



## IPO Note

### Vikram Solar Limited

Recommendation: **APPLY (For Long-Term)**

**Business – Vikram Solar Limited** is one of India's largest solar photo-voltaic ('PV') modules manufacturers in terms of operational capacity with 4.50 GW of installed manufacturing capacity for solar PV modules.

#### Objects of the Issue –

Particulars	Amount
Partial funding of capital expenditure through investment in Subsidiary, VSL Green Power Private Limited for the Phase-I Project	Rs. 769.73 Cr.
Funding of capital expenditure through investment in Subsidiary, VSL Green Power Private Limited for the Phase-II Project	Rs. 595.21 Cr.
General Corporate Purposes	

**Promoters Name –** Gyanesh Chaudhary, Gyanesh Chaudhary Family Trust and Vikram Capital Management Private Limited

Promoter Share Holding Pattern	
<b>Pre Issue</b> 77.64%	<b>Post Issue</b> 63.12%

#### Rationale for recommendation –

**Vikram Solar Limited**, incorporated on Sep-03, 2008, has a significant operating history. Domestic module sales contributed 25.21%, 35.76% and 97.24% of revenue in FY23–FY25. The company has installed 4,015 kW solar projects across six airports. Capacity utilisation was 20.81%, 48.93% and 81.83% at Falta and 52.88%, 47.05% and 72.75% at Oragadam in FY23–FY25. It has an order book of 10,340.82 MW, with 6,424.93 MW under execution and 3,915.89 MW yet to be executed. Customer concentration is high, with top 10 customers contributing 77.89%, 89.38% and 88.72% of revenue in FY23–FY25. The company faces 51 litigations amounting to Rs. 343.05 Cr. and its subsidiaries face 3 tax proceedings worth Rs. 1.12 Cr. Imports from China and East/Southeast Asia contributed 57.47%, 61.42% and 80.68% of raw material purchases in FY23–FY25. Contingent liabilities stood at Rs. 257.77 Cr. as of Mar-31, 2025. The company operates in a competitive PV module market. Revenue rose 21.11% in FY24 and 36.34% in FY25, margins improved with EBITDA at 14.37% and PAT at 4.08% (FY25), RoCE rose to 23.42% though RoE remains volatile. Operating cashflows are consistently positive, D/E is reducing, liquidity ratios are stable and cash-conversion cycle is falling. Financial performance is stable and sustainable; management is satisfactory. The post-issue P/E is 85.88 which is highly priced against industry average. The company is well-placed to benefit from industry growth, strong order book, strong growth plan, expansion into BESS and has long-term demand. We recommend an **APPLY** for long-term investors, while it remains over-priced for short-term investment.

#### IPO Details

Opening Date	Aug 19, 2025
Closing Date	Aug 21, 2025
Allotment Date	Aug 22, 2025
Listing Date	Aug 26, 2025
Stock Exchange	BSE, NSE
Lot Size	45 Shares
Issue Price Per Share	₹332
Issue Size	₹2,079.37 Cr.
Fresh Issue	₹1,500.00 Cr.
Offer for Sale	₹579.37 Cr.
Application Amt	₹14,940 - ₹1,94,220 (45 – 585 shares)

#### KPIs (In Crores)

KPI's	FY 23	FY 24	FY 25
<b>Revenue</b>	2,073.23	2,510.99	3,423.45
<b>EBITDA</b>	186.18	398.58	492.01
<b>Net Profit</b>	14.49	79.72	139.83
<b>RoCE</b>	10.36%	22.40%	23.42%
<b>ROE</b>	3.97%	17.90%	11.26%
<b>P/E</b>	592.86	107.79	72.17

#### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	4.60	3.87
BVPS	39.24	75.80
P/E	72.17	85.88
P/BV	8.46	4.38
Mkt Cap (In Cr)	10,509.01	12,009.01

\*Annualized

#### Lead Managers –

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

#### Registrar –

**MUFG Intime India Private Limited**

## Industry Overview –

India's power sector is highly diversified, with sources of power generation ranging from conventional (coal, lignite, natural gas, oil, hydro and nuclear power) to viable, non-conventional sources (such as wind, solar and biomass and municipal waste). Electricity consumption per person in India rose to 1,395 kWh in fiscal 2024 from 1,010 kWh in fiscal 2015 at a CAGR of ~ 3.65%, primarily led by increase in domestic consumption, rural electrification, increasing industrial activity and increased hours of power supply. Power demand is closely associated with a country's GDP. A booming economy automatically leads to a surge in power demand. The solar power has grown to ~116 GW from ~0.9 GW over Mar-2012 to Jun-2025. Rooftop projects are small-scale PV installations on roofs of buildings. Rooftop projects may or may not be connected to the grid. Crystalline silicon (c-Si) technology is largely deployed in solar PV globally as well as in India. This technology is also expected to comprise the largest pie in India's ambitious target of 280 GW solar capacity addition by 2030.

**Market Size** – The total installed generation capacity at the end of June 2025 was 485 GW, of which ~141 GW of capacity was added over fiscal 2018-26 (as of June 2025). The overall installed generation capacity has grown at a CAGR of ~ 5.6% over fiscals 2014– 26 and ~ 4.5% between fiscal 2019 and 2026 (as of June 2025). The overall capacity is expected to grow about 8.1-8.3% from the installed capacity of 475 GW as of March 2025. The renewable energy capacity (excl. large hydro) is estimated to reach 360-370 GW by fiscal 2030 at a CAGR of 15.9% - 16.5%. India has average annual demand of 40-45 GW from fiscal 2027 to 2030.

**Government Initiatives** – National Solar Mission, Solar Parks, Grid-connected Rooftop Solar Programme, The Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Introduction of ALMM List-II for Solar PV Cells, PM Surya Ghar Yojna, PLI Scheme and others.

**Outlook** - India's solar sector is set for robust expansion with 150–170 GW capacity additions by FY26–30, including a 45–50 GW upside from green hydrogen. Rooftop solar will add 28–30 GW, led by industrial, commercial and residential segments under net/gross metering and PM Surya Ghar Yojana. On the manufacturing side, PV capacity is expected to reach 175–185 GW by FY30, requiring Rs. 1.2–1.3 trillion investment, with Gujarat contributing 55–60% of new capacity.

(source : RHP)

## Business Overview -

**Vikram Solar Limited** is one of India's largest solar photo-voltaic ('PV') modules manufacturers in terms of operational capacity with 4.50 GW of installed manufacturing capacity for solar PV modules. The company commenced manufacturing operations in 2009 with an installed solar PV module manufacturing capacity of 12.00 MW. The company is currently undertaking significant greenfield and brownfield expansion plans which are expected to increase company's installed solar PV module manufacturing capacity up to 15.50 GW by Fiscal 2026 and up to 20.50 GW by Fiscal 2027. The company was originally incorporated as 'Vikram Solar Private Limited' on Sep-03, 2008.

**Company's Subsidiaries** – i. Domestic - VSL Powerhive Private Limited, VSL Green Power Private Limited, Vikram Solar Foundation and VSL Recycle Services Private Limited and ii. Foreign – Vikram Solar Pte. Ltd., Vikram Solar US Inc. and Vikram Solar GmbH

**Company's Business Divisions** – Solar PV Modules, EPC, Rooftop, Operation & Maintenance Services and others

The company's portfolio of solar energy products consists of the following solar PV modules:

- (i) p-type monocrystalline silicon based Passivated Emitter and Rear Contact ("PERC") modules;
- (ii) n-type monocrystalline silicon ("N Type") modules; and
- (iii) n-type monocrystalline silicon based heterojunction technology ("HJT") modules; all of these being either bifacial (glass-to-glass/ glass-to-transparent back sheet) or monofacial (glass-to-white/black back sheet) modules.

As on date of RHP, the company has 214 rooftop projects (both private and public) which have been executed or are under execution, in major geographies and industry sectors having a cumulative capacity of 114.00 MW. The company provides O&M services across India and to clients in industries like railways, airports, hospitals, defence and automobiles.

**Company's Client Base** – Government entities such as National Thermal Power Corporation, Neyveli Lignite Corporation Limited and Gujarat Industries Power Company Limited and large private independent power producers ("IPPs"), such as ACME Cleantech Solutions Pvt. Ltd., Adani Green Energy Limited, AMPIN Energy Transition Private Limited, Azure Power India Private Limited, JSW Energy Limited, First Energy 7 Private Limited and Rays Power Infra Private Limited, among others.

- The company's majority of revenue is contributed by domestic sales of modules, contributing 25.21%, 35.76% and 97.24% of total revenue in FY23, FY24 and FY25 respectively.
- The company has installed and commissioned solar projects totalling 4,015 kW in six airports.
- The company has capacity utilization of 20.81%, 48.93% and 81.83% at Falta (West Bengal) facility and 52.88%, 47.05% and 72.75% at Oragadam (Tamil Nadu) facility in FY23, FY24 and FY25 respectively.
- The company has an order book of 10,340.82 MW of which 6,424.93 MW are under execution and 3,915.89 MW are yet to be executed as of Mar-31, 2025.

**Business Strategies -**

- The company plans to expand installed solar PV module manufacturing capacity to up to 15.50 GW by Fiscal 2026 and up to 20.50 GW by Fiscal 2027, Solar cell manufacturing to 12.00 GW and Battery Energy Storage System to 5.00 GWh by Fiscal 2027.
- The company aims to continue to focus on developing new and innovative products and services.
- The company plans to increase global presence and has planned to have a new manufacturing facility built in the United States with an additional capacity of 3.00 GW of solar PV module production by Fiscal 2027.
- The company plans to expand into Commercial and Industrial ('C&I') sector through captive solar projects.

FINANCIAL SNAPSHOT							
Key Performance Indicators				Key Ratios			
(Amt in Crores)							
Particulars	FY23	FY24	FY25	Particulars	FY23	FY24	FY25
P&L Statement				Per Share Data			
Total Income	2,091.91	2,523.96	3,459.53	Diluted EPS	0.56	3.08	4.60
Total Expenses	2,073.04	2,405.04	3,242.16	BV per share	14.11	17.21	39.24
EBITDA	186.18	398.58	492.01	Operating Ratios			
EBIT	122.24	260.57	336.01	EBITDA Margins	8.98%	15.87%	14.37%
PBT	18.87	107.28	217.36	PAT Margins	0.70%	3.17%	4.08%
Tax Expenses	4.38	27.57	77.53	Inventory days	65.89	57.33	45.82
Net Profit	14.49	79.72	139.83	Debtor days	169.29	172.77	131.35
Balance Sheet				Creditor days	95.02	141.34	117.06
<b>Total Equity</b>	<b>365.20</b>	<b>445.42</b>	<b>1,241.99</b>	Return Ratios			
<b>Liabilities</b>				RoCE	10.36%	22.40%	23.42%
Non-Current Liabilities	814.89	717.79	192.74	RoE	3.97%	17.90%	11.26%
Current Liabilities	1,296.20	1,422.29	1,397.43	Valuation Ratios (x)			
<b>Total Liabilities</b>	<b>2,111.10</b>	<b>2,140.08</b>	<b>1,590.16</b>	EV/EBITDA	5.36	2.86	2.61
<b>Assets</b>				Market Cap/Sales	4.14	3.42	3.07
Non-Current Assets	723.35	607.23	671.34	P/E	592.86	107.79	72.17
Current Assets	1,752.94	1,978.27	2,160.81	Price to Book Value	23.53	19.29	8.46
<b>Total Assets</b>	<b>2,476.29</b>	<b>2,585.50</b>	<b>2,832.15</b>	Solvency Ratios			
Cashflow Statement				Debt/Equity	2.02	1.81	0.19
Operating Cashflow	195.43	152.02	298.68	Current Ratio	1.35	1.39	1.55
Investing Cashflow	-110.51	-63.69	-168.84	Quick Ratio	1.06	1.11	1.24
Financing Cashflow	-102.22	-81.03	-99.72	Asset Turnover	0.84	0.97	1.21
				Interest Coverage Ratio	1.00	1.69	2.17

**Financial Analysis -**

- **Revenue from Operations** – The company's top line increased by 21.11% in FY24 and 36.34% in FY25, primarily driven by an increase in the volume of module sales in the domestic market mainly due to a surge in domestic demand of PV module post enforcement of ALMM and imposition of BCD in India on solar PV modules.
- **EBITDA and PAT Margins** – The company's EBITDA margin improved from 8.98% to 14.37% from FY23 to FY25 and PAT margin increased from 0.70% to 4.08% over the same period, primarily due to trade-off between increase and decrease in material COGS and other expenses as a percentage of revenue in FY24 and FY25.
- **RoCE and RoE** – The company's RoCE has increased from 10.36% in FY23 to 23.42% in FY25 but RoE has been volatile requiring stability in return ratios.
- **Operating cashflow** – The company has maintained positive operating cashflow over the years indicating stability in working capital management.
- **D/E ratio** - The company's debt-to-equity ratio has been low and reducing indicating improving financial leverage.
- The company's current ratio and quick ratio have remained stable.
- The company's cash conversion cycle has been decreasing indicating reduced working capital requirement.

**Financial Outlook** – The company's overall financial performance is stable and sustainable in the long run.

**Lead Manager -**

The IPO is handled by 5 lead managers. The lead managers have managed 80 IPOs in last 3 years, among them 19 IPOs have opened in discount to their issue price on their respective listing dates.

**Risk Factors -**

- The company has customer concentration, top 10 customers contributing 77.89%, 89.38% and 88.72% of total revenue in FY23, FY24 and FY25 respectively.

Recommendation: **APPLY (For Long-Term)**

- The company has 2 criminal proceedings, 42 tax proceedings, 2 statutory or regulatory proceedings and 5 material civil proceedings, together amounting to Rs. 343.05 Cr.
- The company's subsidiaries have 3 tax proceedings, amounting to Rs. 1.12 Cr.
- The company's majority of raw materials is imported from China, East Asian and South-East Asian countries, together contributing 57.47%, 61.42% and 80.68% of total purchases in FY23, FY24 and FY25 respectively, which raises geopolitical risks.
- The company has certain contingent liabilities outstanding, amounting to Rs. 257.77 Cr. as of Mar-31, 2025.
- The company operates in intensely competitive and continuously evolving industry with primary competitors being traditional global and local solar PV module manufacturing companies.

### Key Management

- Gyanesh Chaudhary is the Chairman and Managing Director of the company. He has over 25 years of experience in tea and solar industry. There is an evidence of dual chairmanship in the company.
- Krishna Kumar Maskara is the Whole-time Director, Interim Chief Executive Officer and President - Corporate of the company. He has over 21 years of experience in the field of finance and solar industry.
- Neha Agarwal is the Whole-time Director and Head – Corporate Strategy of the company. She has over 15 years of experience in the field of consultancy and solar industry.
- The company's Independent Directors are qualified and have significant experience in their respective fields.
- The company's Chief Financial Officer has over 19 years of experience and Company Secretary and Compliance Officer has over 20 years of experience.
- The company's other key personnel have significant experience in their respective fields.

**Outlook** – The overall management of the company is considered **satisfactory**.

### Peer Analysis

Particulars	Vikram Solar Limited			Waaree Energies Limited			Premier Energies Limited			Websol Energy System Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	0.70%	3.17%	4.08%	7.04%	10.33%	12.58%	-0.87%	7.29%	14.09%	-117.10%	-451.01%	26.80%
EBITDA Margin	8.98%	15.87%	14.37%	13.46%	17.96%	21.01%	7.79%	15.97%	28.78%	-60.80%	-416.67%	44.10%
RoCE	10.36%	22.40%	23.42%	30.67%	32.02%	1.44%	5.67%	24.87%	34.93%	-13.21%	-54.25%	49.87%
ROE	3.97%	17.90%	11.26%	26.26%	30.27%	19.70%	-5.31%	48.50%	33.21%	-12.38%	-112.29%	55.65%
EPS (INR)	0.56	3.08	4.60	21.92	48.87	68.24	-0.38	6.91	21.35	-6.28	-29.87	36.66
P/E	592.86	107.79	72.17	-	-	31.67	-	-	41.18	-	-	34.53

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