenue from operations is derived from its top five and top ten customers, respectively. This indicates a high dependence on a limited number of customers. Any adverse changes affecting these customers or the company's relationship with them could negatively impact its financial performance and operational results.
- ⇒ The company's success is dependent on its ability to establish a new manufacturing facility under its wholly owned subsidiary, VSL Green Power Private Limited, in Tamil Nadu, planned in two phases, and expand the capacity of existing plants cost-effectively. However, these endeavors are subject to risks and uncertainties. Any failure to build the new manufacturing plant or add production lines could negatively affect the company's business, reputation, financial condition, and operational results.

# Vikram Solar Ltd.

## Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
<b>Revenue</b>			
Revenue from Operations	20,732	25,110	34,235
<b>Total Revenue</b>	<b>20,732</b>	<b>25,110</b>	<b>34,235</b>
<b>Expenses</b>			
Cost of materials consumed	17,174	16,760	25,898
Changes in inventories	-1,007	29	-352
Employee Benefits Expenses	912	963	1,244
Other expenses	1,792	3,372	2,525
<b>Total Operating Expenses</b>	<b>18,871</b>	<b>21,124</b>	<b>29,314</b>
<b>EBITDA</b>	<b>1,862</b>	<b>3,986</b>	<b>4,920</b>
Depreciation & amortization	639	1,380	1,560
<b>EBIT</b>	<b>1,222</b>	<b>2,606</b>	<b>3,360</b>
Finance costs	1,220	1,546	1,547
Other Income	187	130	361
Exceptional Items	0	116	0
<b>PBT</b>	<b>189</b>	<b>1,073</b>	<b>2,174</b>
Total Tax	44	276	775
<b>PAT</b>	<b>145</b>	<b>797</b>	<b>1,398</b>
<b>Diluted EPS</b>	<b>0.6</b>	<b>3.1</b>	<b>4.6</b>

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	1,954	1,520	2,987
Cash flow from investing activities	-1,105	-637	-1,688
Cash flow from financing activities	-1,022	-810	-997
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-173</b>	<b>73</b>	<b>301</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>189</b>	<b>16</b>	<b>90</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>89</b>	<b>392</b>

Cash and cash equivalents at the beginning of the period includes Effect of Exchange Rate on Consolidation of Foreign Subsidiaries

Source: RHP, BP Equities Research

## Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	5,724	4,494	4,883
(b) Right of use assets	608	494	563
(c) Capital work in progress	170	278	626
(d) Intangible assets	112	67	98
(e) Intangible assets under development	7	-	-
(f) Financial assets			
(i) Others	551	565	518
(g) Deferred tax assets (net)	0	0	1
(h) Other assets	60	174	24
<b>Total Non Current assets (A)</b>	<b>7,234</b>	<b>6,072</b>	<b>6,713</b>
<b>Current assets</b>			
(a) Inventories	3,732	3,933	4,286
(b) Financial assets			
(i) Trade receivables	9,590	11,853	12,286
(ii) Cash and cash equivalents	16	89	392
(iii) Bank Balances other than (ii) above	1,026	1,068	1,498
(iv) Loans	64	-	-
(v) Others	1,935	2,024	1,902
(c) Other assets	1,099	814	1,244
(d) Current tax assets (net)	67	-	0
<b>Total Current Assets (B)</b>	<b>17,529</b>	<b>19,783</b>	<b>21,608</b>
<b>TOTAL ASSETS (A+B)</b>	<b>24,763</b>	<b>25,855</b>	<b>28,322</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	2,588	2,588	3,165
(b) Other equity	1,064	1,866	9,255
<b>TOTAL - EQUITY (C)</b>	<b>3,652</b>	<b>4,454</b>	<b>12,420</b>
<b>Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	2,142	1,987	774
(ii) Lease liabilities	450	369	321
(iii) Trade Payable	-	-	-
(iv) Others	75	75	75
(b) Provisions	78	186	266
(c) Deferred tax liabilities (net)	-	76	466
(d) Deferred income from grant	123	144	24
(e) Other non-current liabilities	5,280	4,342	-
<b>Total Non-Current Liabilities (D)</b>	<b>8,149</b>	<b>7,178</b>	<b>1,927</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	5,236	6,097	1,533
(ii) Lease liabilities	94	91	91
(iii) Trade payables	4,459	6,472	8,283
(iv) Others	828	549	1,122
(b) Other current liabilities	2,304	947	2,785
(c) Provisions	13	7	3
(d) Deferred income from grant	14	27	24
(e) Current tax liabilities (net)	14	34	133
<b>Total Current Liabilities (E)</b>	<b>12,962</b>	<b>14,223</b>	<b>13,974</b>
<b>Total Equity and Liabilities (C+D+E)</b>	<b>24,763</b>	<b>25,855</b>	<b>28,322</b>

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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