IPO REVIEW

Fujiyama Power Systems IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 10 November 2025

- The company is a one-stop solutions provider in roof-top solar related all services.
- Some of its products has a legacy of around three decades.
- With its penetration in Tier II, III and rural regions, it is gaining grounds as indicated by its financial performances for the last three fiscals.
- It has 522+ SKUs in its products portfolio and thus enjoying most preferred supplier of solar energy products.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term rewards.

About the Company

Fujiyama Power Systems Ltd. (FPSL) is a manufacturer of products and solution provider in the roof-top solar industry, including on-grid, off-grid and hybrid solar systems. The Company strives to excel in solar panel manufacturing, solar inverter manufacturing (covering on-grid, hybrid, and off-grid solutions), and both lead acid and lithium-ion battery production. (Source: CARE Report). Additionally, it supports robust R&D capabilities in inverter technology and provides a wide variety of solar SKUs, distinguishing FPSL as a well-rounded leader in the industry. (Source: CARE Report). It has built a brand recall and reputation in the industry through its brands 'UTL Solar', which has a legacy of 29 years, and 'Fujiyama Solar'. The company has developed four manufacturing facilities and R&D capabilities domestically, and with a consistent focus on technological development and product innovation, it has a track record of being one of the few companies in India to develop Online UPS with single card, Combo UPS along with automatic voltage regulation (“AVR”), high frequency online UPS and single card surface mount technology (“SMT”) inverter in India.

The Company began manufacturing solar power conditioning units (“PCU”) in 2012 whereas online solar PCUs in 2014. (Source: CARE Report). It is the first Indian company to develop an SMT based inverter with single card in the year 2000. (Source: CARE Report). It has designed and developed an extensive product portfolio of more than 522 SKUs which includes a full range of solar inverters, solar panels and batteries, with a goal of limiting the need of customers to look to other OEMs. As on June 30, 2025, the company services customers through an extensive pan-India distribution network of 725 distributors, 5546 dealers and 1100 exclusive “Shoppe” franchisees, who are trained by it in understanding the customer’s need and in planning, evaluating and supplying customized solar systems and solutions. As on June 30, 2025, it also had a dedicated team of more than 602 qualified service engineers providing maintenance service and technical support to customers. The Company

has created a complete ecosystem in the roof top solar industry. FPSL seamlessly integrates innovation, manufacturing, distribution and customer service, guided by market research, customer feedback and R&D to deliver reliable solar energy solutions. Its extensive distribution network including UTL Shoppe ensure widespread accessibility and empower local entrepreneurs to drive renewable energy adoption.

FPSL's comprehensive services such as installation, subsidy assistance, training of dealers and technicians and post-sales support aim to ensure complete customer satisfaction. In the last three financial years and three months period ended June 30, 2025, it has sold 1727114 (757.37MW) solar panels, 662393 (1,544.09 MW) solar inverters and 925776 (1,875.10 MWh) batteries and contributed to over 1 GW+ of off-grid, on-grid, and hybrid solar rooftop installations across India. With its presence across the entire value chain of the roof-top solar industry i.e., developing and manufacturing products and solutions with a pan-India distribution network and post-sale service capabilities, it provides a unique proposition of being a 'one-stop shop' for roof-top solar solutions. It has also been recognized as India's "largest Company in off-grid inverter" at the Solar Applications and Innovation conference by Sigma Summit in 2019, India's "most preferred smart city brand" by UBM India in 2019 and India's "most preferred solar energy brand" by Informa Market in 2020. Additionally, it received a recognition at the 5th Green Urja &Energy Efficiency Awards 2025 by the Indian Chamber of Commerce, under the category 'Renewable Energy Excellence Award - Solar Battery Manufacturing' in February 2025 and have received other awards such as the Renewable Energy Excellence Award - Solar Battery Manufacturing in February 2025, Most Trusted brand of India 5th Edition by Marksmen Daily under rooftop solar category in April 2025 and Brand of the Decade 2025 under the 'Solar Energy Solutions' category by BARC Asia.

It has a comprehensive product portfolio in roof-top solar segment. The company offers an extensive range of products including solar PCUs, solar off-grid, on-grid and hybrid inverters, solar panels, pulse width modulation ("PWM") chargers and other battery chargers, lithium-ion and tubular batteries, online uninterruptible power supply systems, offline UPS systems, solar management units and solar charge controllers, among others, which provides value-for-money to customers. Further, in the EV segment, it specifically provides chargers for three-wheeler electric autorickshaws ("E-Rickshaws") and lithium-ion batteries. With various combinations, it offers over 522 SKUs which can be tailored to meet the specific preferences and requirements of the customer and their location or no access to grid power and are ideal for remote areas. Our products are certified to meet the quality and performance standard prescribed by the Ministry of New and Renewable Energy ("MNRE"), the Bureau of Indian Standards ("BIS") and State Nodal Agencies ("SNAs"). These certifications are crucial for a two-fold reason. Firstly, only certified products are eligible for government tenders and projects and are mandatory for availing subsidies or incentives under domestic renewable energy schemes such as the PM Surya Ghar Muft Bijli Yojana for solar rooftop subsidy. Secondly, they reassure customers of product reliability and performance, boosting brand credibility and providing a competitive advantage in the market. Additionally, it is continuously engaged in designing and

innovating products in the entire value chain of solar power.

The company operates four manufacturing facilities. As of Fiscal 2025, its manufacturing facility in Greater Noida, Uttar Pradesh (“Greater Noida Facility”) has an available installed capacity of manufacturing 656547 solar panels, 387504 solar inverters and UPS, 309504 e-Rickshaw chargers and 7488 lithium-ion batteries. Its manufacturing facility located in Parwanoo, Himachal Pradesh (“Parwanoo Facility”) has an available installed capacity of manufacturing 51917 solar PCUs and UPS (in Fiscal 2025). Its battery plant in Bawal, Haryana (“Bawal Facility”) has an available installed capacity of manufacturing 439296 tubular batteries and 195669 solar panels (in Fiscal 2025). Its manufacturing facility at Dadri, Uttar Pradesh (“Dadri Facility”) which commenced operations on March 23, 2025 has an available installed capacity of manufacturing 20060 solar panels (in Fiscal 2025). It has also installed another 600 MW solar inverter and 500 MWh lithium-ion battery line at Greater Noida Facility on June 15, 2025.

The company plans to use the Offer Proceeds for the Project, i.e., establishing an integrated project for the manufacturing of solar inverter, solar panels and lithium-ion batteries in Ratlam, Madhya Pradesh, pursuant to which its current manufacturing capacity will increase and help it to meet the growing demand from western and southern regions of India and grow business in such regions. Company’s manufacturing facilities have advanced machinery and production line focusing on efficiency, safety and quality. As of June 30, 2025, it had 2795 employees on its payroll, and additional 1989 contract labour.

Issue Details / Capital History

The company is coming out with its maiden book building route secondary IPO worth Rs. 828 cr. (approx. 36315789 equity shares of Re. 1 each at the upper cap). The company has announced a price band of Rs. 216 – Rs. 228 per equity shares of Re. 1 each. The issue comprises of fresh equity shares issue worth Rs. 600 cr. (approx. 26315789 equity shares at the upper cap), and an Offer for Sale (OFS) of 10000000 equity shares (worth Rs. 228 cr. at the upper cap). The issue opens for subscription on November 13, 2025, and will close on November 17, 2025. The minimum application to be made is for 65 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 11.85% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 180.00 cr. for part financing cost of establishing manufacturing facility in Ratlam, Rs. 275.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The company has reserved equity shares worth Rs. 5 cr. (approx. 219298 equity shares at the upper cap) for its eligible employees. From the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs and not less than 35% for Retail investors.

The two Book Running Lead Managers (BRLMs) to this issue are Motilal Oswal Investment Advisors Ltd., and SBI Capital Markets Ltd., while MUFG Intime India Pvt. Ltd., is the registrar to the issue.

Motilal Oswal Financial Services Ltd., SBICAP Securities Ltd., and Investec Capital Services (India) Pvt. Ltd., are syndicate members.

Having issued initial equity shares at par, the company has issued/converted further equity shares at a fixed price of Rs. 10 per share (based on FV of Re. 1), Between June 2023 - March 2024. It has also issued bonus shares in the ratio of 1 for 4 in December 2024. The average cost of acquisition of shares by the promoters/selling stakeholders Rs. NIL, and Rs. 5.65 per share.

Post-IPO, its current paid-up equity capital of Rs. 28.01 cr. will stand enhanced to Rs. 30.64 cr. post-IPO. Based on the upper cap of the IPO price band, the company is looking for a market cap of Rs. 6986.17 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 665.33 cr. / Rs. 24.37 cr. (FY23), Rs. 927.20 cr. / Rs. 45.30 cr. (FY24), and Rs. 1550.09 cr. / Rs. 156.34 cr. (FY25). For Q1 of FY26 ended on June 30, 2025, it posted a net profit of Rs. 67.59 cr. on a total income of Rs. 597.79 cr. The company marked growth in its top and bottom lines for the reported periods.

For the last three fiscals, the company has posted an average EPS of Rs. 3.48 (basic) and an average RoNW of 28.11%. The issue is priced at a P/BV of 13.75 based on its NAV of Rs. 16.58 as of June 30, 2025, and at a P/BV of 6.56 based on its post-IPO NAV of Rs. 34.74 per share (at the upper cap).

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 25.85. Based on FY25 earnings, the P/E stands at 44.71. Thus, the issue appears fully priced.

The company has reported PAT margins of 3.67% (FY23), 4.90% (FY24), 10.15% (FY25), 11.31% (Q1-FY26), and RoCE margins of 16.81%, 26.60%, 41.01%, 14.85%, respectively for referred periods.

Dividend Policy

The company has not paid for the reported periods of the offer document. It has already adopted a dividend policy in December 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Waaree Energies, Premier Energies, Exicom Tele Syst., Insolation Energy, as its listed peers, which are currently trading at a P/E of 35.3, 38.8, NA, and 30.7 (as of November 10, 2025). However, they are not truly comparable on an apple-to-apple basis. The comparison appears to be an eyewash.

Merchant Banker's Track Record

The two BRLMs associated with the offer have handled 64 pubic issues in the past three fiscals, out of which 20 issues closed below the offer price on the listing date.

Conclusion / Investment Strategy

FPSL is a one-stop solutions provider in roof-top solar related all services. Some of its products has a legacy of around three decades. With its penetration in Tier II, III and rural regions, it is gaining grounds as indicated by its financial performances for the last three fiscals. It has 522+ SKUs in its products portfolio and thus enjoying most preferred supplier of solar energy products. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park funds for medium to long term rewards

About Dilip Davda

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

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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