VIKRAM SOLAR LTD.

August 18, 2025

vikramsolar
CREATING CLIMATE FOR CHANGE

SMC Ranking
★★½☆☆ (2.5/5)

Issue Highlights

Industry	Solar
Offer for sale (Shares)	17,450,882
Fresh Issue (Shares)	45,180,722
Net Offer to the Public	**62,631,604**
Issue Size (Rs. Cr.)	1972-2080
Price Band (Rs.)	315-332
Offer Date	19-Aug-25
Close Date	21-Aug-25
Face Value	10
Lot Size	45

Issue Composition

	In shares
Total Issue for Sale	62,631,604
QIB	31,315,802
NIB	9,394,741
Retail	21,921,061

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	77.64%	63.12%
QIB	22.36%	28.22%
NIB	0.00%	2.60%
Retail	0.00%	6.06%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Vikram Solar IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Partial funding of capital expenditure for the Phase-I Project.
2. Funding of capital expenditure for the Phase-II Project
3. General Corporate Purposes.

Book Running Lead Manager

- JM Financial Limited
- Nuvama Wealth Management Limited
- UBS Securities India Private Limited
- Equirus Capital Private Limited
- PhillipCapital (India) Private Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in 2005, Vikram Solar Limited is a leading solar photovoltaic (PV) module manufacturer with diversified operations across manufacturing, EPC, and O&M services. The company specializes in high-efficiency PV module production, catering to both domestic and international markets. Its EPC division delivers end-to-end solutions for solar power projects, from design to commissioning, while its O&M services ensure optimized performance and extended lifecycle of solar installations. Vikram Solar's product portfolio includes advanced PV modules such as p-type monocrystalline silicon Passivated Emitter and Rear Contact (PERC) modules, n-type monocrystalline Tunnel Oxide Passivated Contact (TOPCon) modules, and n-type monocrystalline heterojunction technology (HJT) modules, available in bifacial (glass-to-glass/glass-to-transparent back sheet) and monofacial (glass-to-white/black back sheet) variants. The company operates state-of-the-art manufacturing facilities at Falta SEZ, Kolkata, West Bengal, and Oragadam, Chennai, Tamil Nadu. It has built a strong distribution network comprising 41 authorized distributors, 64 dealers, and 67 system integrators, with a presence across 23 states and three union territories. Its clientele includes marquee government institutions such as NTPC, Neyveli Lignite Corporation, and Gujarat Industries Power Company, alongside private IPPs like ACME Cleantech Solutions. As of March 31, 2025, Vikram Solar employed 1,612 permanent staff and 974 contractual workers.

Strength

Vikram Solar Ltd. – One of India's Largest Solar PV Module Manufacturers: Incorporated in 2005, Vikram Solar Limited is a leading Indian solar PV module manufacturer with an operational capacity of 4.50 GW as of March 31, 2025, and actual production of 1,286.10 MW. The company has scaled its capacity from 12 MW in 2009 to 4.50 GW, with manufacturing facilities in Falta, West Bengal (3.20 GW) and Oragadam, Chennai (1.30 GW). It aims to expand capacity to 15.50 GW by Fiscal 2026 and 20.50 GW by Fiscal 2027, while also backward integrating with a solar cell facility in Tamil Nadu (3.00 GW and 9.00 GW units by Fiscal 2027). Its deep industry experience and adaptability to technology make it well-positioned in the competitive solar PV sector.

Strong R&D Focus with Robust Quality Control: Research and development, along with quality control, are central to Vikram Solar's operations. The company employs digital technologies, including machine learning and robotics, to enhance product design and performance. With a dedicated R&D team of 20 and a QC team of 142, it achieved a 53.33% reduction in cost of poor quality and a 9.81% reduction in specific power consumption in Fiscal 2025. Its NABL-accredited R&D lab in Falta, West Bengal, positions it as one of the few solar companies in India with such certification. An SAP-based traceability system ensures 30 years of module production data storage, supporting supply chain transparency. Products undergo rigorous testing and are certified under IEC, UL, and BIS standards, making Vikram Solar a trusted supplier globally.

Technical Proficiency in Manufacturing: The company operates automated plants equipped with technology sourced from Japan, Germany, the U.S., Switzerland, and China. This expertise has helped increase module wattages and efficiencies, with the latest modules ranging from 395 Wp to 735 Wp and efficiencies between 20.23% and 23.66%. Vikram Solar has been recognized as a "Top Performer" by Kiwa PVEL for seven consecutive years since 2019. In PVEL's 2024 report, its M10 PERC module ranked in the top 1% globally across five categories. The company further enhances operational

excellence through enterprise applications like SAP and Ariba for supply chain and digital management.

Strong Domestic and International Presence: Domestically, Vikram Solar has a footprint across 19 states and two union territories, with a distribution network of 83 authorized distributors and over 250 dealers. Its facilities' proximity to ports supports efficient raw material imports and finished goods exports. Internationally, it has supplied modules to 39 countries, with cumulative shipments of 7.12 GW by March 31, 2025. The company also operates sales offices in the U.S. and a procurement office in China. It is diversifying channels through a proprietary e-commerce platform and expanding into allied products such as inverters, cables, and solar kits. In Fiscal 2025, domestic sales contributed 97.24% of revenue, compared with 25.21% in Fiscal 2023.

Brand Recognition and Customer Base: Vikram Solar enjoys strong brand recognition, having been listed as a Tier 1 module manufacturer by Bloomberg NEF since 2014 and awarded the EUPD Top Brand PV Seal in May 2025. Its product portfolio, including Mono PERC, N-Type, and HJT modules, comes with a 12-year product warranty and 27–30-year performance warranty. The company focuses on customized, consultative solutions for clients, including government entities and leading private IPPs. Revenue concentration remains high, with the top 10 customers contributing 88.72% in Fiscal 2025. To enhance visibility, it has sponsored Kolkata Knight Riders and launched its first TV commercial, "Khushiyon Wali Sunshine", in January 2025.

Robust Financial Performance with Strong Order Book: Vikram Solar reported revenue from operations of Rs. 3,423.45 crore in Fiscal 2025, reflecting a three-year CAGR of 28.50%. EBITDA stood at Rs. 492.01 crore, while ROE reached 16.57% in the same year. The company maintained a strong order book of 10,340.82 MW as of March 31, 2025, registering a CAGR of 92.63% over three years. Orders are diversified across domestic, export, and EPC segments, with major contributions from government agencies and private IPPs. Risk is mitigated through a cost-plus model for international contracts and back-to-back arrangements for domestic ones. Capacity expansion, higher utilization, and the enforcement of the ALMM from April 1, 2024, further support growth.

Experienced Promoters and Management: The company's performance is anchored by its experienced promoters and leadership team, led by Chairman and Managing Director Gyanesh Chaudhary, who brings over two decades of experience and industry recognition. The management is supported by an advisory board of experts in solar, law, finance, and banking, including Dr. Alok Srivastava and Dr. Santi Pada Gon Chaudhuri. Robust training and recruitment programs ensure a skilled workforce that strengthens both operational and financial performance.

Strategy

Maintain Domestic Market Position through Expansion and Backward Integration: Vikram Solar is executing large-scale expansion plans to strengthen its domestic leadership, targeting an increase in solar PV module manufacturing capacity from 4.50 GW to 15.50 GW by Fiscal 2026 and 20.50 GW by Fiscal 2027. This includes setting up a new facility in Tamil Nadu, backed by state government support and a PLI scheme award. The company is also backward integrating with a 12.00 GW solar cell facility in Tamil Nadu by Fiscal 2027. Additionally, it plans to enter the Battery Energy Storage System (BESS) market with an initial capacity of 1.00 GWh, expandable to 5.00 GWh. These initiatives align with government programs like the Domestic Content Requirement (DCR) and ALMM, boosting demand for domestic solar manufacturing.

Continued Focus on Innovation and R&D: Vikram Solar adopts an "early mover" approach in technology adoption, demonstrated by the launch of its N-Type Hypersol PV module. The company is investing in R&D through a proposed Centre of Excellence, Navodaya, which will feature a "Digital Twin" for real-time manufacturing optimization. Plans also include expanding testing capabilities to cover solar cells, raw materials, and BESS technologies. These efforts aim to shorten product development cycles, strengthen collaborations, and reinforce the company's brand credibility.

Expansion into Battery Energy Storage Systems (BESS): To address the growing demand for round-the-clock clean energy, Vikram Solar plans to establish a greenfield BESS project in Tamil

Nadu with an initial 1.00 GWh capacity, expandable to 5.00 GWh by Fiscal 2027. This diversification positions the company as a comprehensive renewable solutions provider, integrating generation with storage. Leveraging its R&D strength and distribution network, it will target C&I customers, EV charging infrastructure, and telecom applications.

Strengthen Domestic Presence through Retail and Distribution: The company is expanding its retail footprint in high-demand states, supported by a robust pan-India network of distributors and dealers. It aims to capture growth opportunities in India's target of 150–170 GW solar capacity by 2030 and is also participating in government programs like the PM Surya Ghar Muft Bijli Yojana, which prioritizes domestic modules. Vikram Solar is diversifying into allied product categories such as inverters and cables, using its established channels for market penetration.

Scale Global Market Presence: Vikram Solar has significantly increased exports, particularly to the U.S., where cumulative shipments reached 948.32 MW as of March 31, 2025. To strengthen its presence, it plans to scale marketing and sales teams and establish a 3.00 GW manufacturing facility in the U.S. by Fiscal 2027. The company is also exploring OEM partnerships to navigate trade barriers. In Europe, it has a dedicated team to leverage the region's ambitious renewable energy targets.

Diversify the Supply Chain: To reduce dependency on China and Southeast Asia, Vikram Solar is developing localized manufacturing, including its planned 12.00 GW solar cell plant in Tamil Nadu. A "Vendor Park" is also being set up at this facility, encouraging component suppliers to co-locate operations. The company is building partnerships with suppliers in Turkey, Laos, Ethiopia, Indonesia, and the Philippines. Additionally, it is collaborating with a leading management institute to enhance supply chain risk management and efficiency.

Tap the Commercial & Industrial (C&I) Market: Recognizing the vast renewable opportunity in the C&I sector—which consumes over half of India's electricity—Vikram Solar is expanding into this segment. It is prioritizing high-consumption industries in policy-friendly states, offering tailored solutions, strong branding, and financing support through direct lending or partnerships. The company has already secured 1.40 GW of orders from two C&I solution providers, validating its strategy.

New Initiatives for Decarbonization: As part of its ESG initiatives, Vikram Solar is investing in solar PV waste recycling, in line with India's E-Waste Management Rules 2022. It successfully conducted a pilot recycling project with IIT Madras Research Park in 2023 and is now exploring advanced recovery technologies for end-of-life modules. The company is also assessing opportunities in PV waste management across international markets such as the U.S., Europe, and Australia, positioning itself as an early mover in this emerging sector.

Risk Factor

- In Fiscal 2025, 2024, and 2023, the company derived 98.23%, 97.34%, and 46.84% of its operating revenue, respectively, from solar photovoltaic modules. The business is therefore highly dependent on this product line, and any decline in demand could materially impact revenue, profitability, and overall prospects.
- In Fiscal 2025, 77.50% and 88.72% of operating revenue was derived from the top five and top ten customers, respectively. This concentration makes the company reliant on a limited customer base, and any adverse changes affecting these customers or relationships could negatively impact financial performance and operations.
- The company's growth depends on timely execution of its proposed manufacturing facility under VSL Green Power Private Limited in Tamil Nadu and expansion of existing plants. Delays, cost overruns, or inability to add new capacity could adversely affect business, reputation, financial condition, and results of operations.
- Fluctuations in the prices of wafers, solar PV cells, and other raw materials, driven by demand shifts or market factors, could increase material costs and adversely impact business, financial condition, and results of operations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Waaree Energies	14444.50	1867.39	77.33	37.29	8.74	329.96	10	2883.80	82846.73
Premier Energies	6518.75	937.13	23.22	42.45	15.74	62.61	1	985.60	44428.32
Websol Energy	575.46	154.74	45.83	29.58	21.08	64.32	10	1355.75	5886.17
Vikram Solar Ltd	3423.45	139.83	3.87	85.88	4.38	75.80	10	332.00	12009.01

***Peer companies financials are TTM based**
****Vikram Solar Ltd. based on Actual FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs. 332, the stock is priced at pre issue P/E of 75.16 x on FY25 EPS of Rs 4.42. Post issue, the stock is priced at a P/E of 85.88x on its EPS of Rs. 3.87. Looking at the P/B ratio at Rs.332 pre issue, book value of Rs.39.24 of P/Bvx 8.46x. Post issue, book value of Rs.75.80 of P/Bvx 4.38x.

Considering the P/E valuation, on the lower end of the price band of Rs.315, the stock is priced at pre issue P/E of 71.31x on FY25 EPS of Rs.4.42. Post issue, the stock is priced at a P/E of 81.48x on its EPS of Rs.3.87. Looking at the P/B ratio at Rs. 315 pre issue, book value of Rs. 39.24 of P/Bvx 8.03x. Post issue, book value of Rs.75.80 of P/Bvx 4.16x.

Industry Outlook

India's real GDP is projected to grow by 6.20% in Fiscal 2026 and 6.30% in Fiscal 2027, supporting a robust increase in power demand, which is expected to grow at a CAGR of 5–7% between Fiscals 2025 and 2030. Among renewable sources, solar energy holds the greatest potential in India. Accordingly, the country is actively expanding its solar manufacturing capabilities, with cumulative manufacturing capacity in Fiscal 2025 reaching approximately 89 GW for solar modules and 25 GW for solar cells. Over the next two to three years, India aims to strengthen its presence across the entire solar manufacturing value chain. Solar capacity is expected to rise by 150–170 GW during Fiscals 2026–2030, with rooftop solar playing a key role, supported by government schemes such as the PM Surya Ghar Muft Bijli Yojana. On the global front, India's solar PV module exports are projected to remain strong at about 25 GW between Fiscals 2024 and 2028, driven by international demand for alternatives to Chinese imports under the UFLPA. The US Inflation Reduction Act (IRA) is also expected to shape industry dynamics by incentivizing domestic solar demand and supply. India's strong manufacturing base and reputation for high-quality solar products are positioning the country as a competitive global player in the solar PV industry.

Outlook

Vikram Solar's IPO offers exposure to India's renewable energy growth with strong fundamentals, brand recognition, and a robust order book. Its expansion from 4.50 GW to 20.50 GW capacity, backward integration into solar cells, and entry into battery storage position it as a diversified clean energy player. Global expansion in the U.S. and Europe adds scale, while ESG-led initiatives strengthen sustainability. Key risks include customer concentration, execution delays, and raw material volatility, but long-term prospects remain compelling.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	19-August-25
BID/ISSUE CLOSES ON	21-August-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	22-August-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	25-August-25
Credit of Equity Shares to Demat Accounts of Allottees	25-August-25
Commencement of trading of the Equity Shares on the Stock Exchanges	26-August-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	3423.45	2510.99	2073.23
Total expenditure	2931.44	2112.41	1887.05
Operating Profit	**492.01**	**398.58**	**186.18**
OPM%	14.37	15.87	8.98
Other Income	36.07	12.97	18.68
Total Net Income	**528.09**	**411.55**	**204.86**
Interest	154.72	154.62	122.05
PBDT	**373.37**	**256.94**	**82.81**
Depreciation	156.00	138.01	63.94
Profit/(loss) before exceptional items and tax (III - IV)	**217.36**	**118.93**	**18.87**
Exceptional Items	0.00	11.64	0.00
PBT	**217.36**	**107.28**	**18.87**
Tax	77.53	27.57	4.38
PAT	**139.83**	**79.72**	**14.49**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, Plant and Equipment	488.32	449.38	572.43
Right of use assets	56.33	49.39	60.78
Capital work in progress	62.62	27.81	17.05
Intangible assets	9.80	6.67	11.21
Intangible assets under development	0.00	0.00	0.73
Financial Assets			
Others	51.76	56.54	55.13
Deferred tax assets (net)	0.07	0.04	0.04
Other assets	2.45	17.40	5.99
Total non-current assets	**671.34**	**607.23**	**723.35**
Current asset			
Inventories	428.63	393.34	373.25
Financial Assets			
Trade receivables	1228.59	1185.33	958.96
Cash and cash equivalents	39.16	8.95	1.63
Bank balances other than cash and cash equivalents	149.81	106.78	102.57
Loans	0.00	0.00	6.40
Others	190.19	202.45	193.48
Other assets	124.43	81.43	109.92
Current Tax Assets (Net)	0.00	0.00	6.73
Total current assets	**2160.81**	**1978.27**	**1752.94**
Total Assets	**2832.15**	**2585.50**	**2476.29**
Non-current liabilities			
Financial Liabilities			
Borrowings	77.40	198.68	214.23
Lease liabilities	32.14	36.88	45.00
	7.50	7.50	7.50
Provisions	26.63	18.56	7.80
Deferred tax liabilities (net)	46.64	7.57	0.00
Deferred income from grant	2.44	14.37	12.34
Other non-current liabilities	0.00	434.22	528.02
Total Non- Current liabilities	**192.74**	**717.79**	**814.89**
Current liabilities			
Financial Liabilities			
Borrowings	153.27	609.65	523.56
Lease liabilities	9.13	9.10	9.43
Trade Payables			
Trades Payable - total outstanding dues of micro enterprises and small enterprises	50.82	60.19	50.58
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	777.46	587.05	395.29
Others	112.22	54.93	82.84
Other current liabilities	278.45	94.69	230.40
Provisions	0.35	0.67	1.27
Deferred income from grant	2.44	2.67	1.44
Current tax liabilities (net)	13.29	3.35	1.39
Total Current liabilities	**1397.43**	**1422.29**	**1296.20**
Total	**1590.16**	**2140.08**	**2111.10**
Net worth represented by:			
Equity Share Capital	316.54	258.83	258.83
Other equity	925.45	186.59	106.37
Net Worth	**1241.99**	**445.42**	**365.20**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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