PRIME RESEARCH
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IPO Note

November 10, 2025

Emmvee Photovoltaic Power Limited

HDFC securities 25 YEARS
Powering India's Investments

Issue Snapshot:
Issue Open: November 11– November 13, 2025

Price Band: Rs. 206-217

*Issue Size: Up to Rs 2900 Cr (Fresh issue of up to Rs 2,143.9 Cr + Offer for sale of upto 756.1 Cr

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh

((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))

Retail	upto	10% eq sh

Face Value: Rs 2

Book value: Rs 12.11 (June 30, 2025)

Bid size: - 69 eq sh and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 118.71 Cr
*Post issue Equity:	Rs. 138.47 Cr

Listing: BSE & NSE

Book Running Lead Manager: JM Financial Ltd, IIFL Capital Services Ltd, Jefferies India Private Ltd, Kotak Mahindra Capital Company Ltd.

Sponsor Bank: Kotak Mahindra Bank Ltd and Axis Bank Ltd

Registrar to issue: KFin Technologies Ltd

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	100	89.6
Public	0	10.4
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Emmvee Photovoltaic Power Limited (EPPL) is the second largest pure-play integrated solar PV module and cell manufacturer, and holds a leading position among India's solar PV module producers in terms of production capacity as of March 31, 2025. The company's solar PV module production capacity reached 7.80 GW, while its solar cell production capacity stood at 2.94 GW as of May 31, 2025. EPPL's product offerings include bifacial and mono-facial formats of TOPCon modules and cells, as well as Mono PERC modules which are produced across four manufacturing facilities at two locations in Karnataka. The company has demonstrated rapid capacity expansion, growing module production from 0.50 GW in April 2022 to 7.80 GW in May 2025, and establishing solar cell capacity of 2.94 GW within the same period.

EPPL was included in List I under ALMM, as issued by the Ministry of New and Renewable Energy (MNRE), Government of India, and recorded a 5.1% market share in ALMM as of May 2025. The company's fully integrated manufacturing capabilities also enabled access to the domestic content requirement (DCR) market. EPPL emerged among the pioneers in India for implementing high-efficiency tunnel oxide passivated contact (TOPCon) technology in solar cell manufacturing, with only a few domestic manufacturers leveraging this technology as of March 2025.

The company is presently engaged in expanding capacity, with a 2.50 GW module production line scheduled to become operational in Fiscal 2026. EPPL also plans a future expansion of an integrated 6.00 GW solar cell and module line, targeted for the first half of Fiscal 2028. Upon completion of these initiatives, EPPL aims to reach 16.30 GW of solar PV module capacity and 8.94 GW of solar cell capacity, exclusively utilizing TOPCon technology by Fiscal 2028.

EPPL's strong customer relationships have been reflected in its growing order book. As of June 2025, the outstanding order book consisted of 5.36 GW, segmented as 2.75 GW for utility-scale IPPs, 0.42 GW for public sector undertakings, and 1.22 GW for C&I customers. Additional orders for 1.01 GW were received between April 1 and May 31, 2025. The company reported a compounded annual growth rate (CAGR) of 209.05% in order book size between Fiscal 2023 and Fiscal 2025, receiving new orders of 5.45 GW, 1.17 GW, and 0.57 GW in Fiscals 2025, 2024, and 2023, respectively. Of the orders in Fiscal 2025, 15.78% pertained to DCR requirements. Average order size per customer has increased consistently, from 0.84 MW in Fiscal 2023, to 1.94 MW in Fiscal 2024, and to 7.63 MW in Fiscal 2025.

EPPL intends to establish a wafer manufacturing facility in India and is evaluating opportunities for production of ancillary components, including aluminium frames, expanded polyethylene encapsulant, copper ribbons, junction boxes, and silicone sealants, to capture a larger share of the bill of materials (BOM). This approach to backward integration is expected to be critical for long-term growth and quality assurance. Additionally, EPPL is exploring expansion opportunities in the United States market, supported by its existing export track record and approval as a supplier for leading utility-scale developers in that region.

EPPL's solar PV modules have attained several international quality accreditations, which collectively demonstrate the reliability and durability of their products. In 2024, EPPL was the only Indian manufacturer among four global participants to successfully pass all seven qualification tests under the Kiwa PVEL product qualification program, using a single product type, as referenced in the Crisil Report. The reliability and performance of EPPL's modules are further substantiated by the low incidence of warranty claims. Warranty claim amounts were Rs 0.06 million, Rs 0.69 million, and Rs 2.20 million during Fiscals 2025, 2024, and 2023, respectively. Notably, the average value of these claims represented less than 0.008% of total revenue from operations over the last three fiscal years. For Fiscal 2025, the warranty claim rate was approximately 0.0002%.

These independent test results and low warranty claim rates position EPPL as a manufacturer with consistently high product quality and strong dependability, as evidenced both by international accreditation and historic operational data.

Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 21,438.62 million and an Offer for Sale of Rs 7,561.38 million by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Requirements of funds

The Company proposes to utilize the Net Proceeds from the fresh issue towards the following (collectively, referred to herein as the "Objects"):

- Repayment/ prepayment, in full or part, of all or certain outstanding borrowings and accrued interest thereon availed by the Company and its Material Subsidiary, EEPL and
- General corporate purposes and unidentified inorganic acquisitions.

Utilisation of Net Proceeds

Sr No	Particulars	Estimated Amount/ (Rs in million)
1	Repayment/ prepayment, in full or part, of all or certain outstanding borrowings and accrued interest thereon availed by the Company and Material Subsidiary	16,212.94
2	General corporate purposes	*
	Total Net Proceeds	*

Proposed schedule of implementation and deployment of Net Proceeds

Sr No	Particulars	Estimated amount proposed to be funded from Net Proceeds	Estimated deployment of the Net Proceeds in Fiscal 2026	Estimated deployment of the Net Proceeds in Fiscal 2027
1	Repayment / prepayment, in full or in part, of certain borrowings availed of by the Company	16,212.94	16,212.94	Nil
2	General corporate purposes	*	*	*
	Total Net Proceeds	*	*	*

Competitive Strengths

Second largest pure-play integrated solar PV module and cell manufacturers in India: EPPL is the second largest pure-play integrated solar PV module and cell manufacturer in India based on production capacity as of March 31, 2025, with module capacity of 7.80 GW and cell capacity of 2.94 GW as of May 31, 2025. Its integrated manufacturing model minimized reliance on external suppliers, optimized costs, and enhanced production efficiency. The integration spanned the full solar module production cycle, providing control and traceability, which was especially important for customers with strict quality needs. As an integrated domestic manufacturer, the company also accessed the Domestic Content Requirement (DCR) market in India, which mandates the use of locally manufactured modules and cells for government-supported projects. Inclusion in List I of the Approved List of Models and Manufacturers (ALMM) enabled it to participate in government schemes and grid-connected projects, affirming its reputation. The company also expected to qualify for List II of ALMM for solar cells once published, potentially opening further growth avenues. Its integrated manufacturing capabilities, use of advanced technologies, and sector experience positioned it well to capitalize on industry trends and sustain growth.

Early mover advantage in leveraging higher efficiency TOPCon cell technology: The company was among the first in India to adopt the high-efficiency TOPCon solar cell manufacturing technology, being one of the limited manufacturers using this technology as of March 2025. Its 2.94 GW solar cell manufacturing unit in Dobbaspet, Bengaluru, was one of the largest TOPCon facilities in India as of May 31, 2025. The company believed early adoption of TOPCon in 2024 gave it a market advantage by enhancing module efficiency and

performance. The company's expertise benefits from an R&D contract with Fraunhofer ISE initiated in 2022, allowing use of Fraunhofer's advanced production techniques royalty-free. This partnership facilitated rapid commissioning of the Dobbaspet production line located in Karnataka within 21 months, supported by Fraunhofer's technical training and optimization inputs.

Valued relationships with a diverse customer base backed by a substantial order book: EPPL has developed strong relationships with a diverse customer base across India, including Independent Power Producers (IPPs), Commercial & Industrial (C&I) sector entities, and EPC service providers in both public and private sectors. Key customers include Ayana 193 Renewable Power Private Limited, Clean Max Enviro Energy Solutions Private Limited, Hero Rooftop Energy Private Limited, and several others. It served an aggregate of 525 customers across Fiscals 2025, 2024, and 2023. This diversified clientele contributed to a substantial order book of 4.89 GW as of March 31, 2025, which grew to 5.26 GW by May 31, 2025. EPPL's large and high-efficiency TOPCon cell manufacturing capacity enabled it to compete for high-value tenders from public sector undertakings. The total order value from their customers has increased at a CAGR of 152.26% from 215.89 MW as of March 31, 2023 to 1.37 GW as of March 31, 2025; and the size of their largest single order from a customer increased from 350 MW in Fiscal 2023 and Fiscal 2024 to 1,500 MW in Fiscal 2025.

Experienced Promoter-led senior management team: The Promoter, Chairman and Managing Director of the company, Manjunatha Donthi Venkatarathnaiah, holds a bachelor's degree in commerce from Bangalore University, Karnataka and has been in the solar industry since 1992. He co-founded Emmvee Solar Systems Private Limited in 1996 and then co-founded the Company in 2007. He has been the recipient of several awards, including the Sourya Urja Bhushan Award presented at Sourya Urja Puraskar in 2015, and the Business Leadership Excellence Award at EQ's Karnataka State Annual Solar Awards presented during Suryacon 2020.

The company conveyed that its senior management team consisted of seasoned professionals dedicated to driving its long-term success. The Chief Financial Officer, Pawan Kumar Jain, brought over 31 years of experience in finance. Chief Strategy and Business Development Officer, Sumanth Manjunatha Donthi, had approximately two years' experience in strategic planning and business development. Anand Kumar R S, General Manager of Supply Chain Management, had around 14 years of professional experience. Dinesh B Shenoy, General Manager of Solar Cells Manufacturing, possessed about 35 years of experience, including more than 17 years in the solar industry.

Further, Hena Datta, General Manager of Legal, had over 17 years in corporate legal and compliance roles. N Devendiran, Chief Manufacturing Officer, oversaw production, engineering, projects, and the establishment of cell and module lines for the company and its subsidiaries. Rachamadugu Nandakumar, Chief Human Resource Officer, brought approximately 52 years of banking and credit risk experience. Rohit Dhar, Chief Revenue Officer, had around 32 years in sales and marketing. T Srinath, Chief Technology Officer, was responsible for technology, strategy, and innovation. Lastly, Shailesha Barve served as Company Secretary and Compliance Officer, with nearly 21 years' experience in banking, corporate secretarial work, and legal compliance.

Business Strategy:

Continued expansion of solar cell and module manufacturing capacity: The company stated that it was committed to expanding its solar PV module manufacturing capacity to keep up with increasing customer demand. It had significantly increased its production capacity over the years and was in the process of adding a 2.50 GW module production line at its Sulibele unit in Bengaluru, expected to be operational in Fiscal 2026. Additionally, it planned to add a 6.00 GW solar cell and module production capacity in ITIR Phase-II, Bengaluru, targeted for the first half of Fiscal 2028. These plans are expected to increase the company's solar PV module capacity to 16.30 GW and cell capacity to 8.94 GW by Fiscal 2028, using only TOPCon technology. This expansion strategy aligned with the company's goal to enhance and scale up its integrated production capabilities, aiming to maintain a competitive position among integrated solar industry players in India.

Strategic focus on further backward integration and diversification of supplier base: According to the Crisil Report, raw material costs form 80% to 85% of the operating costs of Indian solar cell manufacturers, with the major component being imported wafers, which exposes companies to foreign exchange risks. The company indicated that, alongside its plan to add 6.00 GW of solar cell manufacturing capacity, it intended to pursue backward integration by commissioning manufacturing units for critical components such as wafers and other ancillary materials used in solar PV module production. This strategy was adopted in response to recent government policy initiatives aimed at boosting domestic manufacturing and the imposition of import duties on key raw materials used for solar modules. Furthermore, EPPL is assessing opportunities to establish manufacturing units for ancillary solar PV module components such as aluminium frames, expanded polyethylene (EPE) encapsulants, copper ribbons, junction boxes, and silicone sealants. This phased approach aimed to increase the company's share of the bill of materials (BOM). The backward integration initiative was expected to support the company's long-term growth strategy and its commitment to delivering high-quality modules consistently.

Strengthen presence across their diverse customer segments within India: As of March 31, 2025, their distribution network included six distributors operating across nine states and two union territories in India. They intended to expand this network nationwide to increase the accessibility of their solar PV modules to a broader customer base. They plan to continue supplying modules to small to medium-sized

commercial and industrial entities through the Domestic Content Requirement (DCR) market. Additionally, they aim to strategically target key Government of India schemes to enhance market presence and stimulate growth. They believe that their integrated manufacturing capabilities and ability to serve the DCR market positions them well to capitalize on the increasing demand for solar modules under such government initiatives.

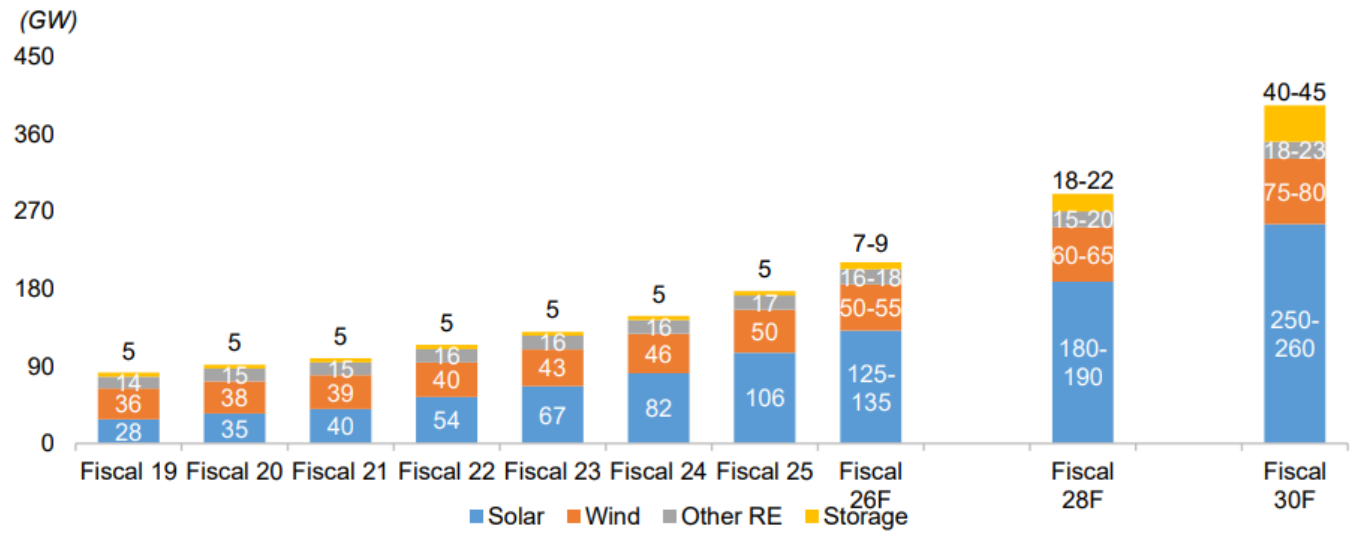
Venture opportunities and expand sales in international markets: EPPL emphasize establishing a presence in international markets with untapped potential, having supplied solar PV modules to customers in 17 countries worldwide. They are particularly focused on expanding operations in the United States to increase sales of their manufactured solar PV modules. The company has built a presence in the U.S. through exporting solar modules and is listed as an approved supplier to leading utility-scale developers. They observe that the growth in solar module production in India compared to domestic demand from Fiscal 2026 to 2030 is expected to create significant export opportunities for manufacturers. Approximately 25% to 32% of production is projected to be exported over these years, reflecting rising domestic consumption needs. This balance between export and domestic demand shapes their international expansion strategy.

Industry Overview

India's Fuel Mix transitioning towards Renewables

India's installed generation capacity rose from 356 GW at the end of Fiscal 2019 to 475 GW by the end of Fiscal 2025, largely driven by strong additions in renewable capacity including solar, wind, and hybrid sources, while coal and other fossil fuel additions slow down. Renewables (excluding hydro) increase from approximately 22% to 36% of total installed capacity during this period, with coal's share dropping from 55% to around 45%. By Fiscal 2030, renewable capacity excluding hydro is expected to reach 345-355 GW, representing 45%-50% of total capacity, which is projected to grow to 730-740 GW. Coal capacity additions are expected to be moderate at 23-28 GW, reducing coal's share to 30%-35%. Other fossil fuels remain static due to minimal new capacity. Inclusion of hydro and nuclear power will boost non-fossil capacity to 440-500 GW by Fiscal 2030, making up 55%-65% of total installed capacity, with energy storage systems (pumped storage and battery storage) projected to account for 5%-6% penetration of total installed power capacity by then.

Growth in renewable installed base



F: Forecasted
Note: Other RE includes small hydro and bio power. Storage includes BESS and PSP. The forecast excludes off-grid solar.
Source: CEA, Crisil Intelligence

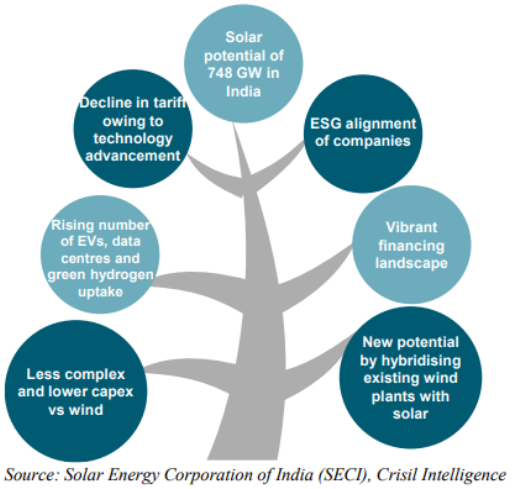
Multiple Growth lever push solar energy in India

Solar potential across Indian states: India has vast solar energy potential of 748 GW, accounting for 300 days of sunshine annually. The Global Horizontal Irradiance ranges3.77 to 5.64 kWh/m2, with Gujarat, Rajasthan and Madhya Pradesh receiving higher solar irradiance. But while Rajasthan has the highest potential at 142 GW, the state has only achieved 20% of this, with an installed capacity of 28.3 GW. Gujarat has an installed base of 18.5 GW, achieving 52% of its 35.7 GW potential, Karnataka has 9.7 GW, reaching 39% of its 24.7 GW potential and Tamil Nadu has 10.1 GW, fulfilling 57% of its 17.6 GW potential. Madhya Pradesh has only reached 8% of its 61.6 GW potential, with an installed base of 5.0 GW.

Technology advancement and mass adoption leading to lower tariff: Solar tariffs in India fell to Rs 2.63/unit in Fiscal 2025 from Rs 5.2/unit in Fiscal 2016, making solar a cheaper source of energy than wind (Rs 3.8 to 4.1/units) and coal (Rs 5 to 6/units). The fall in tariffs is attributed to large-scale manufacturing capacity additions and R&D, with solar module prices falling sharply in Fiscal 2025 due to added

polysilicon capacities in 2023 and 2024. This has led power distribution utilities to more easily consider renewable energy sources such as solar for power purchase tie-ups.

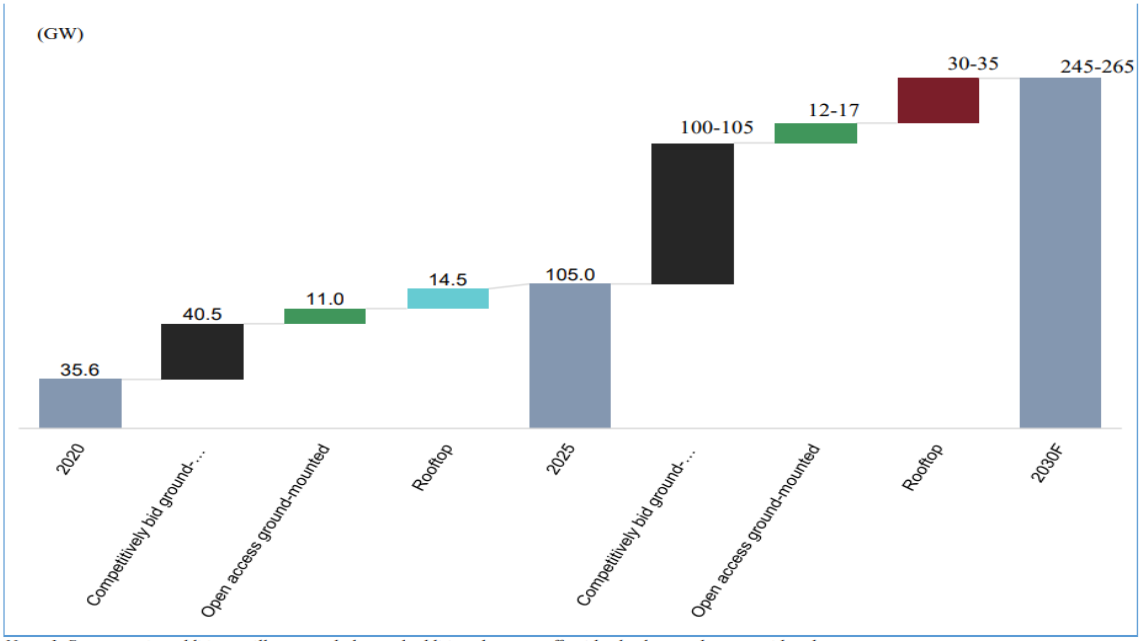
Solar energy project execution is quick and less complex: While both solar and wind energy are popular forms of renewable energy, the execution of solar energy projects is often considered quicker and less complex vs wind energy projects. While the commissioning timeline for solar and wind energy projects in India is 18 to 24 months, execution in the case of solar is quicker than wind because of less complexity in the form of fewer moving parts and simpler technology, making it easier to install and maintain vis-à-vis wind, which has more complex technology and moving parts (turbines, blades, gearboxes). Apart from this, solar energy has lower upfront costs vs wind energy, with solar capital costs ranging between Rs 34 million/MW to 38 million/MW, while for wind it is almost double, with capital expenditure of Rs 65 million/MW to 70 million/MW.



Source: Solar Energy Corporation of India (SECI), Crisil Intelligence

SOLAR SEGMENT-WISE OUTLOOK FOR 5 YEARS (UTILITY, OPEN ACCESS, ROOFTOP)

Overview of capacity additions



Note: 1. Segment-wise additions will not match the total additions because off-grid solar has not been considered.
2. While rooftop capacity additions are sourced from MNRE, the split between competitively bid ground-mounted and open access ground-mounted is estimated from the MNRE's ground-mounted and hybrid additions.
Source: MNRE, Crisil Intelligence

Key government initiatives pushing capacity addition at a rapid pace across segments

SECI has tendered capacities under various schemes, where approximately 42.7 GW has been allocated, approximately 22 GW is under construction and approximately 3.2 GW is tendered. Under the state schemes, approximately 27 GW of projects are under construction and expected to be commissioned during Fiscals 2026 to 2030. Based on the tendered capacities by states at the end of Fiscal 2025, a further approximately 12 GW worth of solar projects is expected to be available for bidding in the coming months. The government has

expanded the 1 GW CPSU programme to 12 GW to encourage cash-rich central PSUs to set up renewable energy projects. Crisil Intelligence expects 30 GW to 35 GW of projects to be commissioned under the solar rooftop segment between Fiscals 2026 and 2030, led by capacities added under initiatives such as PM Surya Ghar Yojana, capacities allocated by the state governments, commissioning of capacities by government institutions such as metro, railways and airports, and capacities to be added by industrial and commercial consumers under net/gross metering schemes of various states.

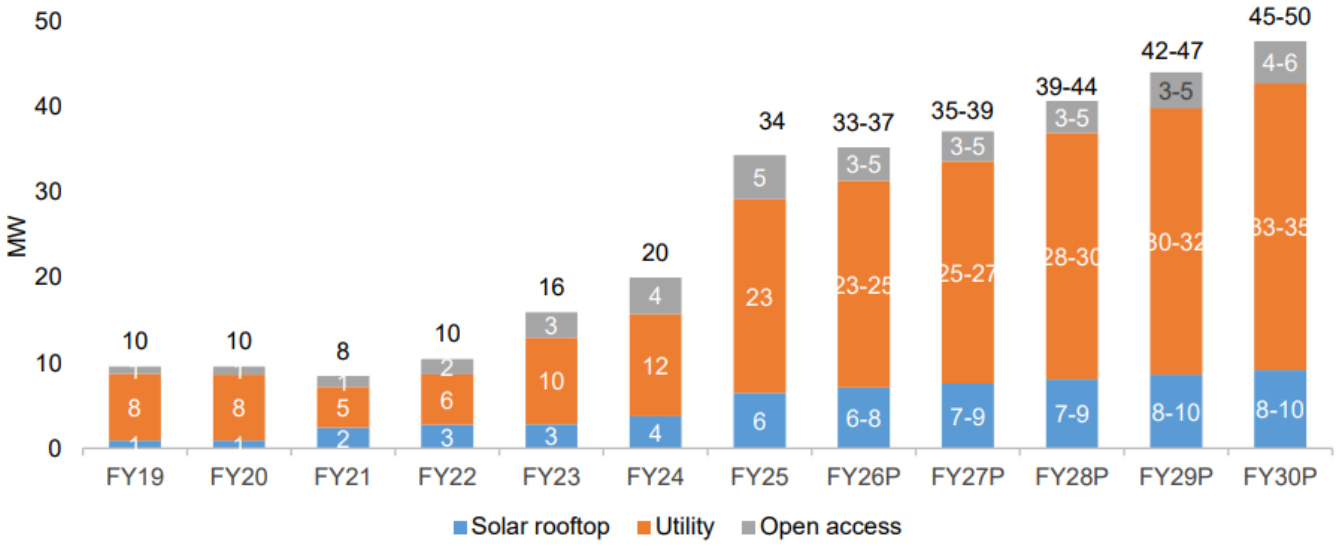
Indian Solar Photovoltaic Segment

India's solar module demand has been driven by solar energy additions of 64 GW during calendar years 2019 to 2024. After a blip seen in 2020, additions picked up pace, driven by the pledge of the Panchamrit goals of COP26 in 2021, under which India aims to install 500 GW of non-fossil fuel capacity by 2030. Furthermore, according to CEA's national electricity plan for generation, non-fossil capacity is expected to be driven by the target of achieving a solar installed base of 364 GW. While nations across the world have driven demand for solar modules through a cumulative solar target of over 1,000 GW of installed base by 2030, their ability to meet demand through domestic PV manufacturing is limited. In fact, only China had a robust integrated manufacturing base to cater to both the domestic and global demand, resulting in the world relying on imports from China.

Domestic solar module demand to grow robustly as power goes Green

The domestic demand for solar module has been driven by the competitively bid utility segment at 66%, followed by the rooftop segment at 18% and open access segment at 16% between Fiscals 2019 and 2025. Fiscal 2025 witnessed a significant bump up, driven by increase in solar additions (24 GW) against Fiscal 2024 (15 GW), which along with DC overloading, resulted in a sharp increase in solar module demand to 34 GW in Fiscal 2025. The domestic demand for solar module has been driven by the competitively bid utility segment at 66%, followed by the rooftop segment at 18% and open access segment at 16% between Fiscals 2019 and 2025. Fiscal 2025 witnessed a significant bump up, driven by increase in solar additions (24 GW) against Fiscal 2024 (15 GW), which along with DC overloading, resulted in a sharp increase in solar module demand to 34 GW in Fiscal 2025.

India to experience an average annual module demand of 38 GW to 43 GW between Fiscals 2026 and 2030

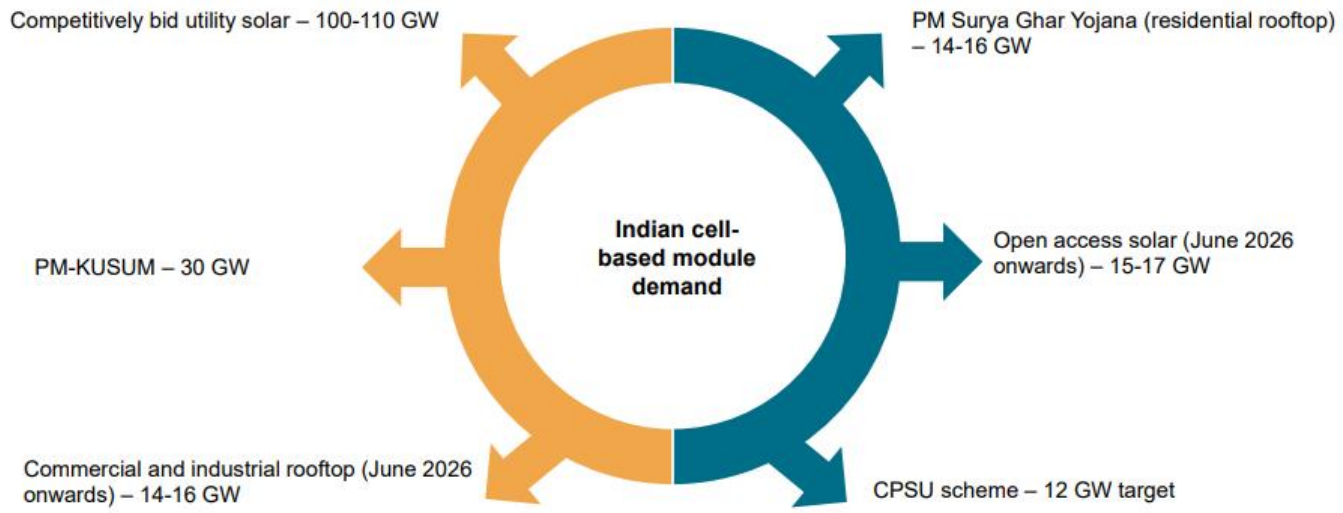


Note: Demand includes DC overloading
The total of ranges for the subsegments may not add to the range of the total owing to round off and range limits
Source: Crisil Intelligence

Domestic Demand Drivers

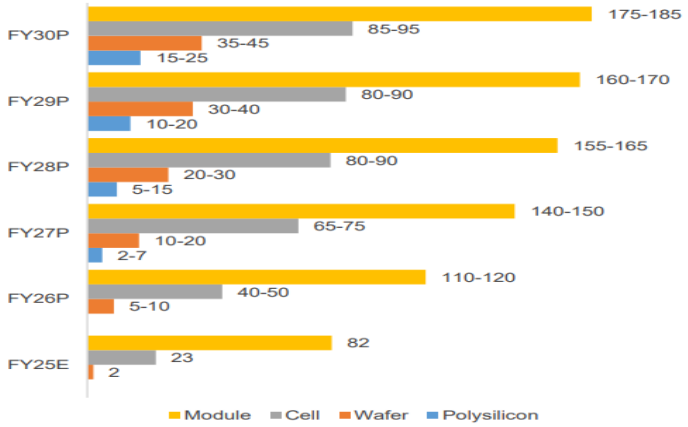
- **PM Surya Ghar**: Muft Bijli Yojana offers subsidies and up to 300 units of free electricity per month to residential households installing rooftop solar systems.
- **PM-KUSUM** scheme promotes solar pumps and grid-connected solar programs for farmers with subsidies up to 60%.
- Development of **Solar Parks and Ultra Mega Solar Power Projects** targets setting up large grid-connected solar plants, aiming for 40 GW capacity by March 2026.
- **Domestic Content Requirement (DCR)** mandates locally manufactured solar cells and modules for government-backed projects.
- State-level rooftop solar initiatives provide subsidies between 20% to 40% for residential, institutional, and social sectors.
- **Net metering policies and MSME solar subsidies** encourage commercial and industrial solar adoption with financial incentives.
- Ongoing production-linked incentive (PLI) schemes promote domestic manufacturing capacity expansion.

Demand for domestic content to come from multiple avenues



Note: Some of the capacity mentioned in the graph may be commissioned beyond Fiscal 2030 owing to the slow pace of progress on the ground.
Source: Crisil Intelligence

Rapid expansion of domestic PV manufacturing to continue



Note: The above capacity is based on market announcements available in the public domain.
Source: Company reports, Crisil Intelligence

Backward integration into Cells and Wafers-Ingots critical for the industry

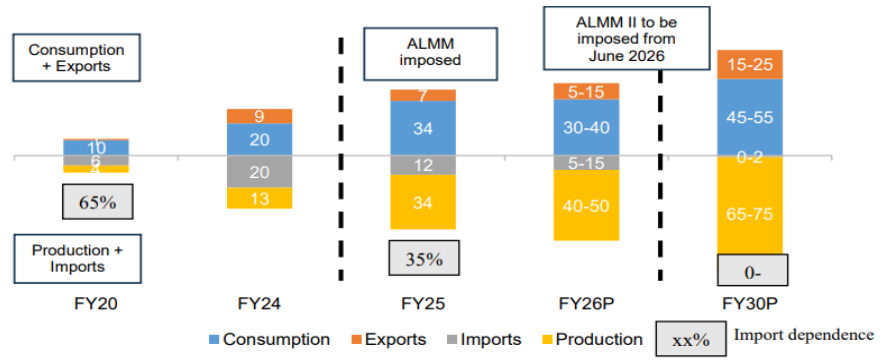
Backward integration into solar cell manufacturing is a strategic imperative aimed at optimising costs, reducing dependence on external suppliers, improving quality control and margins, ensuring traceability of origin (key for some export markets) and, in the Indian context, complying with local procurement policy rules. Raw material costs form the bulk (80% to 85%) of Indian solar cell manufacturers' operating costs. Of the raw material expenditure, the major component is also imported (wafers), exposing the solar cell manufacturers to foreign exchange risks. This can, in turn, impact project profitability. Imports are a necessity as upstream components required for cell manufacturing, i.e., polysilicon ingots and wafers, are not readily available in India.

Import reliance to fall as domestic manufacturing capabilities ramp up

India's reliance on China for solar PV is expected to decline significantly as domestic manufacturing capacities ramp up. Crisil projects India's solar cell manufacturing capacity to increase fivefold, reaching approximately 50-55 GW by Fiscal 2027 from 10 GW at the end of Fiscal 2024. Concurrently, module manufacturing capacity has surged from 7 GW in 2020 to 60 GW by March 2024, reducing module imports to 25% of total consumption from 45% previously. Despite this progress, cell imports, primarily from China, remain high at around 80%. The government's "Make in India" initiative and supporting policies like the Approved List of Models and Manufacturers (ALMM) and production-linked incentives are driving domestic capacity expansion and backward integration strategies. These efforts aim to enhance

self-reliance, reduce import dependence, and position India as a key exporter in the global solar market by 2029, while increasing the share of domestic solar cell and module production significantly.

Import dependence to fall 1% to 5% by Fiscal 2030

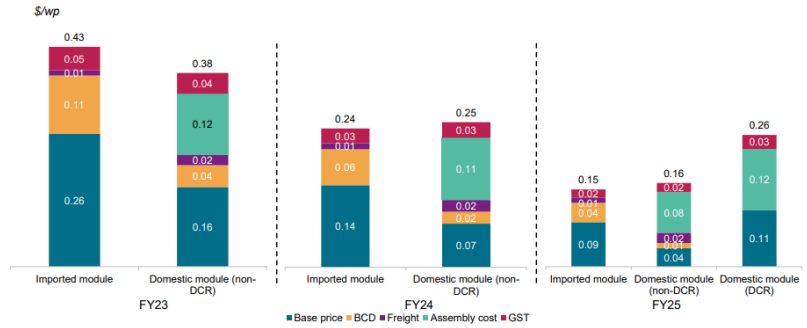


P – Projected
Notes:
1. Export potential may remain dynamic owing to US reciprocal tariffs.
2. The balance capacity in the above chart is attributed to the inventory in the industry at the manufacturer and end-user.
Source: Crisil Intelligence

Domestic manufacturing costs higher but government policies to provide support to manufacturers

Economies of scale and backward integration are essential to achieve competitive pricing for domestically manufactured modules. Currently, the prices of imported cell based Indian module remain U.S.$ 0.03/Wp higher than imported modules. The cost of Indian cell-based module is U.S.$ 0.08/Wp higher than imported cell based Indian module.

Cost comparison of imported vs domestic modules (DCR and non-DCR)



Note: BCD here comprises BCD+AIDC
Source: Crisil Intelligence

Key challenges across the Solar PV segment

Availability of land: Acquiring land for solar projects in India is challenging due to the need of large parcels and multiple stakeholders, leading to delays. To stay competitive, developers must secure land at competitive prices in areas with high solar irradiance. Although the 40 GW solar park scheme has helped by providing land to successful bidders, land costs and tariffs vary by state due to differences in land prices and irradiance quality. Until FY24, solar and wind projects have utilised 3 lakh and 2 lakh acres of land, respectively. Solar and wind require 9 lakh and 3 lakh acres of land, respectively, until Fiscal 2030 to meet the expected expansion plans.

Capital cost: Solar projects are heavily influenced by global commodity prices, which can impact returns if not hedged properly. The cost of solar modules (55% of capital cost) depends on polysilicon prices and other key minerals such as copper and aluminum. High interest rates, short repayment tenures and currency fluctuations can increase the minimum tariffs required for viable returns. Factors such as duties, supply-chain disruptions and exchange rates can also impact capital costs, which have fluctuated in recent years due to policy changes. For instance, the imposition of a 25% safeguard duty on imported cells and modules in 2018 and BCD of 40% in 2022 increased capital costs in the respective years.

Policy and Regulatory uncertainty: According to the CRISIL report, despite a very supportive government, the policy framework has been in flux with several amendments and reversals. Policy formulation and implementation is often hampered by shifting and conflicting priorities, poor design, disjointedness between different arms of the government and disregard for practical considerations. Withdrawal of such initiatives and policies might be detrimental for manufacturers as it could negatively impact margins and overall economics.

Over capacity concerns pose threat to the segment: The recent ICRA report highlights that India's solar photovoltaic (PV) module manufacturing capacity is projected to surge to over 165 GW by March 2027, up from about 109 GW currently. However, this rapid capacity buildup is expected to lead to an overcapacity scenario as annual solar installations are forecasted to be around 45-50 GW, whereas the module production capacity is estimated at 60-65 GW. They anticipate industry consolidation, especially among smaller or pure-play manufacturers, as a necessary response to overcapacity pressures.

Key Concerns

- EPPL's business is dependent on certain key customers, with top 10 customers contributing 84.98%, 85.82% and 80.53% of its revenue from operations in Fiscals 2025, 2024 and 2023, respectively. The loss of any of these customers could have a material adverse effect on their business, financial condition, results of operations and cash flows.
- Their business is reliant on the success of a limited number of products. Any reduction in demand for these products may adversely affect their revenues, financial condition and cash flows.
- The company plans to add 6 GW of integrated cell-module facility by FY28. Any delays or disruption in the commissioning of the project may affect their operational metrics and hinder with growth of the business.
- EPPL intends to achieve backward integration through the commissioning of manufacturing units for the production of wafers and ancillary components such as aluminum frames, expanded polyethylene encapsulant, copper ribbons, junction box and silicone sealants. Delays or cancellation of projects might lead to financial detriment for the business.
- As EPPL pursues their growth plans, they may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet the capital expenditures and working capital requirements in the future.
- The company is dependent on third party suppliers for certain raw materials required for their manufacturing operations. Any disruptions in the supply or availability of such raw materials or any fluctuation in their prices may have an adverse impact on their business operations, cash flows and financial performance.
- Their businesses are subject to import duties and restrictions on certain raw materials imported by their manufacturing operations from other countries. Any disruptions in the supply of these imported raw materials may adversely affect their operations.
- Their manufacturing operations rely on a stable supply of raw materials and components, including silicon wafers and other critical inputs. Disruptions in the supply chain due to geopolitical tensions, logistical issues or supplier insolvency could result in production delays, increased costs and an inability to fulfil customer orders.
- Quality control and product defects also pose significant risks. Maintaining high standards of quality control is essential to prevent product defects. Any lapse in quality control can lead to product recalls, warranty claims and reputational damage.
- The outstanding orders in their order book may be subject to delays, modifications or cancellations, which may have adversely affect their business, cash flows and results of operations.
- All of their manufacturing units are located in the state of Karnataka, India, which exposes to risks arising from local and regional factors.
- Under-utilization of their manufacturing capabilities and an inability to effectively utilize their current and proposed production capacities could have an adverse effect on their business, results of operations and cash flows.
- Exposure to certain operational and sector-specific risks associated with the manufacturing of solar cells and solar PV modules.
- Changes in technologies in the manufacturing of solar cells and solar PV modules may render their current technologies obsolete or require them to incur substantial expenditure towards adapting to new technologies.
- Business has grown significantly in the last three Fiscals, and they might not be able to sustain similar growth in the future.
- The company has pledged 51.00% of their shareholding in their Material Subsidiary, EEPL as one of the securities for loans availed by EEPL. In the event of a default and invocation of the pledge by the lenders, EPPL may lose control over EEPL, which could adversely affect business, results of operations and financial condition.
- EPPL's ability to access the DCR market in India is also dependent on them receiving and maintaining their certification as an ALMM approved manufacturer, which in turn is dependent on maintaining the relevant BIS certifications. If they are unable to obtain or renew these certifications in a timely manner, or at all, as a result of which its business and prospects may be adversely affected.
- Any adverse changes in Government subsidy availability or approval or the rates of the subsidies available may impact their customers' affordability of their products thereby impacting the overall sales of the company. This may materially impact their financial condition and results of operations.
- Changing laws and regulations in India could lead to new compliance requirements that are uncertain and may adversely impact their business, results of operations or financial condition.

Key Performance Indicators*

Particulars	Q1FY26	FY25	FY24	FY23
Operational KPIs				
Annual installed capacity (MW)				
Solar PV module	7803.1	6015.7	1585.1	1585.1
Solar cells	2943.4	2943.4	Nil	Nil
Effective installed capacity (MW)				
Solar PV module	1500.8	2749.5	1227.2	1004.8
Solar cells	537.3	1245.7	Nil	Nil
Actual production (MW)				
Solar PV module	635.8	1482.3	475.6	218.6
Solar cells	359.7	533.6	Nil	Nil
Capacity utilization (%)				
Solar PV module	0.4	0.5	0.4	0.2
Solar cells	0.7	0.4	Nil	Nil
Order Book (MW)	**5360.1**	**4891.6**	**1100.3**	**538.7**
Financial KPIs				
RoE %	29.9	104.6	18.7	6.4
RoCE %	10.3	23.3	5.0	5.9
Debt to equity	3.6	3.6	8.5	3.7
Current Ratio	1.4	1.3	1.4	1.0

** Q1FY26 Numbers not annualised*

Source: Company, RHP

Profit & Loss Statement

Particulars (Rs in million)	Q1FY26	FY25	FY24	FY23
Income				
Revenue from operations	10278.2	23356.1	9519.4	6181.3
Expenses				
Cost of Materials Consumed	6705.3	15180.0	7710.4	5063.2
Changes in inventories of finished goods	-1111.2	-1156.8	-164.6	-41.0
Employee benefits expense	350.4	777.7	240.0	200.8
Other expenses	859.9	1335.9	529.1	395.5
PBIDT	**3473.8**	**7219.4**	**1204.4**	**562.7**
Margin %	*33.8*	*30.9*	*12.7*	*9.1*
Depreciation and amortisation expense	715.9	1559.5	418.2	426.9
PBIT	2757.9	5659.9	786.2	135.8
Margin %	*26.8*	*24.2*	*8.3*	*2.2*
Finance costs	500.0	1078.8	335.1	281.6
Other income	144.0	247.1	25.1	262.4
Profit before tax for the year	**2401.9**	**4828.2**	**476.2**	**116.7**
Tax expenses				
Current tax	332.2	713.8	303.8	11.9
Tax pertaining to earlier years	-	-	-	3.4
Deferred tax	193.0	424.3	-116.6	11.7
Total tax expense	525.2	1138.1	187.2	27.0
Profit after tax for the year	**1876.8**	**3690.1**	**289.0**	**89.7**
Non-controlling interests	-	-	-	0.3
Basic (Rs)	3.2	6.2	0.5	0.2
Diluted (Rs)	3.2	6.2	0.5	0.2

Balance Sheet

Particulars (Rs in million)	Q1FY26	FY25	FY24	FY23
Non-current assets				
Property, plant and equipment	20,310.5	19,241.2	2,785.4	3,123.8
Right-of-use assets	1,654.5	1,206.1	104.3	101.8
Capital work-in-progress	154.1	133.6	6,457.9	931.9
Other intangible assets	13.4	14.0	17.4	5.3
Intangible Assets under development	1.2			
Financial assets				
Investments	179.2			
Other financial assets	212.2	196.6	141.4	127.8
Deferred tax assets	-	-	167.0	30.9
Other non-current assets	631.9	1,497.9	2,319.5	923.1
Total non-current assets	**23,157.0**	**22,289.4**	**11,993.0**	**5,244.5**
Current assets				
Inventories	10,551.3	7,583.6	3,062.1	1,413.9
Financial assets				
(i) Investments	1,256.0	2,568.3	-	-
(ii) Trade receivables	4,067.9	1,902.7	961.3	691.1
(iii) Cash and cash equivalents	853.5	2,186.4	1,823.5	534.6
(iv) Bank balances other than (iii) above	340.5	1,054.8	3,382.3	79.2
(v) Other financial assets	1,313.4	34.9	50.4	9.6
Current tax assets (net)	21.4	29.3	4.9	25.3
Other current assets	1,916.3	1,490.1	622.4	409.6
Total current assets	**20,320.2**	**16,850.0**	**9,906.9**	**3,163.4**
Total assets	**43,477.2**	**39,139.4**	**21,899.9**	**8,407.9**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	1,187.1	107.9	107.9	107.9
Other equity	6,017.5	5,260.1	1,579.7	1,297.0
Total equity	**7,204.6**	**5,368.0**	**1,687.6**	**1,405.0**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16,184.1	16,888.7	11,741.3	3,746.3
(ii) Lease liabilities	1,353.3	956.2	42.8	38.6
(iii) Other financial liabilities	1.2	1.2	0.3	0.3
Provisions	46.7	38.7	13.8	5.3
Deferred tax liabilities	650.3	458.2	202.4	183.2
Other non-current liabilities	2,979.3	1,930.5	1,172.7	-
Total non-current liabilities	**21,214.8**	**20,273.3**	**13,173.3**	**3,973.8**
Current liabilities				
Financial liabilities				
(i) Borrowings	4,137.0	2,608.2	2,671.8	1,449.9
(ii) Lease liabilities	274.6	199.5	12.8	8.7
(iii) Trade payables				
Total outstanding dues of micro and small enterprises	285.8	403.1	88.4	5.1
Total outstanding dues of creditors other than micro and small enterprises	4,372.1	3,099.7	1,493.8	684.4
(iv) Other financial liabilities	1,367.4	1,450.8	358.7	84.9
Provisions	26.7	27.9	13.4	11.6
Other current liabilities	4,097.8	5,493.9	2,267.9	784.7
Current tax liabilities (net)	496.3	214.9	132.3	-
Total current liabilities	**15,057.8**	**13,498.1**	**7,039.0**	**3,029.2**
Total liabilities	**36,272.6**	**33,771.4**	**20,212.3**	**7,002.9**
Total equity and liabilities	**43,477.2**	**39,139.4**	**21,899.9**	**8,407.9**

Source: Company, RHP

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