PRIME RESEARCH
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IPO Note

November 12, 2025

Fujiyama Power Systems Limited

HDFC securities 25 YEARS
Powering India's Investments

Issue Snapshot:
Issue Open: November 13 – November 17, 2025

Price Band: Rs. 216-228

*Issue Size: Up to Rs 828 cr (Fresh issue of up to Rs 600 cr + Offer for sale of upto 1,00,00,000 eq sh)

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 1

Book value: Rs 16.58 (June 30, 2025)

Bid size: - 65 eq sh and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 28.01 cr
*Post issue Equity:	Rs. 30.64 cr

Listing: BSE & NSE

Book Running Lead Manager: Motilal Oswal Investment Advisors limited, SBI Capital Markets Limited

Sponsor Bank: ICICI Bank Ltd and Axis Bank Ltd

Registrar to issue: MUFG Intime India Pvt Ltd

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	99.67	87.85
Public	0.33	12.15
Total	100.0	100.0

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

Background & Operations:
Fujiyama Power Systems Ltd (FSL) is a manufacturer and solution provider in the rooftop solar industry, offering on-grid, off-grid, and hybrid solar systems. The Company excels in solar panel and inverter manufacturing (across all system types), as well as both lead-acid and lithium-ion battery production. With robust R&D capabilities, particularly in inverter technology, and a broad portfolio of solar products, the Company positions itself as an industry leader with strong brand recall, supported by its well-known UTL Solar and Fujiyama Solar brands.

The Company comprises of a comprehensive product portfolio in the rooftop solar segment, offering solar PCUs, inverters (on-grid, off-grid, hybrid), panels, battery chargers, lithium-ion and tubular batteries, UPS systems, and solar management units. The Company also supplies chargers and batteries for electric rickshaws in the EV segment. With more than 522 SKUs, their products are tailored for diverse customer needs, including remote locations and direct current loads. All products meet strict national and state quality standards, necessary for eligibility in government schemes and building customer trust. The Company focuses on continuous innovation, with developments like rMPPT technology to optimize solar power generation under varying conditions and hybrid systems that provide backup as well as grid-export.

As of Fiscal 2025, FSL owns and operates four manufacturing facilities. Their Greater Noida manufacturing facility has an installed capacity to produce 656,547 solar panels, 387,504 solar inverters and UPS, 309,504 e-Rickshaw chargers, and 7,488 lithium-ion batteries. Their Parwanoo facility manufactures 51,917 solar PCUs and UPS, while the Bawal battery plant produces 439,296 tubular batteries and 195,669 solar panels. The Dadri facility, operational since March 2025, has a capacity for 20,060 solar panels. They also installed a 600 MW solar inverter and 500 MWh lithium-ion battery line in Greater Noida in June 2025. Future plans include setting up an integrated solar project in Ratlam, Madhya Pradesh, which is expected to increase their manufacturing capacity of lithium-ion batteries by 2,000 MWh, and of solar panels and solar inverters by 2,000 MW each and meet demand in western and southern India. Their facilities are equipped with advanced machinery focusing on efficiency, safety, and quality

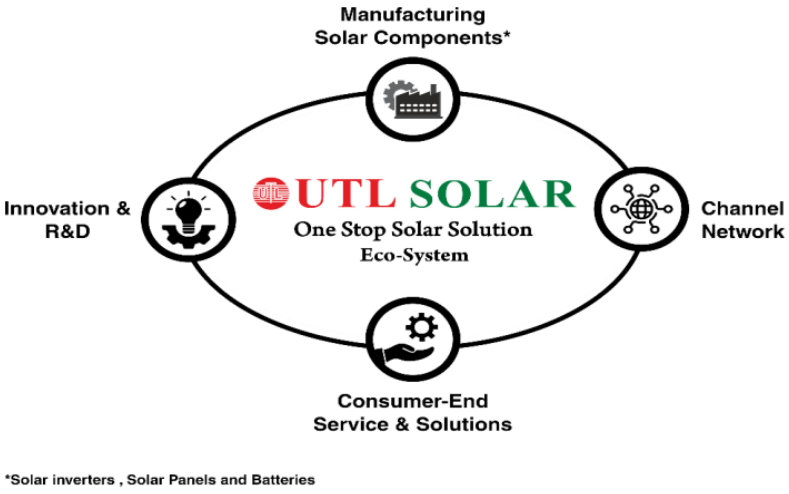
FSL has created a complete ecosystem in the roof-top solar industry under which they seamlessly integrate innovation, manufacturing, distribution and customer service, guided by market research, customer feedback and R&D to deliver reliable solar energy solutions. Their extensive distribution network including 'UTL Shoppe' brand ensure widespread accessibility and empower local entrepreneurs to drive renewable energy adoption. Moreover, comprehensive services such an installation, subsidy assistance, training of dealers and technicians and post-sales support aim to ensure complete customer satisfaction. As of June 30, 2025, their Pan-India network comprises 725 distributors, 5,546 dealers, and 1,100 exclusive franchise outlets ("Shoppes"), staffed by trained professionals with expertise in planning, evaluating, and supplying tailored solar solutions. The Company also supports its customers through a team of more than 600 qualified service engineers, who provide nationwide maintenance and technical support.

With operations spanning the entire rooftop solar value chain—from product development and manufacturing to Pan-India distribution and post-sale services—they offer a unique, comprehensive proposition as a 'one-stop shop' for rooftop solar solutions. This integrated approach enables them to tailor offerings efficiently while maintaining strong customer engagement and support. Thro

FSL Product Portfolio

S. No.	Product Category	Product Offered	Capacity Range
1	Solar Power Generation Systems	Solar panels	40 Wp - 670 Wp
		High frequency-based Hybrid Inverter	1.5 KW - 12 KW
		Hybrid solar inverter	1 KVA - 50 KVA
		Off-grid inverter	0.6 KVA - 20 KVA
		On-grid inverter	1 KW - 136 KW
		Online solar PCU	10 KVA - 120 KVA
		Solar management unit	0.48 KW - 1.2 KW
		Lithium-ion battery	1.2 KWh - 48 KWh
		Tubular lead acid battery	40 Ah - 300 Ah
		High Frequency based Hybrid Inverter	1.5KW - 12 KW
2	Power backup solution	Online UPS	0.5 KVA - 120 KVA
		Hybrid UPS	500 VA
		Inverter	1 KVA - 5 KVA
3	Power supply solution	Hybrid charge controller unit	0.12 KW - 16.5 KW
4	Chargers	EV charger	298 W - 1080 W
		Marine charger/engine start charger	240 W - 3 KW

FSL's vertically integrated eco-system



Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 6,000 million and an Offer for Sale of 1,00,00,000 Equity Shares 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"):

- Part financing the cost of establishing the manufacturing facility in Ratlam, Madhya Pradesh, India
- Repayment and/ or prepayment of all or a portion of certain outstanding borrowings availed by the Company
- General corporate purposes

Utilisation of Net Proceeds

Sr No	Particulars	Estimated Amount/ (Rs in million)
1	Part financing the cost of establishing the manufacturing facility in Ratlam, Madhya Pradesh, India	1,800
2	Repayment and/ or prepayment of all or a portion of certain outstanding borrowings availed by the Company	2,750
3	General corporate purposes	*
	Total Net Proceeds	*

Proposed schedule of implementation and deployment of Net Proceeds

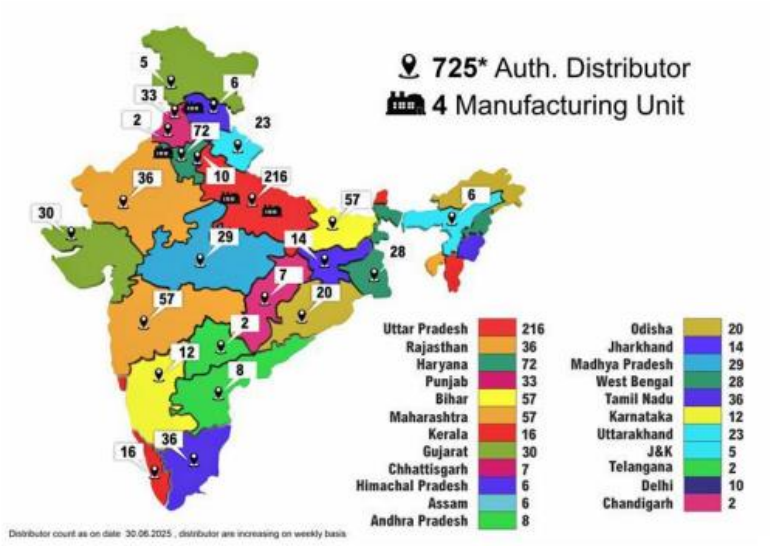
Sr No	Particulars	Estimated amount proposed to be funded from Net Proceeds	Estimated deployment of the Net Proceeds in Fiscal 2026
1	Part financing the cost of establishing the manufacturing facility in Ratlam, Madhya Pradesh, India	1,800	1,800
2	Repayment and/ or prepayment of all or a portion of certain outstanding borrowings availed by the Company	2,750	2,750
3	General corporate purposes	*	*
	Total Net Proceeds	*	*

Competitive Strengths

Diversified portfolio of solar products and solutions: They state that the Company maintains a strong presence across the entire rooftop solar industry value chain, offering a wide product portfolio and solutions with a pan-India distribution and after-sales service network. Over the past five years, the Company has supplied 1.64 GW of solar inverters, making up 9.6% of the installed capacity. With more than 522 SKUs, the Company offers off-grid, on-grid, and hybrid solar systems along with different battery options, reducing customer dependency on other OEMs. Their integrated services aim to meet all customer needs comprehensively, fostering strong trust and positioning them as a one-stop solution provider for rooftop solar systems. Additionally, In Fiscal 2025, The Company had approximately 15.5% market share in the total Indian solar battery market.

Track record of technological development and product innovation: The Company has more than 29 years of experience, with over 65 R&D professionals and more than 500 qualified engineers. The Company has a proven track record of early adoption of innovative technologies, implementing manufacturing processes aligned with global best practices to enhance efficiency and product quality. They have been pioneers in India for developing Online UPS with a single card, Combo UPS with automatic voltage regulation, High Frequency Online UPS, and single-card SMT Inverters. The Company began manufacturing solar PCUs in 2012 and online solar PCUs in 2014. It was the first Indian Company to develop an SMT inverter with a single card in 2000. The Company has developed an in-house Battery Management System to monitor and ensure battery safety, aligning with current and future market needs. They emphasize an indigenously developed rMPPT technology, patented in January 2024, which rapidly optimizes solar output by tracking a wide voltage range and extracting power efficiently, especially in low-light conditions. This technology is presented as enabling faster, more precise response to sunlight variations to maximize energy yield.

Robust distribution network, and post-sale service capabilities driving strong brand recognition: FSL has developed a robust and widespread sales and distribution network with 725 distributors, 5,546 dealers, and over 600 service engineers as of June 30, 2025. Their extensive network also includes 1,100 exclusive franchise "Shoppes." Service engineers provide maintenance and technical support nationwide using various channels like product demo videos, call-based support, and on-site services. The Company converts customer inquiries into sales opportunities through digital and call follow-ups, continuously growing the distribution network. Each new distributor brings additional dealers and field service engineers to enhance customer service. Their service engineers use a mobile application called 'UTL MTL 2.5' for efficient routing, customer visits, and dealer support. The Company's extensive solar product portfolio includes solar panels with a guaranteed product warranty of 10 years and performance warranties spanning 25 to 27 years. The on-grid inverters come with a 10-year product warranty, while off-grid inverters, hybrid inverters, batteries, and other products carry warranties ranging from two to five years. These warranty terms reflect the Company's commitment to quality and customer confidence in their products.



Precision-driven large scale manufacturing infrastructure driving production efficiency: Fujiyama operates four in-house advanced manufacturing facilities with significant installed capacities as of Fiscal 2025: Greater Noida has an annual installed capacity of 656,547 solar panels, 387,504 solar inverters & UPS, 309,504 e-Rickshaw chargers, and 7,488 lithium-ion batteries; Parwanoo with 51,917 solar PCUs and UPS; Bawal comprises a capacity of 439,296 tubular batteries and 195,669 solar panels; Dadri comprises of 20,060 solar panels annual capacity and is expanding with more production lines expected by January 2026. Facilities hold ISO certifications for quality, environment, and health & safety. Their Greater Noida plant is a Ministry-endorsed training hub. Various government subsidies support their facilities. Planned Ratlam facility in Madhya Pradesh aims to boost capacity and serve growing western and southern markets. Their production harnesses automation, inline testing, and rigorous quality controls to optimize efficiency, reduce defects, and promote sustainability, including energy from a 15 MW solar plant supplying clean power across facilities.

Business Strategy:

Expand the manufacturing base for solar panels, inverters and batteries and strengthen back-end integration in solar panels: To maintain their market position in domestic solar panel, inverter, and battery manufacturing, the Company has continuously explored opportunities for strategic expansion. Installed capacity for tubular and lithium-ion batteries rose from 91 MWh on March 31, 2023, to 957 MWh by March 31, 2024, 1,363 MWh by March 31, 2025, and 1,863 MWh as of June 30, 2025. Collectively, installed capacity for solar panels, inverters, PCUs, UPS, and chargers grew from 662 MW in March 2023 to 1,035 MW in March 2024, 2,182 MW in March 2025, and 2,782 MW as of June 2025. On June 15, 2025, the Greater Noida facility added another 600 MW solar inverter line and 500 MWh lithium-ion battery line. The Dadri facility expanded to 600 MW solar panel capacity by March 31, 2025, and added another 600 MW panel line on October 1, 2025. For backward integration, they are establishing a 1 GW solar cell line at Dadri to address DCR-cell based panel demand, planned for completion by January 2026.

FSL plan to use the Offer Proceeds for establishing an integrated project in Ratlam, Madhya Pradesh which will more than double their current manufacturing capacity and will help them meet the growing demand from West and South India. This proposed expansion will grow the manufacturing capacity of lithium-ion batteries by 2,000 MWh, and of solar panels and solar inverters by 2,000 MW each. Their planned aggregate annual installed capacity and growing product portfolio are expected to increase sales and expand access to a large, diverse domestic and global customer base. The increased manufacturing capacity will allow for greater flexibility and controlled costs, improving profitability compared to relying on external suppliers, especially for seasonal demand.

Solar Modules

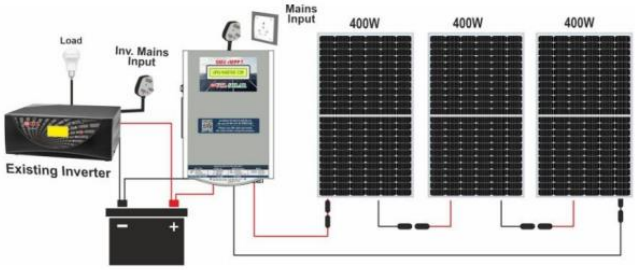
Bifacial Module | Monofacial Module | Glass-Glass Module

Off-grid Inverters

UTL SOLAR		Fujiyama Solar	
SIGMA+ PCU	ZETA SOLAR PCU	DHRUVA	GARUDA
			
1 KVA - 15 KVA - 1 Phase	7.5 KVA - 50 KVA - 3 Phase	5 KVA - 10 KVA - 1 Phase	10 KVA - 20 KVA - 3 Phase

On-Grid Inverter

Solar Management Unit



Power Backup Solution

Lithium-ion Battery

ALFA ONLINE UPS

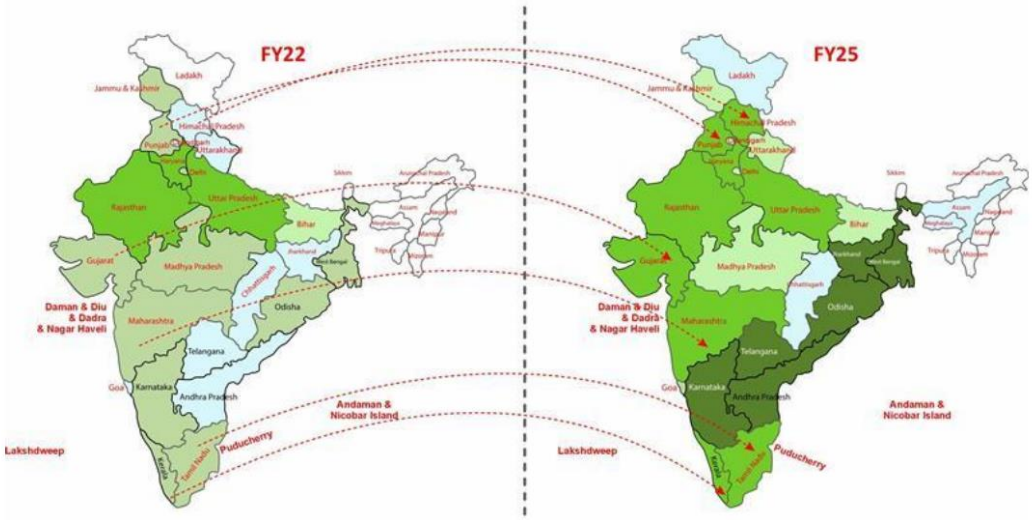
MARS ONLINE UPS

newGEN online UPS

Further strengthening domestic distribution and retail network and increase export sales: In India's energy outlook, the solar sector is set to become the dominant source of power by FY32, with its share projected to rise from 22% in FY25 to 40% with capacity rising from 106 GW to 365 GW (Source: CARE Report). Rooftop solar is expected to grow at a projected CAGR of 42% from FY25 to FY30, reaching almost 100 GW. As demand for their products keeps increasing due to rising domestic power consumption, government initiatives, and declining rooftop solar installation costs, FSL believes their existing distribution and retail networks are equipped to handle demand. To address new markets, they are expanding their distribution and retail footprints through a curated model to address growing solar product demand in India. They plan to gradually increase their "Shoppe" network to meet this rising demand.

The Company has a pan-India presence across 23 states and 3 union territories, supported by a distributor network of 725 distributors, 5,546 dealers, and 1,100 exclusive "Shoppe" outlets. Sales of over Rs 500 million occurred in three states in 2022, expanding to eight states

by Fiscal 2025 due to new channel partners, diversifying revenue streams and reducing market dependency. Focused growth is targeted in southern and western India with plans to engage more distributors and establish exclusive retail outlets to strengthen brand presence, aiming for balanced growth and reduced market risk.



ACQUIRED	3
GROWING	12
POTENTIAL	8
UNTAPPED	13

ACQUIRED	9
GROWING	7
SPECIAL FOCUS	6
POTENTIAL	4
UNTAPPED	10

Address market opportunities through improving efficiency and innovative marketing tools: FSL believes in 'vigorous entrepreneurship,' aiming to be an early adopter by quickly embracing proven new technologies while experimenting with emerging ones. They are focused on continual innovative product development to expand their portfolio and increase sales. Investment in R&D and product certifications supports offering the latest, most efficient solutions. A structured, phased approach guides the sustainable expansion of their R&D and testing facilities, aligning with advancing technology and market needs. The demand for on-grid solar systems is driven by government subsidies nationally and at state levels, encouraging adoption. Their hybrid solar systems, designed for high efficiency, also qualify for subsidies and provide the benefit of optional backup power, critical in areas prone to power outages like tier 3 cities and villages. This positioning allows them to access a wider customer base and expand market share in these regions. To build customer confidence for such a significant investment, the Company leverages innovative platforms including social media videos, AI chatbots, and interactive interfaces for an informed buying experience. They have also implemented a customer reference system that encourages existing customers to share positive feedback, enhancing brand trust and incentivizing loyalty with a rewards program. This dual approach strengthens customer trust and supports long-term growth.

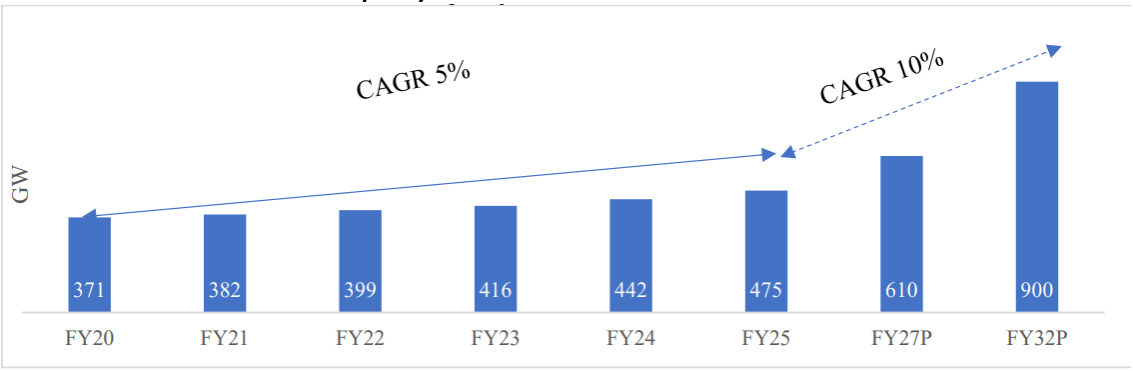
The Company has been adapting to new-age tech as they have been aggressively integrating AI across operations to enhance efficiency and cost-effectiveness. AI powers customer engagement with personalized recommendations on their website, which supports multilingual, mobile, and desktop users. They use AI-driven platforms like Reach IQ for interactive customer queries, Converse IQ for real-time sales/support assistance, and Parse IQ for analyzing bulk calls to inform strategic decisions. This AI-driven approach enables rapid market insight, improved user experience, and supports ongoing innovation and operational excellence.

Industry Overview

Power Sector in India

Market Size: India, the world's third-largest electricity producer and consumer, has prioritized expanding power generation, reducing energy deficits, and promoting renewables. Key government initiatives like the National Electricity Plan, UDAY, and the National Solar Mission, PM Surya Ghar-Muft Bijli yojana have been instrumental in driving growth. Targeting 500 GW of non-fossil fuel energy by 2030, India aligns with its sustainability goals and global carbon reduction commitments. From FY20 to FY25, the power sector grew at a 5% CAGR, driven by rising demand, rural electrification, and infrastructure development. Looking ahead, the sector is projected to grow at a 10% CAGR from FY25 to FY32, fueled by investments in renewables, grid modernization, and efficiency enhancements, positioning India as a leader in the global clean energy transition.

Indian Power Sector Installed Capacity



Source: National Electricity Plan Vol-II, CEA, CareEdge Research

Key Driver of Power demand in India

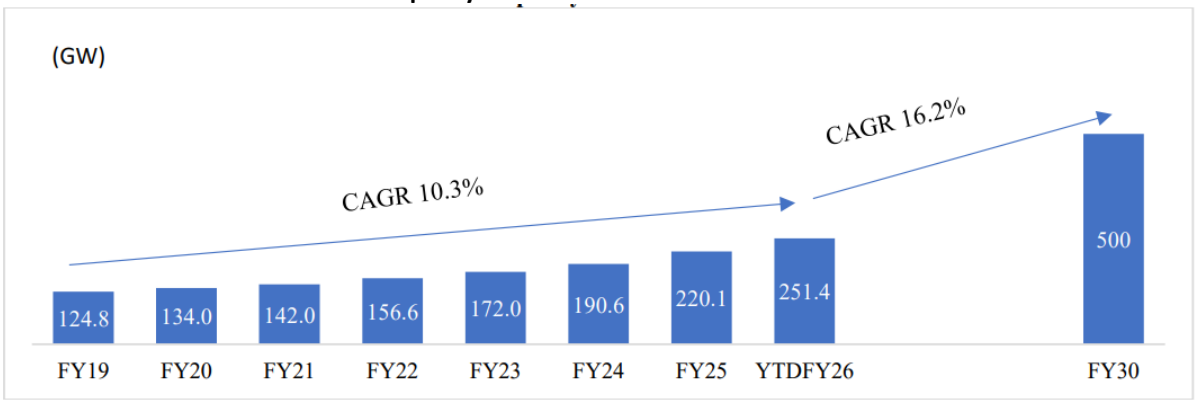
- **GDP and Energy Intensity:** India's low per capita power consumption, strong GDP outlook, and growing population highlight its latent power demand. With a projected $5 trillion economy by 2025 and $1 trillion in exports by 2030, power consumption is set to rise significantly
- **Urbanization:** Rising urbanization drives infrastructure growth, job creation, and expansion of consumer and services sectors. Increasing disposable incomes and favorable demographics further fuel urban power demand.
- **Rural Electrification:** Government initiatives such as Power for All and rural electrification aim to provide 24x7 electricity access, improving quality of life, boosting economic activity, and driving power demand. Schemes like IPDS, with an outlay of ₹326.12 billion, further support this growth.
- **Railway Electrification:** Indian Railways is on track for 100% electrification by FY25, backed by ₹6,500 crore in the interim budget. With over 58,424 route kms electrified, nearly 50% in the last 5 years, this initiative positions Indian Railways as the world's largest green railway, reducing carbon emissions by FY28.

India's RE Market Size

Renewable capacity additions in India at CAGR of 10.3% from FY19 to YTDFY26 with an ambitious target to reach 500GW until FY30, poised to grow at a CAGR of ~16.2% from YTDFY26 to FY30.

The growth from Mar'19-Mar'25 was massively backed by government support, mainly central and state-level incentives. As of Aug'25, the share of renewable energy (including large hydro) stood at ~50.7% of the total installed capacity reaching ~251.4 GW. As per CEA, total capacity across all segments as of Aug'25 stood at 495.5 GW.

Historical and forecast of installed capacity for RE in India

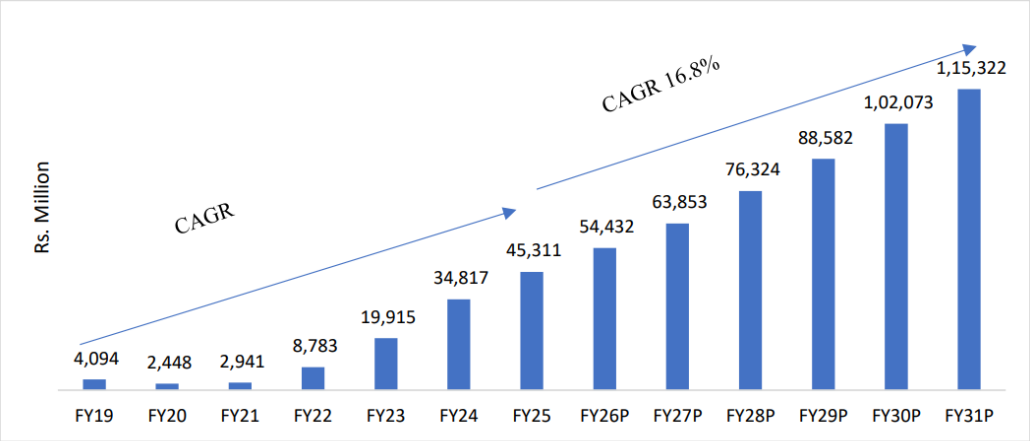


Source: CEA, CareEdge Research; P: Projected

E-rickshaw Market Size

E-rickshaws are cost-effective compared to conventional vehicles due to lower operational and maintenance costs, with rising fossil fuel prices further boosting their appeal. The E-rickshaw market grew at ~50% CAGR from FY19 to FY25, reaching Rs 45,311 million. E-3W sales rose from 91,970 units in FY18 to 6,99,063 units in FY25, growing at a 34% CAGR. Government initiatives like subsidies and the FAME

scheme promote electric mobility, making rickshaws more affordable. The market is expected to continue growing at a ~16.8% CAGR from FY25 to FY29, reaching Rs 1,15,322 million.



Source: TechSci Market Research, CareEdge Research; P: Projected

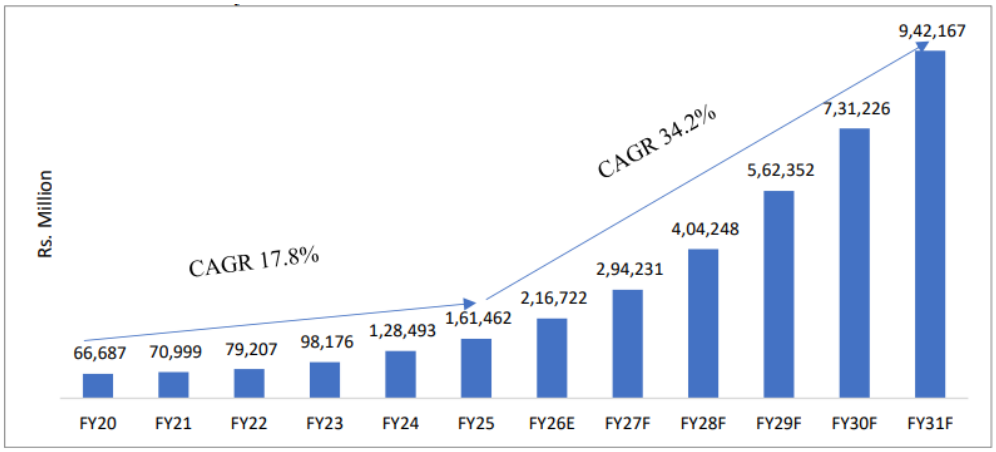
Battery Technologies Overview

Lithium-ion (Li-ion) batteries dominate the electric vehicle (EV) market due to their high energy density, efficiency, and long lifespan. Key chemistries within Li-ion include Nickel Manganese Cobalt (NMC) for passenger EVs, Lithium Iron Phosphate (LFP) for safety and longevity, and Nickel Cobalt Aluminum (NCA) for high-performance EVs. Li-ion batteries hold over 80% of the market share, benefiting from ongoing advancements and cost reductions. Other technologies like Nickel-Metal Hydride (NiMH), solid-state, Lithium-Sulfur (Li-S), lead-acid, and sodium-ion batteries show potential but remain either less efficient, still in development, or limited to specific use cases. Despite alternatives, Li-ion remains the preferred choice for EVs due to its superior performance, cost-effectiveness, and established infrastructure

EV Lithium-ion battery market size in India

The market grew at a CAGR of ~18% from FY19-FY25 to reach Rs 1,61,462 million. The increasing adoption of electric vehicles (EVs) in India is a primary driver for the lithium battery market. With government initiatives like the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme and state-level incentives, consumers are more inclined to purchase EVs. As the demand for EVs grows, so does the need for efficient and reliable lithium batteries. The Li-ion battery market is expected to grow with a robust CAGR of 34.2% from Rs 1,61,462 million in FY25 to reaching Rs 9,42,167 million by FY31.

Lithium Battery Market size

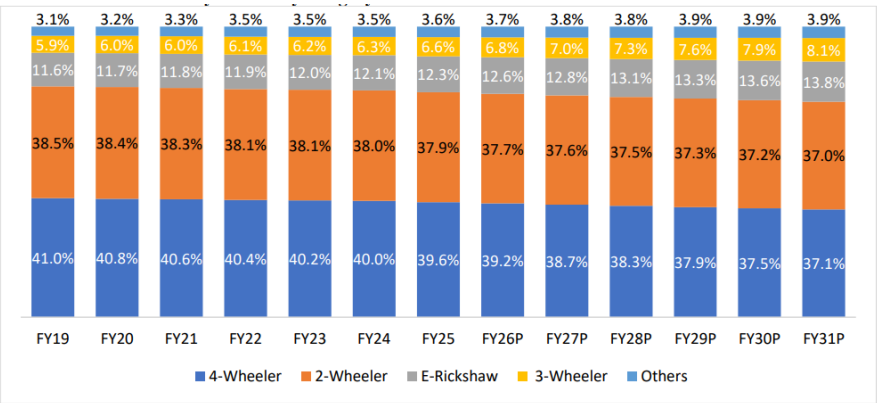


Source: TechSci Market Research, CareEdge Research; P: Projected

EV Lithium Market size by Category

Currently 4W and 2W contribute to more than 77.5% of the market share for the Li-ion battery while 3W contributes nearly about 6.6% of the market share. While all the segments across the categories have shown decent growth, the share of 3-Wheeler EVs has also shown gradual growth, expected to reach over 8% by FY30, indicating a steady interest in this segment.

Lithium Battery market by category

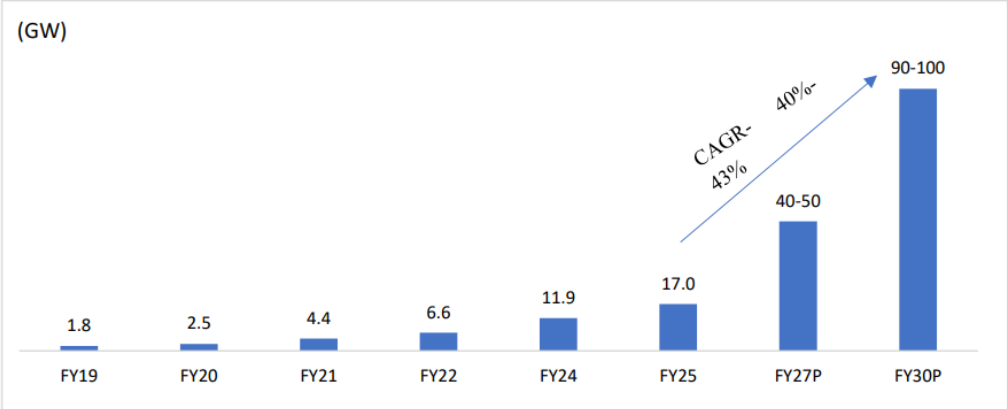


Source: TechSci Market Research, CareEdge Research; P: Projected; Others include minibuses, vans, trucks, etc

Indian solar rooftop Market – Market Size

The rooftop solar market in India is projected to grow at a CAGR of 40-43% from FY25 to FY30, driven by favorable government policies, rising awareness, and a focus on energy independence. Initiatives like the National Solar Mission and incentives for various sectors are fueling adoption, while declining costs of solar panels and inverters, along with advancements in energy storage, support this growth. The sector is expected to expand from ~17 GW in FY25 to around 90-100 GW by FY30, aligning with India's broader solar energy targets and carbon reduction commitments.

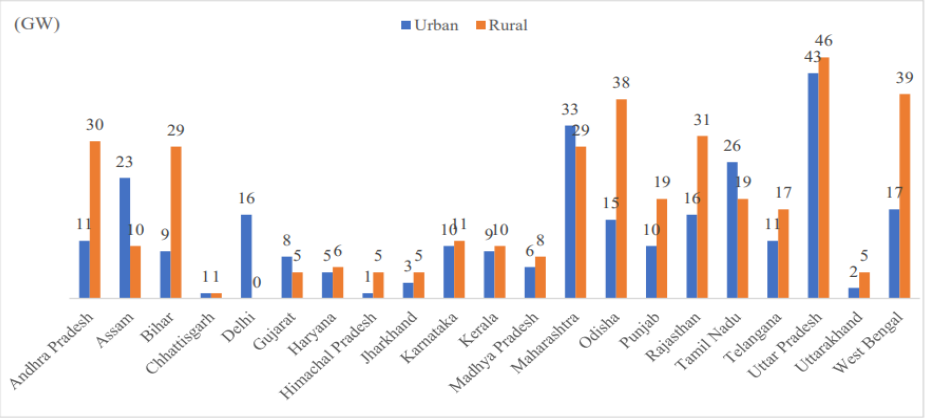
Indian Solar Rooftop Market size



Source: MNRE, CareEdge Research; P: Projected; Data refers to Cumulative Capacity; FY23 data not available

Upcoming potential for states of Rooftop Solar Market in India

India's rooftop solar potential shows a significant disparity between rural and urban areas, with rural regions offering greater deployment opportunities until 2030. Rural areas, such as Uttar Pradesh (46 GW), Odisha (38 GW), Rajasthan (31 GW), and West Bengal (39 GW), have vast spaces, untapped markets, and a growing demand for off-grid solar solutions. Government initiatives like PM-Surya Ghar, PM-KUSUM, which focuses on solarizing irrigation pumps, further support rural solar adoption. In contrast, urban areas like Maharashtra (33 GW) and Tamil Nadu (26 GW) have substantial potential due to industrialization, though they face challenges like limited rooftop space and higher installation costs. The rural advantage offers a unique opportunity for India's energy transition, supporting renewable energy targets and driving socio-economic development



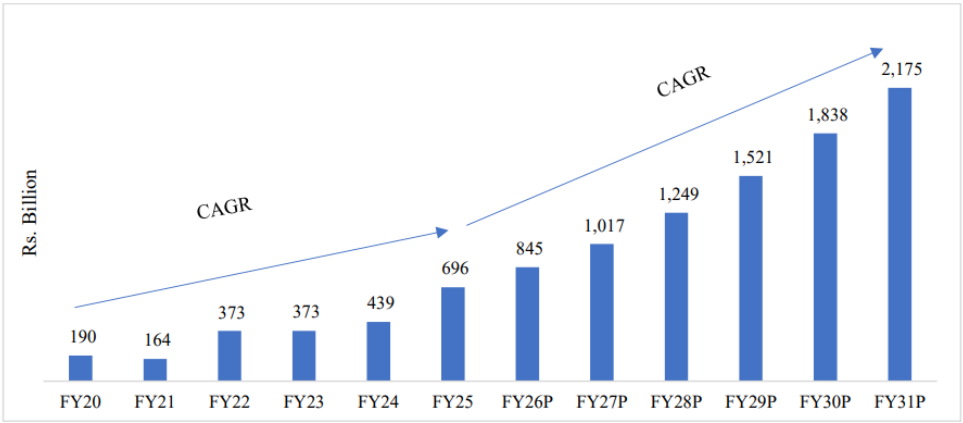
Source: CEEW, CareEdge Research

Overview of Solar Panel Market

Market Size

Global climate initiatives like the Paris Agreement and COP28 are driving nations to increase renewable energy generation to reduce carbon emissions. Solar energy, once niche, is now a mainstream source, with India's renewable energy capacity surpassing 200 GW by October 2024. The solar panel market in India has grown rapidly, with a CAGR of 23.4% from FY19 to FY25 and is expected to accelerate to 20.9% CAGR from FY25 to FY31. India's government has introduced various initiatives to boost renewable energy, targeting 500 GW of non-fossil fuel capacity by 2030.

Solar Panel Market Outlook



Source: TechSci Research, CareEdge Research

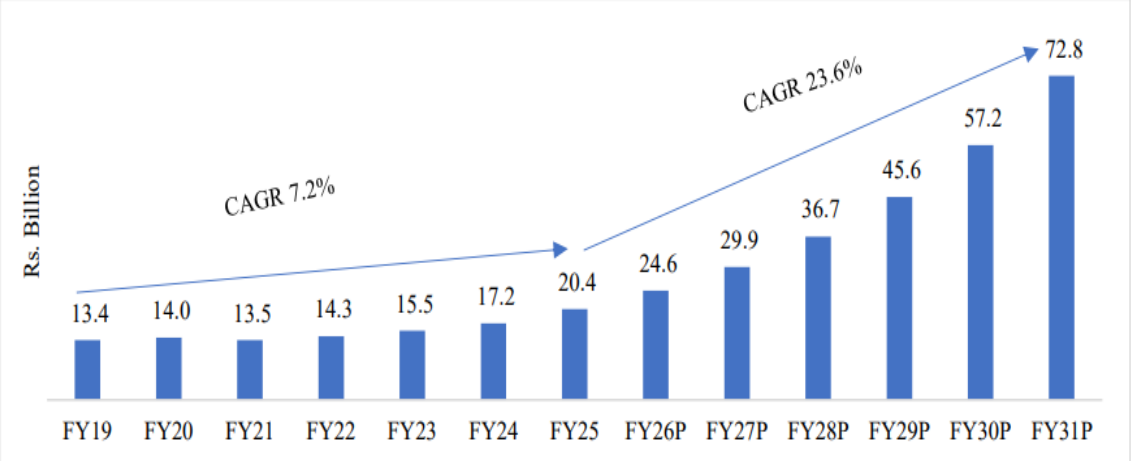
Solar panel market – Long Term Growth Drivers

- **National Solar Mission and Policy Support:** India's National Solar Mission is a key driver for solar market growth, aiming for 500 GW of non-fossil fuel capacity by 2030, with solar energy at the core.
- **Declining Costs of Solar Technology**: Advances in manufacturing and efficiency, along with reduced material costs, have made solar panels more affordable, driving widespread adoption in residential, commercial, and rural markets.
- **Energy Security and Rural Electrification**: Solar solutions like home systems, microgrids, and irrigation pumps address energy access challenges in rural India, reducing reliance on the grid and fossil fuels, while boosting agricultural productivity.
- **Government Incentives and Regulatory Support:** Government incentives, net metering, and financing options lower adoption costs, while programs like Saubhagya and rooftop schemes promote solar adoption in rural and urban areas.
- **Sustainability and Climate Change Commitments:** India's commitment to sustainability and the Paris Agreement drives solar adoption as a key solution for reducing carbon emissions and achieving clean energy targets.
- **Urbanization and Industrialization:** Rising energy demand due to urbanization and industrialization makes solar panels an attractive solution for reducing energy costs and improving energy security in cities and commercial sectors.

Solar Battery Market in India

Solar battery systems are valuable across various applications from large scale commercial and utility installations to residential setups, underscoring the critical role of energy storage in enhancing renewable energy reliability. The Indian solar battery market has grown at a CAGR of 7.2% during FY19-25. This growth is largely due to government support through favourable policies, incentives for solar adoption and increasing affordability of solar technology and battery storage solutions. The CAGR is expected to grow at 23.6% from FY25 to FY31.

Solar Battery Market in India

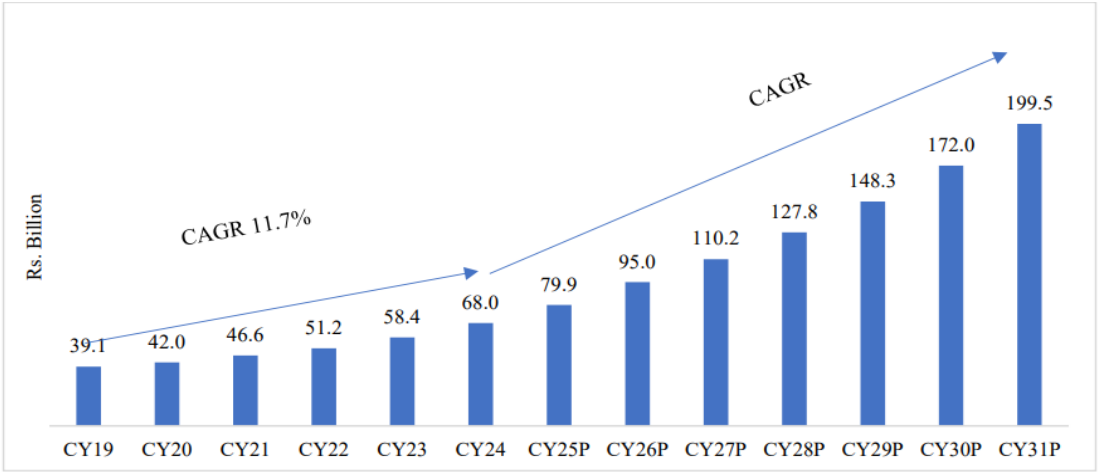


Source: TechSci Research, CareEdge Research

Solar Inverter market Outlook

The solar inverter market in India has grown steadily, from Rs. 39.1 billion in CY19 to Rs. 68 billion in CY24, driven by the country's shift to renewable energy and government support. Projections show the market will reach Rs. 80 billion in CY25 and Rs. 199.5 billion by CY31, with a CAGR of 16.7% from CY24 to CY31. The growth is fueled by the rapid adoption of solar energy, technological advancements in inverters, and favorable policies like subsidies and incentives, positioning the market as crucial for India's renewable energy goals.

Solar Inverter market in India

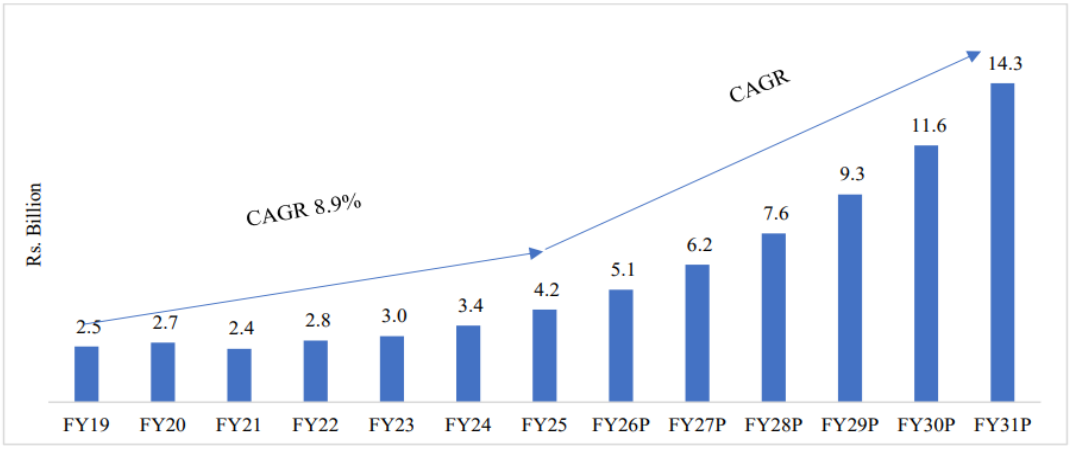


Source: TechSci Research, CareEdge Research

Solar UPS market Outlook

Solar UPS systems offer a reliable and cost-effective solution, especially in areas with frequent power cuts. The market in India is currently in a growth phase, evidenced by a modest CAGR of 8.9% from FY19 to FY25 and is expected to grow at a CAGR of 22.9% from FY25 to FY31. While the growth reflects the increasing adoption of solar energy solutions, driven by rising electricity costs, government incentives, and a growing emphasis on renewable energy sources, the market faces challenges of higher initial costs.

Solar UPS Market Outlook



Source: TechSci Research, CareEdge Research

Key Concerns

- FSL's manufacturing facilities are subject to various operational risks. Any disruption in operations or shutdown of their existing manufacturing facilities or future manufacturing facilities or any other operational problems caused by unforeseen events may reduce sales and adversely affect business, and results of operations and financial condition.
- The Company is dependent on a limited number of third party suppliers of materials and components for manufacturing of products. Any disruptions in the supply or availability of materials and components of the appropriate quality standards and fluctuation in their prices may have an adverse impact on their business operations, cash flows and financial performance.
- FSL benefits from multiple government initiatives such as ALMM, PM Suryaghar: Muft Bijli Yojna, Grid Connected Solar Rooftop Program. In the event that these subsidies do not materialize or the central or state governments do not approve the entire subsidy amount or if there are any adverse changes in the availability of subsidies, it may increase cost of investment for the Company, and adversely impact customers' affordability of their products, thereby impacting overall sales.
- Geographical concentration of their manufacturing facilities in northern India exposes FSL to region-specific risks that could adversely affect business, financial condition, results of operations, and cash flows.
- The Dadri Facility application is under process for the consent to establish. Any failure by them to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of operations and may have a material adverse effect on business, results of operations and financial condition.
- Unlike ground-mounted or utility-scale projects, rooftop solar installations face several unique challenges such as limited rooftop area, varied site conditions, complex customer approvals, building structural concerns, shading issues, and limited access during installation and maintenance. These factors require specialized design, supply, and installation strategies.
- Any adverse developments impacting the rooftop solar sector, including regulatory changes, subsidy withdrawals, delays in customer payments, or operational challenges, could have a material adverse effect the financials and operations of the business in a significant manner
- Intense competition, especially from low-cost suppliers like China, pressures domestic manufacturers to lower prices, potentially impacting profit margins and market share
- Any adverse change in the demand of products in Uttar Pradesh or failure to expand into new markets may have an adverse impact on the Company's business, growth, financial condition, cash flows and results of operations
- The Company has an arrangement with dealers of five years. Non-renewal of these arrangement with their key dealers could negatively affect operations and hinder with growth and financials of the Company.

- FSL imports 92% of its raw material from China. Any restrictions, either from the GoI by any other applicable authorized bilateral or multilateral organizations, on imports from China and other jurisdictions in which their principal suppliers are located, may adversely affect their business, results of operations and prospects.

- Export sales done by the Company may face changes in legal and regulatory environment; complex local tax regimes; fluctuations in currency exchange rates; political, social or economic instability; changes in technology, industry practices or trends;

- Decline in the price of their products may have an adverse impact on business, results of operations and cash flows.

- Company aims to expand into new regions across India. Any failure to expand into new markets or regions could adversely affect their sales, financial condition, result of operations, and cash flows.

- Any delay in commissioning of newly planned expansion of manufacturing plants could affect financials of the Company directly. Further, in the event of any unanticipated delay in receipt of approvals from the regulators, the proposed schedule of implementation and deployment of the Net Proceeds may be extended.

- Proposed expansion for the Company is based on demand forecasts that rely on various assumptions and forecasts. Unexpected industry oversupply or lack of demand could prevent efficient capacity utilization, negatively impacting business growth and financials.

- Their manufacturing business requires a significant amount of working capital as there is considerable time lag between purchase of raw materials and realisation from sale of finished goods. In the event, that they are required to repay any working capital facilities upon receipt of a demand from any of the lenders, FSL may experience negative cash flows in the future and will be unable to satisfy its working capital requirements.

Profit & Loss

Particulars (Rs in million)	Q1FY26	FY25	FY24	FY23
Income				
Revenue from operations	5973.5	15406.8	9246.9	6640.8
Other Income	4.4	94.2	25.1	12.4
Total Income	**5977.9**	**15500.9**	**9272.0**	**6653.3**
Expenses	**4914.6**	**12921.5**	**8260.5**	**6124.8**
Cost of materials Consumed	4132.4	11215.4	6975.1	4998.2
Changes in inventories	67.6	-263.4	-117.4	20.7
Other Operating Expenses	187.4	466.6	317.4	159.4
Employee benefits expense	234.0	698.7	506.2	435.7
Other expenses	293.2	804.3	579.3	510.9
PBIDT	**1063.3**	**2579.4**	**1011.5**	**528.4**
Finance costs	93.9	268.3	257.4	154.3
PBDT	**969.4**	**2311.1**	**754.1**	**374.2**
Depreciation and amortisation expenses	70.1	179.9	128.1	59.4
Loss before tax	**899.3**	**2131.2**	**626.0**	**314.8**
Tax (incl. DT & FBT)	**223.5**	**567.9**	**173.0**	**71.1**
Current tax	204.4	475.9	100.4	23.0
Income tax relating to earlier years	0.0	1.0	-0.4	1.7
Deferred Tax Charge/(Benefit)	19.1	91.1	73.0	46.4
PAT	**675.9**	**1563.4**	**453.0**	**243.7**
EPS (Rs.)	2.4	5.6	1.6	0.9
Face Value	1	1	1	1
OPM (%)	17.7	16.1	10.7	7.8
PATM (%)	11.3	10.1	4.9	3.7

Balance Sheet

Particulars (Rs in million) As at	Q1FY26	FY25	FY24	FY23
Non-current assets				
Property, plant and equipment	3,149.8	2,856.6	2,065.9	1,616.6
Capital work in progress	0.9	-	-	79.7
Investment property	-	-	-	21.3
Right of use assets	810.2	731.4	114.5	115.3
Goodwill	564.1	564.1	564.1	564.1
Other intangible assets	30.5	32.3	16.2	5.0
Financial assets				
Investments	0.1	0.1	0.0	0.0
Others	59.9	51.3	19.6	49.8
Other non-current assets	711.7	232.6	5.9	23.8
Total non-current assets	**5,327.2**	**4,468.4**	**2,786.2**	**2,475.6**
Current assets				
Inventories	4,785.8	3,826.0	2,321.5	1,872.0
Financial assets				
Trade receivables	824.7	731.3	646.8	285.4
Cash and cash equivalents	13.4	82.3	42.2	1.1
Bank balances other than above	109.0	123.4	105.7	134.5
Others	17.2	18.1	1.1	0.2
Other current assets	1,361.5	890.2	172.5	376.8
Total current assets	**7,111.5**	**5,671.2**	**3,289.7**	**2,670.0**
Asset held-for-sale			20.6	
Total assets	**12,438.8**	**10,139.6**	**6,096.4**	**5,145.6**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	280.1	280.1	245.4	136.5
Instruments entirely equity in nature	-	-	-	1,088.9
Other equity	4,363.3	3,688.1	2,150.0	705.5
Total equity	**4,643.4**	**3,968.2**	**2,395.4**	**1,930.8**
Non-current liabilities				
Financial liabilities				
Borrowings	1,128.9	884.6	632.1	667.1
Lease liabilities	531.9	460.4	39.0	38.5
Provisions	59.8	55.7	44.4	37.3
Deferred tax liabilities (net)	225.4	206.4	115.3	42.3
Other non-current liabilities	69.6	45.6	-	-
Total non-current liabilities	**2,015.6**	**1,652.7**	**830.8**	**785.2**
Current liabilities				
Financial liabilities				
Borrowings	3,199.4	2,577.6	1,369.7	1,444.4
Lease liabilities	38.8	25.2	4.9	3.3
Trade payables				
(a)Total outstanding dues of micro and small enterprises	603.9	338.7	125.7	10.5
(b)Total outstanding dues of creditors other than micro and small enterprises	1,133.3	865.9	1,024.9	703.2
Other financial liabilities	449.6	228.6	101.8	76.2
Other current liabilities	207.3	392.6	212.8	188.4
Provisions	29.1	23.9	4.9	3.4
Current tax liabilities (net)	118.5	66.1	25.6	0.4
Total current liabilities	**5,779.9**	**4,518.7**	**2,870.2**	**2,429.6**
Total equity and liabilities	**12,438.8**	**10,139.6**	**6,096.4**	**5,145.6**

Source: Company, RHP

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