# Saatvik Green Energy


# David among solar manufacturing Goliaths

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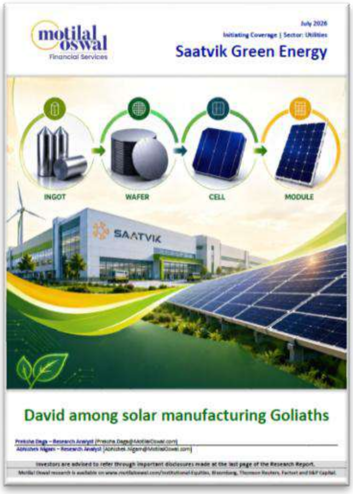



# David among solar manufacturing Goliaths

- We initiate coverage on Saatvik Green Energy (SGEL) with a BUY rating and a TP of INR565. As of FY26 end, SGEL had an installed module manufacturing capacity of 4.8GW. The company is expanding its module manufacturing capacity by an additional 4GW and is also entering cell manufacturing with a planned capacity of 6GW. Consequently, SGEL's module/cell manufacturing capacities should reach 8.8GW/ 2.4GW by FY27 and 8.8GW/6GW by FY28. SGEL also plans to enter the ingot-wafer segment with a proposed capacity of 6GW by FY29, strengthening its backward integration strategy.
- We estimate a revenue/EBITDA/APAT CAGR of 38%/55%/44% over FY26-28, driven by module sales increasing to 3.8GW/4.9GW in FY27/FY28 (vs. 3.1GW in FY26) and a higher share of DCR modules (~56% of FY28 sales) supporting better realizations. SGEL also maintains industry-leading capacity utilization, with CUF of 84% in both FY25 and FY26, reflecting its ability to rapidly stabilize new manufacturing capacities.
- Valuation: On FY28E EV/EBITDA, SGEL is trading at 6.9x, while WEL/PEL are trading at 9.2x/10.4x. Within our valuation framework, we ascribe a 13x/14x EV/EBITDA multiple to the domestic module manufacturing businesses of WEL/PEL. For SGEL, we assign a lower EV/EBITDA multiple of 8x, reflecting its relatively smaller scale, no operating track record in cell manufacturing, and higher business concentration, with nearly 92% of FY28E EBITDA expected to be derived from domestic module manufacturing.

# Saatvik Green Energy

| BSE SENSEX | S&P CNX |
|---|---|
| 77,616 | 24,211 |

SAATVIK FOR A BETTER FUTURE

**Stock Info**

| | |
|---|---|
| Bloomberg | SAATVIK IN |
| Equity Shares (m) | 127 |
| M.Cap.(INRb)/(USDb) | 57.1 / 0.6 |
| 52-Week Range (INR) | 580 / 328 |
| 1, 6, 12 Rel. Per (%) | -8/18/- |
| 12M Avg Val (INR M) | 197 |

**Financial Snapshot (INR b)**

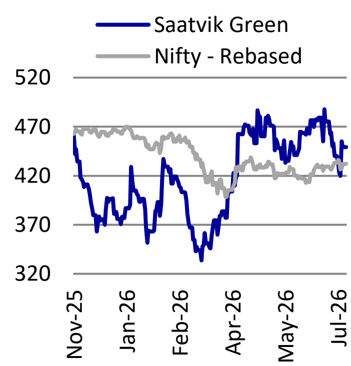
| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 45.5 | 59.9 | 86.8 |
| Sales Gr. % | 110.7 | 31.8 | 44.8 |
| EBITDA | 5.4 | 5.8 | 12.9 |
| EBITDA margin % | 11.9 | 9.7 | 14.9 |
| Adj. PAT | 3.6 | 3.7 | 7.5 |
| EPS (INR) | 28.4 | 29.0 | 58.7 |
| EPS Gr. (%) | 46.6 | 2.0 | 102.6 |
| BV/Sh. (INR) | 107.1 | 136.0 | 194.7 |
| **Ratios** | | | |
| ND/Equity | 0.6 | 1.2 | 1.3 |
| ND/EBITDA | 1.5 | 3.6 | 2.5 |
| RoE (%) | 42.4 | 23.8 | 35.5 |
| RoCE (%) | 27.5 | 13.6 | 15.8 |
| **Valuations** | | | |
| P/E (x) | 15.8 | 15.5 | 7.7 |
| EV/EBITDA (x) | 12.0 | 13.4 | 6.9 |

**Shareholding pattern (%)**

| As of | Mar-26 | Dec-25 |
|---|---|---|
| Promoter | 76.0 | 76.0 |
| DII | 10.5 | 9.4 |
| FII | 0.0 | 0.3 |
| Others | 13.5 | 14.4 |

FII includes depository receipts

**Stock's performance**




**CMP: INR449 TP: INR565 (+26%) Buy**

## David among solar manufacturing Goliaths

### Initiate with BUY; TP of INR565

We initiate coverage on Saatvik Green Energy (SGEL) with a BUY rating and a TP of INR565. As of FY26 end, SGEL had an installed module manufacturing capacity of 4.8GW at its Ambala facility in Haryana. The company is expanding its module manufacturing capacity by an additional 4GW and is also entering cell manufacturing with a planned capacity of 6GW. Consequently, SGEL's module/cell manufacturing capacities are likely to reach 8.8GW/2.4GW by FY27 and 8.8GW/ 6GW by FY28. SGEL also plans to enter the ingot-wafer segment with a proposed capacity of 6GW by FY29, strengthening its backward integration strategy.

### Multi-decade opportunity in solar manufacturing

India is entering a significant power investment cycle, with an estimated opportunity of ~INR40t across the power value chain till FY32. This is driven by the country's target to expand installed power capacity to 900GW by FY32 (532GW at FY26-end), with solar expected to contribute ~40% of the capacity (vs. 28% currently). Solar growth has been led by the commercial & industrial (C&I), rooftop solar, and PM-KUSUM segments, which are expected to account for over 50% of annual solar additions from FY27 onward.

### Ambitious government vision supported by favorable policies

The government's RE ambitions are being complemented by supportive policies, such as Approved List of Module Manufacturers (ALMM), Approved List of Cell Manufacturers (ALCM), and Approved List of Wafer Manufacturers (ALWM), which are driving deeper backward integration in solar, significantly increasing capex intensity (~INR1.5b/GW to ~INR14b/GW). The substantial capital requirements and execution challenges associated with backward integration are likely to keep supply-side constraints intact through FY30 and beyond.

### Scale and backward integration to fuel 55% EBITDA CAGR over FY26-28

We estimate a revenue/EBITDA/APAT CAGR of 38%/55%/44% over FY26-28, as SGEL's plans to expand its module and cell manufacturing facilities come to fruition. With new capacities coming online, we forecast module sales of 3.8GW/4.9GW in FY27/FY28 (vs. 3.1GW in FY26). Additionally, as domestic content requirement (DCR) modules are expected to represent ~56% of FY28 sales, realizations should rise. We build in capex of INR15b/INR16b in FY27/ FY28 for the expansion of 4GW/6GW of module/cell manufacturing capacities, with the net debt-to-equity ratio rising from 0.6x in FY26 to 1.3x (remaining within management's target range of 1.0–1.5x).

### EBITDA margin stability underpinned by higher-margin DCR segment

With 2.4GW of cell facility expected to be commissioned in 2HFY27, SGEL is well-positioned to enter the more lucrative DCR-compliant module market, which offers better realizations and higher margins. We expect EBITDA margins to remain at 10% in FY27 amid industry overcapacity and high input costs, though they should improve to 15% in FY28 as cell operations stabilize and backward integration benefits accrue. Meanwhile, smaller module players without cell capacities are likely to face weak margins, providing SGEL with a competitive edge.

## 5.9GW order book provides strong execution visibility

As of Mar'26 end, SGEL had an order book of 5.9GW (~1.2x installed capacity), which it aims to execute over the next 18 months. This translates into an order value of ~INR80b (covering 100% of FY27E revenue of INR60b), providing clear visibility on near- to medium-term execution. The company also maintains industry-leading capacity utilization, with CUF of 84% in both FY25 and FY26, underscoring its ability to quickly stabilize module plants.

## SGEL's presence in other verticals to remain insignificant

Like its superior module manufacturing peers, SGEL has forayed into various adjacent verticals such as solar EPC, transformers, and solar inverter manufacturing. However, we expect these businesses to remain limited in scale as management continues to direct most of its focus on the core module business. We have not factored in any contribution from the inverter and transformer businesses in our FY28-29 estimates. While cumulative revenue from EPC and solar pumps is expected to grow from ~3-4% of total revenue in FY26 to ~8% by FY28, their share of overall revenue is likely to remain modest.

## Valuation

On FY28E EV/EBITDA, SGEL is trading at 6.9x, while Waaree Energies (WEL)/Premier Energies (PEL) are trading at 9.2x/10.4x. Within our valuation framework, we ascribe a 13/14x EV/EBITDA multiple to the domestic module manufacturing businesses of WEL/PEL. For SGEL, we assign a lower EV/EBITDA multiple of 8x, reflecting its relatively smaller scale, no operating track record in cell manufacturing, and higher business concentration, with nearly 92% of FY28E EBITDA expected to be derived from domestic module manufacturing. We initiate coverage on SGEL with a BUY rating and a TP of INR565, implying an upside of 26%.

## Upside risks

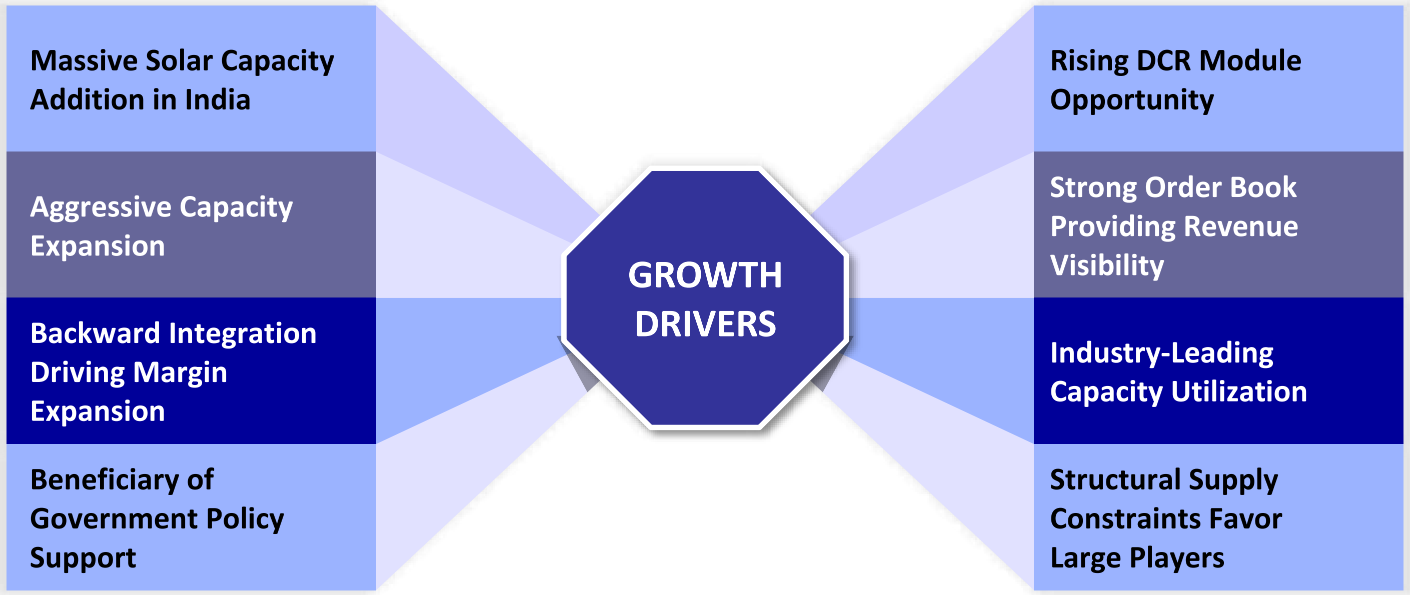
1) The new module and cell facility could scale up faster than expected and start contributing meaningfully to revenue and margins from FY27, and 2) Acceleration in government measures to facilitate PPA signings and transmission connectivity for IPPs.

## Downside risks

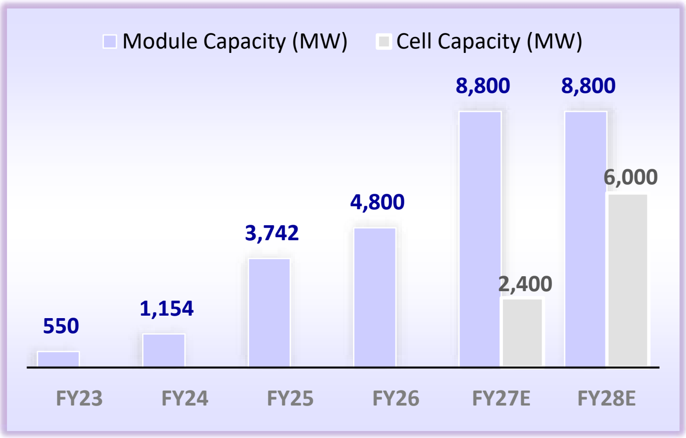
1) Intensifying competition from large domestic players may pressure pricing and margins; 2) Missing timelines for the execution of module and cell facilities or slow ramp-up of the same; 3) Slow execution and ramp-up of domestic cell/ingot-wafer capacities, potentially prompting the government to postpone the implementation of ALMM-III.

# STORY IN CHARTS

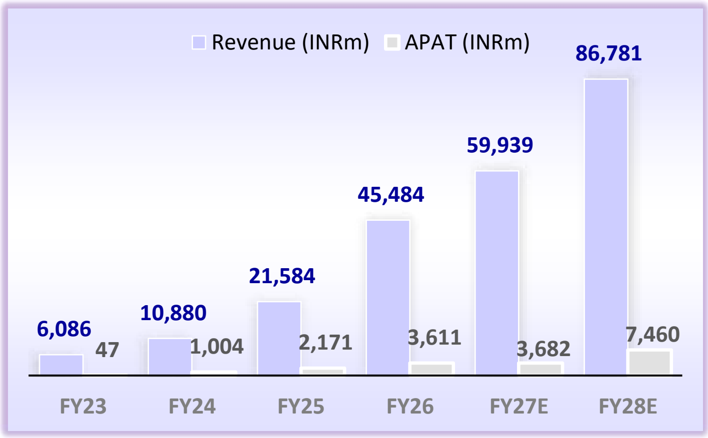
Saatvik Green Energy: Growth drivers



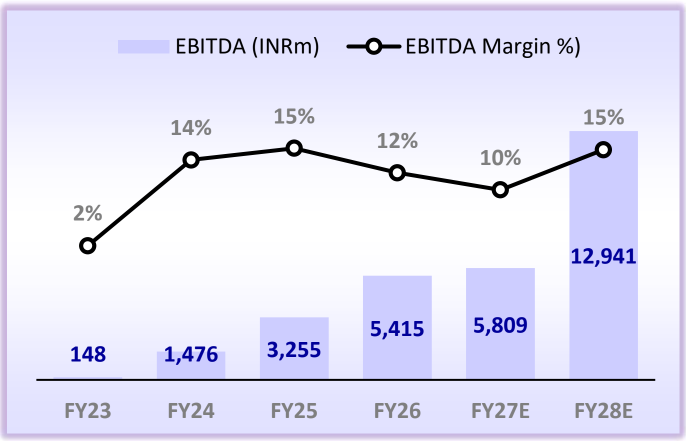

SGEL's Cell and Module Capacity (MW) (FY23-28E)



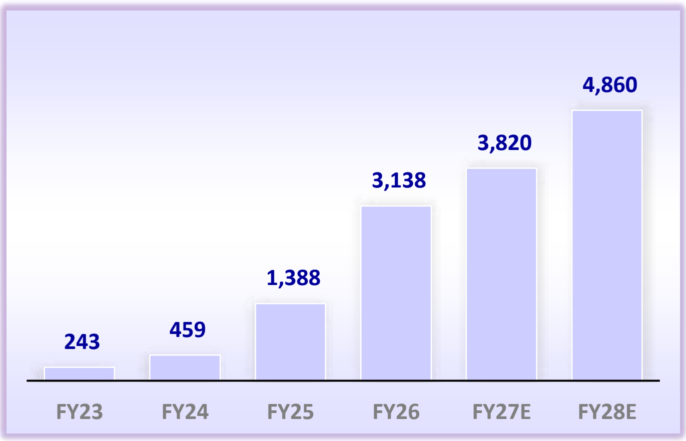

Revenue/APAT (INRm) over FY23-28E




EBITDA (INRm) and EBITDA Margin (%) over FY23-28E




Module Sales (MW) over FY23-28E

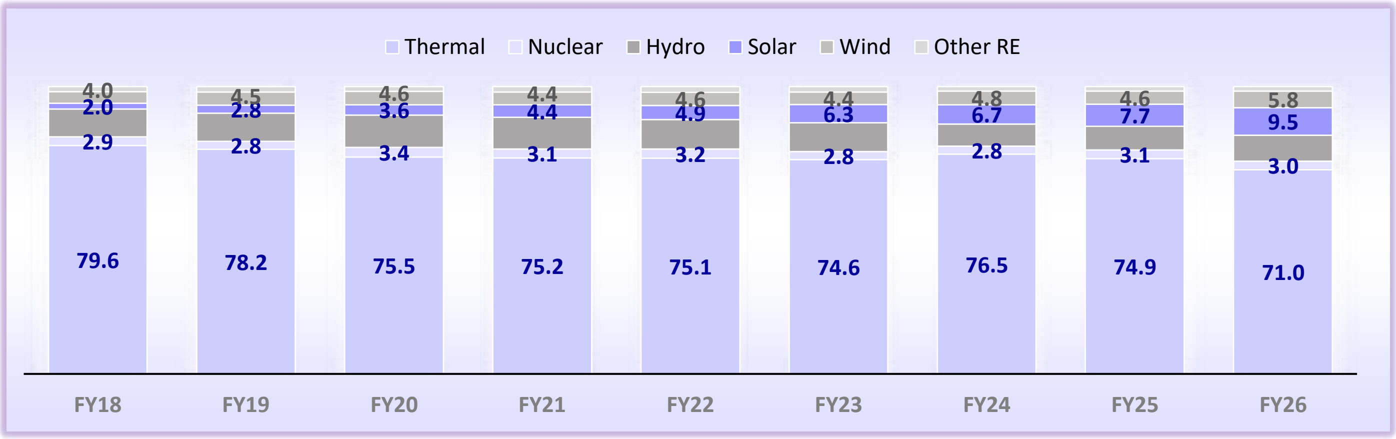


## Solar market demand-supply dynamics

| Particulars | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E | FY30E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Demand** | | | | | | | | | | |
| **Installed Solar Capacity (AC)** | **40** | **54** | **67** | **82** | **106** | **150** | **192** | **235** | **278** | **320** |
| Total Incremental Solar Capacity (AC) (a+b+c+d) | | **14** | **13** | **15** | **24** | **45** | **42** | **43** | **43** | **42** |
| (a) Competitively Bid Ground Mounted | | | | | | 21 | 17 | 16 | 15 | 14 |
| (b) Rooftop | | | | | | 9 | 9 | 10 | 10 | 10 |
| (c) Open Access Ground-Mounted | | | | | | 7 | 8 | 9 | 10 | 10 |
| (d) Solar Pumps/ KUSUM | | | | | | 8 | 8 | 8 | 8 | 8 |
| **Total Incremental Solar Capacity (DC)** | | | | | | | **59** | **60** | **60** | **59** |
| **Total Manufacturing Capacities (DC)** | | | | | | | | | | |
| Module | 12 | 21 | 38 | 53 | 74 | *174 | 195 | 200 | 205 | 210 |
| Cell | 3 | 3 | 7 | 9 | 25 | **30 | 60 | 90 | 115 | 125 |
| Ingot-Wafer | - | - | - | - | 2 | 2 | 20 | 30 | 50 | 80 |
| Polysilicon | - | - | - | - | - | - | 5 | 10 | 25 | 30 |

*As per ALMM-I dated Mar 1, 2026 **As per ALMM-II dated Apr 13, 2026 Source: MNRE. Company, MOFSL

## India's generation mix (%) over FY18-26




## Saatvik Green Valuation

| Segment | Unit | EBITDA (FY28E) | Multiple (x) | EV (x) |
|---|---|---|---|---|
| Domestic Modules | INR m | 12,941 | 8 | 103,524 |
| **Total EV** | **INR m** | | | **103,524** |
| Net debt | INR m | | | 31,743 |
| **Market Cap** | **INR m** | | | **71,781** |
| NOSH | Mn | | | 127 |
| **Target price** | **INR** | | | **565** |
| CMP | INR | | | 449 |
| **Upside / (Downside)** | **%** | | | **26%** |

## A colossal multi-decade investment opportunity

We estimate total opportunity size from the power uptrend at INR40t by FY32.

- **Investment opportunity of INR40t and more:** We estimate the total opportunity size from the power uptrend at INR40t by FY32 (higher than the INR30t estimate cited by the Union Minister for New and Renewable Energy recently link). The triple tailwinds driving this mammoth investment opportunity are: 1) the transition to cleaner sources of energy, given India's target of achieving 500GW RE capacity by 2030, 2) improving power demand growth, which accelerated to a 6-8% CAGR over FY22-FY24 from ~5% historically while demand growth moderated to ~5% YoY in FY25 and remained largely flat in FY26, it rebounded to 7% YoY during Apr–May'26, and we expect a gradual recovery over the medium to long term, and 3) the need to upgrade/replace old power infrastructure as the electricity mix undergoes a shift (more RE all-day).

Massive investment is due to increase in installed capacity to 900GW in FY32 from 532GW in FY26-end, with solar alone accounting for ~40% (28% in FY26-end) of total installed capacity.

- This massive investment opportunity in generation is premised upon India's vision to propel its installed power capacity to 900GW in FY32 from 532GW in FY26-end, with solar alone accounting for ~40% (28% in FY26-end) of the total installed capacity.
- Further, while the Central Electricity Authority (CEA) has a target of 500GW of RE installed capacity by 2030, we see scope for further upside to this number due to India's target to produce 5MMT green hydrogen by 2030 + potential upside from C&I demand + upside from data center-related investments. Assuming a 20GW RE installed capacity requirement for every 1MMT of green hydrogen (GH), we estimate another INR4.5t in investment opportunity from GH-related RE investment.
- Such a massive increase in generation capacity will also require substantial investment in transmission infrastructure, with the NEP (2023–32) estimating a capex of ~INR8.9t given the need to expand and upgrade the current transmission infrastructure across the country.

**Exhibit 1: Estimated investment opportunity of ~INR40t by FY32**

| Type of Fuel | Capacity (GW) | | | | Change in Capacity (GW) | Capex per MW (INR m) | Capex (INR b) |
|---|---|---|---|---|---|---|---|
| | Mar'22 | Mar'26 | Mar'27 | Mar'32 | | | |
| **Fossil Fuel** | | | | | | | |
| Coal & Lignite | 210.7 | 229.1 | 237.0 | 291.0 | 61.9 | 110.0 | 6,803.6 |
| Gas | 24.9 | 20.1 | 20.1 | 20.1 | - | 70.0 | - |
| | **235.6** | **249.3** | **257.1** | **311.1** | | | **6,803.6** |
| **Non-Fossil Fuel** | | | | | | | |
| Large Hydro (incl. PSP) | 46.7 | 51.4 | 53.0 | 61.0 | 9.6 | 80.0 | 766.8 |
| Wind | 40.4 | 56.1 | 63.0 | 113.0 | 56.9 | 70.0 | 3,983.4 |
| Solar | 54.0 | 150.3 | 176.0 | 356.0 | 205.7 | 50.0 | 10,287.0 |
| Small Hydro Power | 4.8 | 5.2 | 5.2 | 8.2 | 3.0 | 80.0 | 242.3 |
| Nuclear | 6.8 | 8.8 | 10.0 | 16.0 | 7.2 | 180.0 | 1,299.6 |
| | **152.7** | **271.7** | **307.2** | **554.2** | | | **16,579.0** |
| **TOTAL** | **388.3** | **521.0** | **564.3** | **865.3** | | | **23,382.6** |
| Battery Energy Storage System (GW/GWh) | n.a. | 0.2/0.8 | 6/24 | 37/148 | 37/148 | 16.8 | 2,486.4 |
| | | | | | | | |
| Transmission opportunity | | | | | | | 4,900.0 |
| Smart Metering | | | | | | | 1,200.0 |
| **Firm capex** | | | | | | | **29,369.0** |
| Optionality | | | | | | | |
| Green Hydrogen-related RE capex # | | | | | 100.0 | 45.0 | 4,500.0 |
| Transmission additional capex * | | | | | | | 4,000.0 |
| **Total capex including optionality** | | | | | | | **40,469.0** |

*# We assume 1 MMT of Green hydrogen production needs 20 GW of RE capacity.*

** Additional transmission capex for an upgrade of existing infrastructure*

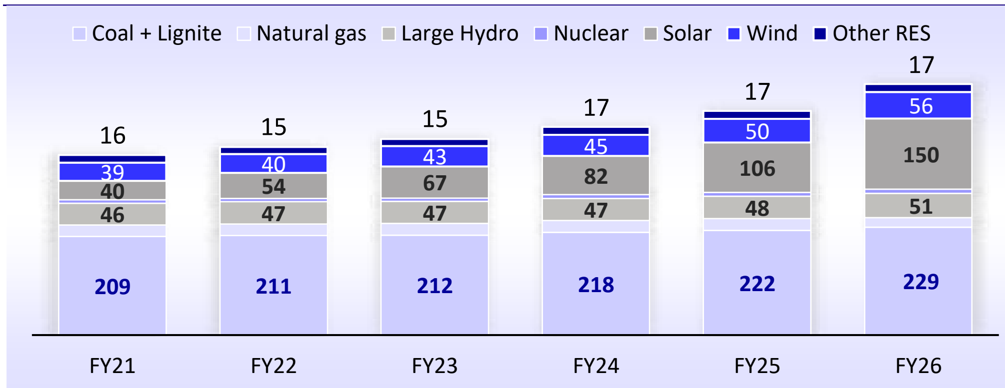
*Source: CEA, MOFSL*

## Adequate output, but consumption-side challenges continue

India's peak electricity demand is expected to rise to ~295GW by FY28 and ~366GW by FY32.

- **India aims to triple solar installed capacity to 300GW by 2030:** According to the 20th Electric Power Survey, India's peak electricity demand is expected to rise to ~295GW by FY28 and ~366GW by FY32. To meet this growing demand, the government has set a target of 500GW of clean energy capacity by CY30, with solar contributing 300GW.
  - To support this goal, the Ministry of New and Renewable Energy (MNRE) has outlined plans to conduct annual renewable energy auctions totaling 50GW, with solar expected to account for 80% of the capacity. This could effectively double India's annual solar additions over the next 2-3 years, driving total installed solar capacity to an estimated ~200GW by FY28.

**Exhibit 2: India's installed capacity trend (GW)**




*Source: National Power Portal, MOFSL*

- **India's module and cell production capacity surged in FY25-26:** India is witnessing rapid growth in its solar manufacturing ecosystem, with module production capacity rising strongly from 38GW in Mar'24 to 174GW by March'26 (enlisted capacity as per ALMM-I) and solar cell production capacity increasing from 9GW in Mar'24 to 30GW by Apr'26 (enlisted capacity as per ALMM-II). FY25 marked a significant milestone with the commissioning of the country's first ingot-wafer manufacturing facility of 2GW capacity, taking initial steps toward a more integrated supply chain.

**Exhibit 3: Solar market demand-supply dynamics**

| Particulars | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E | FY30E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Demand** | | | | | | | | | | |
| **Installed Solar Capacity (AC)** | **40** | **54** | **67** | **82** | **106** | **150** | **192** | **235** | **278** | **320** |
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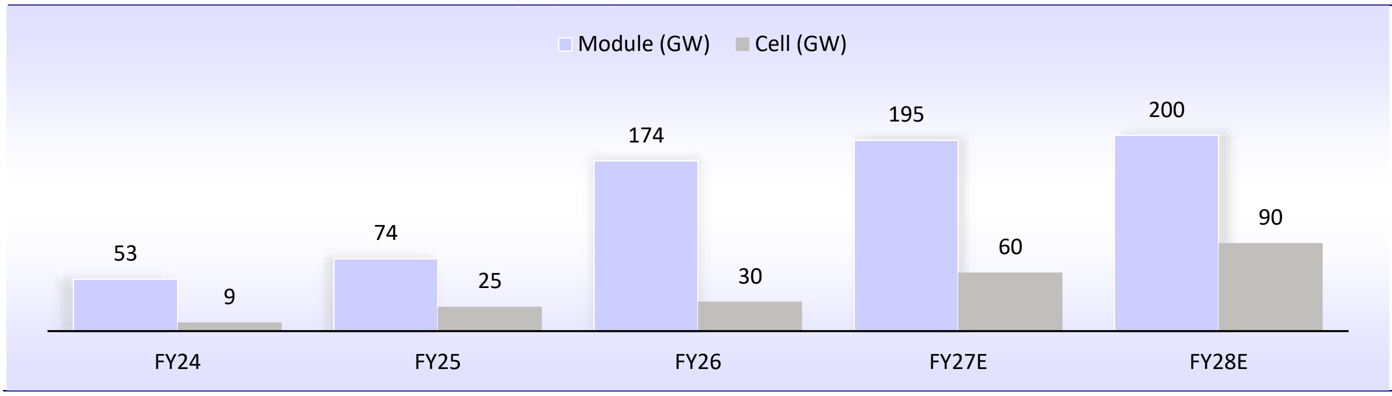
| **Total Manufacturing Capacities (DC)** | | | | | | | | | | |
| Module | 12 | 21 | 38 | 53 | 74 | *174 | 195 | 200 | 205 | 210 |
| Cell | 3 | 3 | 7 | 9 | 25 | **30 | 60 | 90 | 115 | 125 |
| Ingot-Wafer | - | - | - | - | 2 | 2 | 20 | 30 | 50 | 80 |
| Polysilicon | - | - | - | - | - | - | 5 | 10 | 25 | 30 |

*As per ALMM-I dated Mar 1, 2026 **As per ALMM-II dated Apr 13, 2026

Source: MNRE. Company, MOFSL

**Exhibit 4: India module and cell manufacturing capacity (GW) (FY24-28E)**



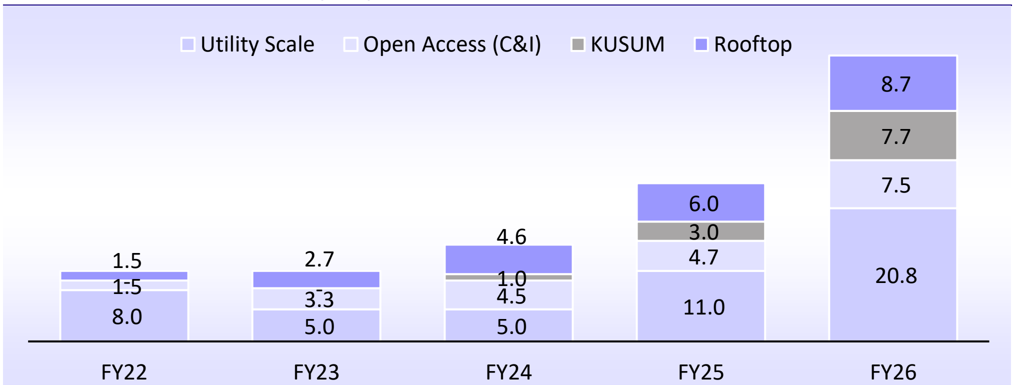

*Source: MNRE. Company, MOFSL*

## C&I, rooftop, and PM-KUSUM together as big as a utility scale:

Non-utility segments now account for over 50% of annual solar installations, with PM-KUSUM implying a 6-8GW annual opportunity, rooftop solar expected to scale to ~10GW in FY27, and C&I/open access at ~8-9GW potential.

- Utility-scale bidding is likely to remain subdued over the next ~12 months, primarily due to a significant backlog of already-awarded projects under execution, and could keep near-term order inflows muted even as execution momentum remains strong. However, underlying demand continues to be structurally robust, supported by a visible shift toward non-utility segments such as C&I, rooftop solar, and PM-KUSUM.
- Utility-scale share in annual solar installation is expected to decline to ~35-40%, even if it continues to add ~15GW annually within a ~40GW total market. Non-utility segments are increasingly gaining traction and now account for over 50% of annual solar installations:
  - **PM-KUSUM**: ~12GW has been executed out of the 35GW target, with the remaining largely awarded, implying a 6-8GW annual opportunity (FY26 run-rate: 7.7GW). The Ministry of New and Renewable Energy (MNRE) is expected to launch 'PM-KUSUM 2' to further accelerate solarization of the agricultural sector (link).
  - **Rooftop solar:** India added ~8.7GW in FY26, and expects to scale capacity to ~10GW in FY27.
  - **C&I/open access:** ~7.5GW was added in FY26, with potential to increase to ~8-9GW.
- Additional emerging demand drivers include data centers and the potential electrification of cooking demand.

**Exhibit 5: Solar installations (GW) in India**




Source: Company, MOFSL

## Estimate ~100GW DCR-compliant solar manufacturing requirement:

According to the CEA's long-term resource adequacy plan (FY27-FY36; link) issued in Mar'26, India is expected to install ~35GW of solar AC capacity annually.
India's installed power generation capacity was 533GW at the end of FY26. Assuming annual power demand growth of ~5%, the country would require ~27GW of incremental capacity additions annually.

- Assuming ~80% of the incremental capacity requirement will be met through renewable energy, this translates into ~21GW annual renewable capacity demand. Further, assuming 70% of this 21GW is met through solar, annual incremental domestic content-compliant solar demand is expected to reach ~15GW. Considering an average solar plant load factor (PLF) of 24%, the corresponding annual solar capacity addition requirement works out to ~62GW (AC) or 87 GW (DC).
- Assuming a capacity utilization factor (CUF) of ~85%, the industry would need at least 100GW of manufacturing capacity.

**Exhibit 6: India's solar manufacturing demand**

| Particulars | Units | Amount |
|---|---|---|
| India Installed capacity (FY26 end) | GW | 533 |
| Annual power demand growth | % | 5 |
| New capacity addition required | GW | 27 |
| 80% met by Renewable | GW | 21 |
| 70% of the RE capacity addition to be Solar | GW | 15 |
| Average solar PLF | % | 24 |
| Annual Solar capacity addition required (AC) | GW | 62 |
| AC to DC conversion | x | 1.4 |
| Integrated module capacity (DC) | GW | 87 |
| Module CUF | % | 85 |
| **Integrated module capacity required (DC)** | **GW** | **102** |

Source: Company, MOFSL

## Higher entry barriers, moderate margins: The new normal for solar manufacturing space

Domestic cell capacity is expected to reach only 90GW by FY28, lagging module capacity meaningfully, with cell-line stabilization and ramp-up remaining technically complex.

- **Integrated capacity - The true measure of solar manufacturing capacity:** A key investor concern has been the headline module manufacturing capacity additions in recent years. However, given the Government of India's strong emphasis and regulations on backward integration, only integrated capacity should be viewed as the relevant supply indicator from a domestic demand perspective. Cell capacity continues to lag module capacity meaningfully and is expected to reach only 90GW by FY28. Moreover, cell-line stabilization and ramp-up remain technically complex. Even established players such as Tata Power and Reliance have witnessed a slower-than-anticipated trajectory of cell line utilization ramp-up, while most new entrants lack experience in operating cell manufacturing assets.
- Further, we believe the government will continue to reinforce backward integration requirements, as reflected in the ingot-wafer localization mandate effective June'28. This is likely to keep industry supply constrained through FY30 and beyond.
- For SGEL, we expect EBITDA margin to contract to 10% in FY27 before rising to 15% as its cell capacity becomes operational in 2HFY27, leading to a margin uplift.

**Exhibit 7: Cell capacity of key industry peers (GW)**

| Company Name | Existing cell capacity | Additions Planned | Cumulative Cell Capacity |
|---|---|---|---|
| Saatvik Green Energy | - | 6 | **6** |
| Waaree Energies (Domestic) | 5.4 | 10 | **15.4** |
| Premier Energies | 3.6 | 7 | **10.6** |
| Goldi Solar | - | 16 | **16** |
| Emmvee Solar | 2.9 | 6 | **8.9** |
| Vikram Solar | - | 12 | **12** |
| ReNew Photovoltaics | 2.5 | 4 | **6.5** |
| Reliance | - | 20 | **20** |
| Adani | 4 | 6 | **10** |
| Tata Power | 4.9 | - | **4.9** |
| Avaada Electro | 6 | 6 | **12** |
| Websol | 1.2 | 4.2 | **5.4** |
| Insolation Energy | - | 4.5 | **4.5** |
| UTL Solar | 1.0 | 1.2 | **2.2** |
| **Total** | **31.5** | **102.9** | **134.4** |

**Exhibit 8: Ingot-Wafer capacity of key industry peers (GW)**

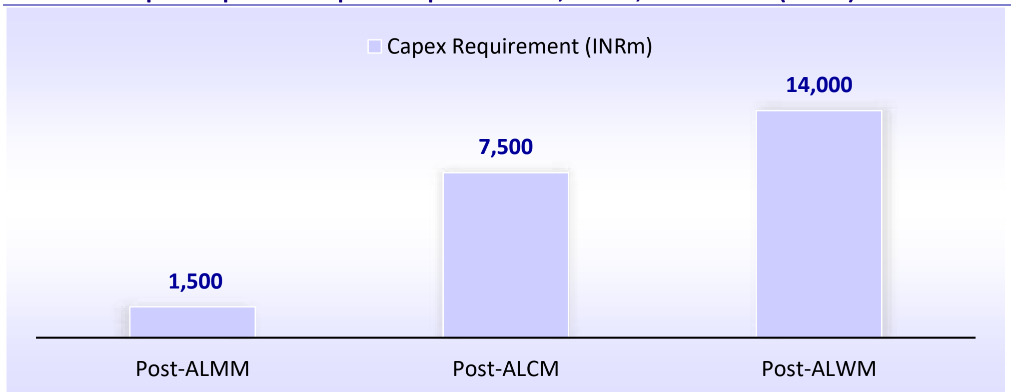
| Company Name | Existing ingot-wafer capacity | Additions Planned | Cumulative ingot-wafer capacity |
|---|---|---|---|
| Saatvik Green Energy | - | - | **-** |
| Waaree Energies (Domestic) | - | 10.0 | **10.0** |
| Premier Energies | - | 10.0 | **10.0** |
| Goldi Solar | - | - | **-** |
| Emmvee Solar | - | 9.0 | **9.0** |
| Vikram Solar | - | 6.0 | **6.0** |
| ReNew Photovoltaics | - | 6.5 | **6.5** |
| Reliance | - | 20.0 | **20.0** |
| Adani | 2.0 | - | **2.0** |
| Tata Power | - | 10.0 | **10.0** |
| **Total** | **2.0** | **71.5** | **73.5** |

Source: Company, MOFSL

Capex for a fully integrated 1GW line has risen from ~INR1.5b pre-ALCM to INR7.5b post-ALCM and is likely to rise further to INR14b post-ALWM, representing a nearly nine-fold increase in 4-5 years.

- **Localization push drives integrated solar manufacturing capex requirement to INR14b/GW:** Government-driven localization mandates have sharply increased the capital intensity of setting up integrated solar manufacturing facilities. Before ALCM, establishing a 1GW module manufacturing line required capex of ~INR1.5b. Post-ALCM, the capex requirement for a fully integrated 1GW line has increased to INR7.5b, and post-ALWM, it is likely to rise to INR14b. This represents nearly a nine-fold increase in just 4-5 years. Such elevated capex intensity is likely to act as a significant deterrent to large-scale new capacity additions, thereby shaping the medium-term supply landscape for domestic solar manufacturing. The localization mandate for ingot-wafer (effective from Jun'28) indicates that backward integration will no longer remain optional for manufacturers. As a result, despite aggressive capacity announcements, supply-side constraints across the domestic solar ecosystem could persist well into FY30 and beyond, as the industry continues investing across successive layers of backward integration.

**Exhibit 9: Capex requirement per GW post-ALMM, ALCM, and ALWM (INRm)**




Source: Company, MOFSL

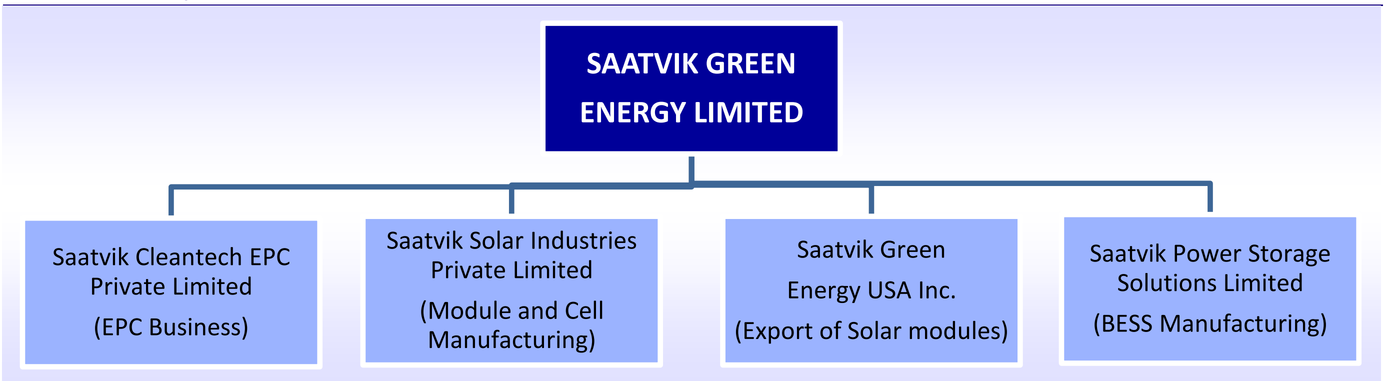
## SGEL: David among solar manufacturing Goliaths

- SGEL, incorporated as Saatvik Green Energy Private Limited in May 2015 with an initial solar module capacity of 125MW, has come a long way since its inception. Today, the company operates a module manufacturing capacity of 4.8GW at Ambala, Haryana, and offers EPC and O&M services across the solar value chain. Beyond solar modules, SGEL also sells solar pumps and is expanding into adjacent product segments, such as inverters and transformers.

SGEL is pursuing module/cell/ingot-wafer manufacturing capacity of 8.8GW/6GW/6GW by FY29.

- Looking ahead, SGEL is pursuing an expansion strategy aimed at establishing module/cell/ingot-wafer manufacturing capacity of 8.8GW/6GW/6GW by FY29, strengthening its position as a vertically integrated solar manufacturing player.
- **SGEL's module/cell capacity to reach 8.8GW/6GW by FY28:** The company is executing a greenfield expansion at Tata Steel SEZ in Gopalpur, Odisha, and planning an integrated manufacturing capacity of 4GW modules (COD in 2HFY27) and 6GW cells. The module facility is expected to be commissioned in 2HFY27, while the cell facility will be operational in phases, with 2.4GW targeted by the beginning of 2HFY27 and the remaining 3.6GW by FY28. Consequently, SGEL's module/cell manufacturing capacities are expected to increase to 8.8GW/2.4GW by FY27, and further to 8.8GW/6GW by FY28.
- **6GW ingot-wafer capacity to be set up by FY29:** SGEL has also announced its plan to set up a 6GW ingot-wafer manufacturing capacity, advancing its vision for complete ingot-module vertical integration with COD targeted by FY29.
- **SGEL boasts a strong order book and high CUF:** SGEL emphasizes its strategic focus on building a strong order book. The company has accumulated an order book of 5.9GW as of March'26 end (~1.2x installed capacity), which it aims to execute over the next 18 months, reflecting strong near-term earnings visibility. It also maintains industry-leading capacity utilization levels, with CUF of 84% in both FY25 and FY26, underscoring its efficiency and ability to quickly stabilize module plants.
- **Foray into adjacent businesses of solar inverters and solar pumps:** SGEL is leveraging strong tailwinds in India's renewable energy sector to expand into adjacent verticals such as EPE encapsulant manufacturing, solar EPC, transformers, and solar inverters manufacturing. The company has launched the UDAY series of single-phase inverters for both residential and commercial uses.

**Exhibit 10: Group structure**



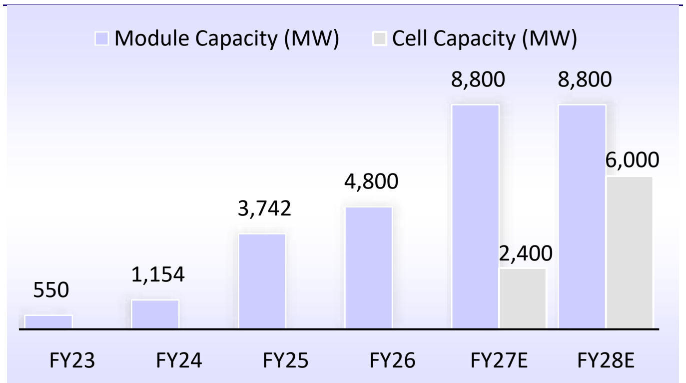

Source: Company, MOFSL

## Strengthening vertical integration: 8.8GW/6GW/6GW module/cell/ingot-wafer capacity by FY29

SGEL is setting up 6GW of solar cell capacity, with Phase I of 2.4GW targeted for commissioning in 2HFY27 and the remaining 3.6GW commissioned by 1HFY28-end.

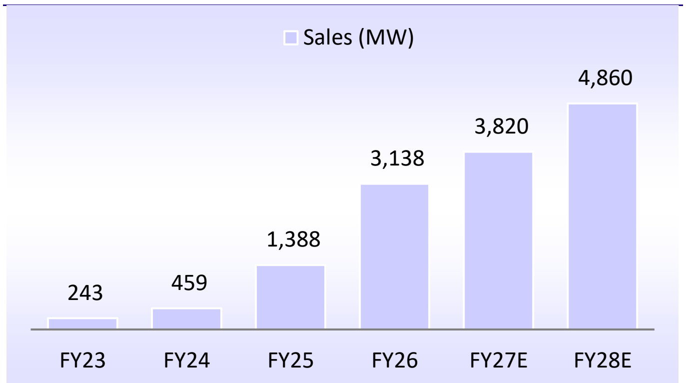
- **Expected to reach 8.8GW of module capacity in 2HFY27:** With the planned greenfield addition of 4GW of module capacity at Tata Steel SEZ, Gopalpur, SGEL is expected to reach a notable module capacity of 8.8GW in 2HFY27, leading to an estimated module sales of 4.9GW in FY28 (1.5x FY26 sales).
- **Aims to set up an inaugural cell capacity of 6GW:** SGEL is setting up a 6GW solar cell manufacturing facility, which is expected to be commissioned in two phases. Phase I (comprising 2.4GW capacity) is targeted for commissioning in 2HFY27. Given the longer stabilization period typically associated with cell manufacturing operations, we conservatively estimate cell production of ~0.6GW in FY27, resulting in DCR module sales at ~16% of total module sales of 3.8GW during FY27. As the Phase I facility ramps up and stabilizes, and the remaining 3.6GW of cell capacity is commissioned by 1HFY28-end, we estimate cell production to increase to ~2.7GW. Consequently, the share of DCR module sales is estimated to rise to ~56% of 4.9GW module sales in FY28.
- **DCR module sales mix of 56% by FY28E to boost EBITDA margins:** With 2.4GW of cell facility expected to be commissioned in 2HFY27 and the remaining 3.6GW by 1HFY28-end, SGEL is well-positioned to enter the more lucrative DCR-compliant module market, which offers better realizations and higher margins. We expect EBITDA margins to remain at 10% in FY27 amid industry overcapacity and elevated input costs, before improving to 15% in FY28 as cell operations stabilize and backward integration benefits accrue, with the DCR module sales mix rising to 56% in FY28 from 16% in FY27.
- **6GW ingot-wafer capacity to be set up by FY29:** SGEL has also announced its plan to set up a 6GW ingot-wafer manufacturing capacity (COD targeted by FY29), highlighting management's long-term vision for vertical integration, with ALMM-III implementation for ingot-wafer Jun'28 onwards.

**Exhibit 11: Solar module and cell capacities over FY23-28E (MW)**




Source: Company, MOFSL

**Exhibit 12: Module sales (MW) over FY23-FY28E**



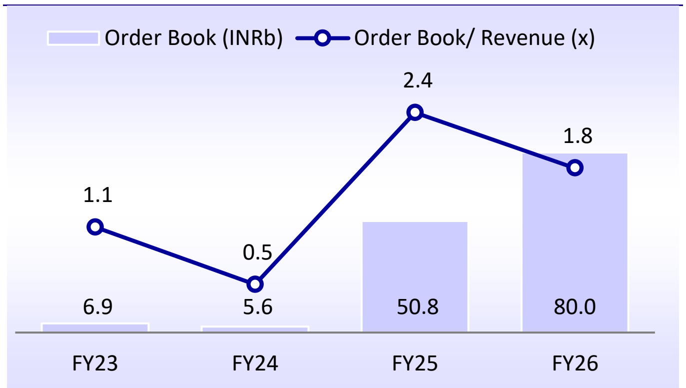

Source: Company, MOFSL

## INR80b order book ensures near-term visibility

SGEL's order book of 5.9GW translates into ~INR80b (covering 100% of FY27E revenue of INR60b)

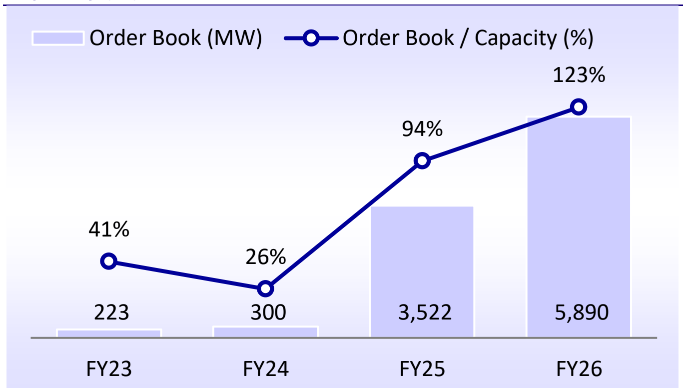
- **Strong sales infrastructure underpins a solid order book:** As of Mar'26, SGEL had an order book of 5.9GW, supported by a strong sales network of 31 distributors and 64 selling partners. The company aims to execute this order book over the next 18 months. SGEL is also strengthening its retail presence, having appointed Indian celebrity Kartik Aaryan as its brand ambassador.
- **Order book covers entire FY27E sales:** SGEL's order book of 5.9GW reflects a diversified customer base, including utility scale, retail, C&I, and EPC segments. It translates into an order value of ~INR80b (covering 100% of FY27E revenue of INR60b), providing clear visibility on near to medium-term execution.
- **Adjacent businesses to scale up, but modules remain the core focus:** SGEL has expanded into adjacent segments such as solar EPC, transformers, and solar inverters. However, with management's continued focus on the core module business, these segments are expected to remain relatively small, with their revenue contribution rising from ~3-4% in FY26 to ~8% by FY28.

**Exhibit 13: Order book (INRb) and order book/revenue (x) over FY23-26**




Source: Company, MOFSL

**Exhibit 14: Order book (MW) and order book/installed capacity (%)**



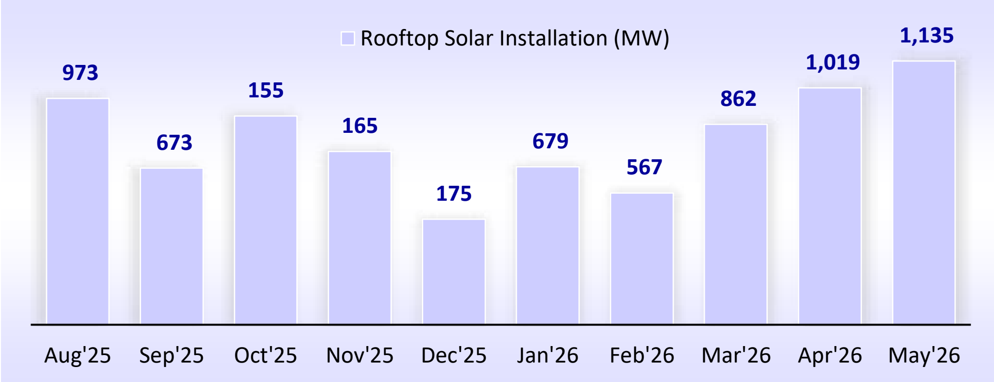

Source: Company, MOFSL

## Diversification adds breadth but remains limited in scale

- **Solar pumps to contribute ~2.1% in FY28E revenue:** The company has ventured into solar pumps, driven by government initiatives such as the PM KUSUM scheme, which promotes solar-powered pumps in agriculture. The solar pump business witnessed strong momentum in FY26, with revenue rising to INR500m (from ~INR20m in FY25), contributing ~1% in FY26E revenue. We estimate revenue from solar pumps to increase to INR1.9b by FY28 (~2.1% of FY28E revenue).
- **SGEL's EPC services provide further diversification:** SGEL offers EPC services, which contributed ~3-4% of revenue in FY26. We expect revenue from EPC services to grow to INR5b by FY28.
- **SGEL forays into solar inverters**: SGEL has entered the residential and small commercial inverter market with the launch of its Uday Series of on-grid solar inverters, which convert direct current from solar modules into alternating current for commercial/residential electricity use. This vertical is expected to benefit from government policies like PM Surya Ghar, supporting continued growth in the rooftop solar market.

- **Other businesses to contribute ~8% of FY28 revenue:** Over FY26-28E, contributions from other businesses, namely EPC and solar pumps, to consolidated revenue are likely to remain in the range of 7-8%, as SGEL's focus remains on scaling and vertically integrating the core module business. We have not factored in any contribution from the inverter and transformer businesses in our FY28-29 estimates.

**Exhibit 15: India solar rooftop installations Aug'25-May'26 (MW)**



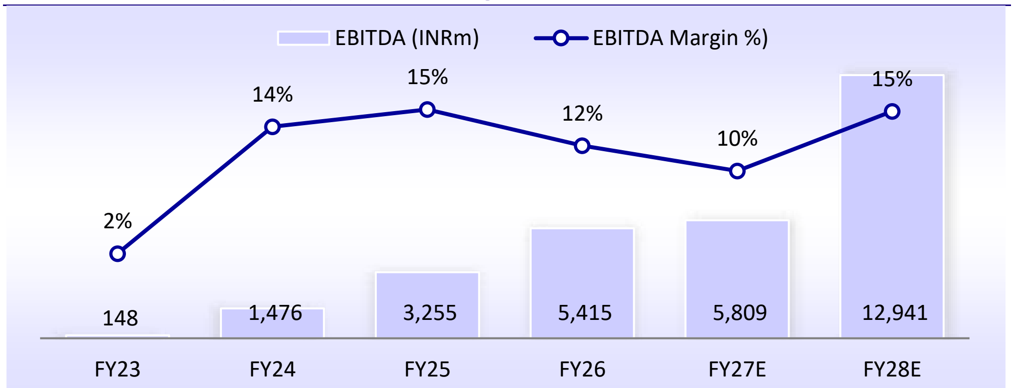

Source: MNRE, MOFSL

## Revenue/EBITDA CAGR of 38%/55% over FY26-28E

DCR modules are estimated to contribute ~16%/56% of total module sales in FY27/FY28 (nil in FY26), and as DCR modules command ~60% higher realizations than non-DCR modules, revenue is expected to grow at a CAGR of 38% over FY26-28.

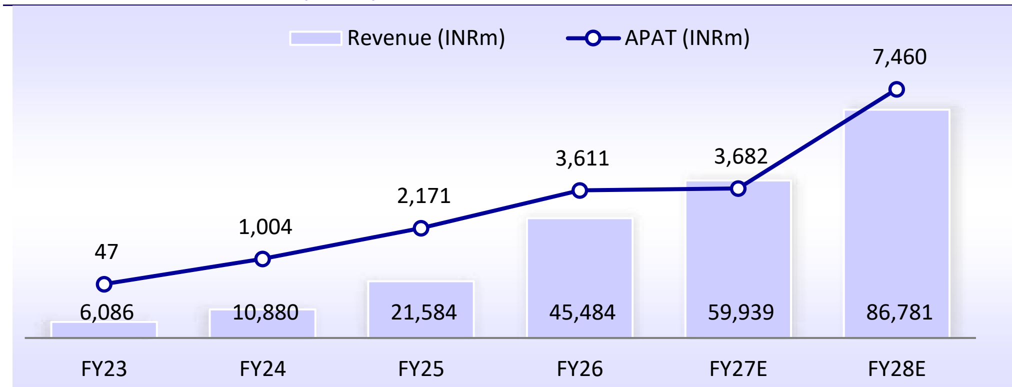
- **Building in a revenue CAGR of 38% over FY26-28E:** With module capacity projected to expand to 8.8GW by the beginning of 2HFY27, we expect module sales to rise from 3.1GW in FY26 to 3.8GW/4.9GW in FY27/FY28. Additionally, the commissioning of the company's cell manufacturing facility is expected to enable DCR-compliant module sales from FY27 onwards, with DCR modules estimated to contribute ~16%/56% of total module sales in FY27/FY28 (compared to no DCR sales in FY26). As DCR modules command ~60% higher realizations than non-DCR modules, the combined impact of volume growth and a richer product mix is expected to drive a revenue CAGR of 38% over FY26–28, with revenue increasing from INR46b in FY26 to INR87b by FY28.
- **EBITDA margin to rebound from 10% to 15% as 6GW cell capacity starts:** Despite the initial cell capacity addition of 2.4GW by beginning of 2HFY27,we expect EBITDA margins to contract to ~10% in FY27 vs. 12% in FY26 due to continued oversupply in the domestic module market, pressure on non-DCR module realizations, and elevated input costs. By FY28, the full ramp-up of the 2.4GW cell facility, along with the commissioning of an additional 3.6GW cell capacity by 1HFY28-end, should enhance backward integration benefits and increase the share of DCR module sales to 56% in FY28. Consequently, we expect EBITDA margins to expand to ~15% in FY28.

**Exhibit 16: EBITDA (INRm) and EBITDA margins over FY23-28E**




Source: Company, MOFSL

**Exhibit 17: Revenue/APAT (INRm) over FY23-28E**

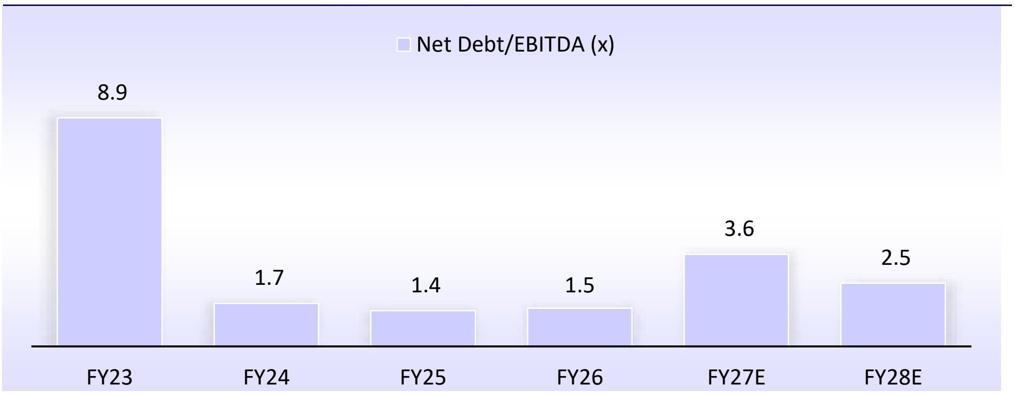



Source: Company, MOFSL

We are building in a capex of INR15b/INR16b in FY27/FY28

- **Capacity expansion drives INR31b capex over FY27-28E:** We are building in a capex of INR15b/INR16b in FY27/FY28, driven by the expansion of module/cell manufacturing capacities by 4GW/6GW by FY28 and commencement of investments toward the proposed 6GW ingot-wafer manufacturing facility. With capex being funded through a mix of debt and equity, we expect net debt-to-equity to rise from 0.6x in FY26 to 1.3x, remaining well within the company's targeted range of 1.0-1.5x.

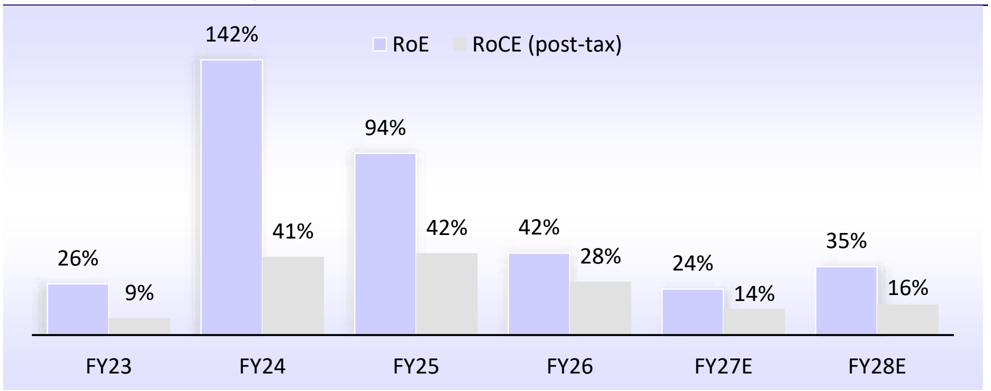
**Exhibit 18: Net debt/EBITDA (x) (FY23-28E)**




Source: Company, MOFSL

- **Large-scale capacity additions to temporarily impact RoCE:** While peers had already invested in cell manufacturing capacities, SGEL is operating with a relatively lighter asset base. However, as the company undertakes substantial investments across the solar value chain, including 6GW of cell and ingot-wafer facilities, we expect RoCE to moderate to ~16% by FY28 due to the expanded capital base and the phased ramp-up of new facilities. RoCE is expected to improve from FY30 onwards as these capacities stabilize, utilization levels increase, and the company's revenue mix transitions entirely towards higher-margin DCR-compliant module sales.

**Exhibit 19: RoE/RoCE (post-tax) over FY23-28E**




*Source: Company, MOFSL*

- **Working capital efficiency:** SGEL's working capital profile is likely to strengthen, with the working capital cycle improving to 66 days by FY28. The improvement is also expected to translate into stronger cash generation, with the CFO-to-EBITDA ratio reaching a healthy 0.7x by FY28, indicating robust cash conversion and efficient working capital management.

- **15% concessional tax regime supports 44% APAT CAGR over FY26–28E:** Under section 115BAB of the Income Tax Act, 1961 (section 201 of Income Tax Act, 2025), SGEL's wholly owned subsidiary, Saatvik Solar Industries Private Limited, enjoys a 15% tax rate, having met the criteria under the section. This helps lower the company's overall corporate tax rate. We have built an effective tax rate of 20%/23% in FY27/FY28 and expect an APAT CAGR of 44% CAGR over FY26-28E.

**Exhibit 20: Debtor, inventory, payable, and working capital days (FY22-FY28E)**

| Working Capital Ratios | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| Debtor (Days) | 8 | 13 | 59 | 68 | 56 | 56 | 56 |
| Inventory (Days) | 109 | 89 | 98 | 150 | 72 | 70 | 70 |
| Payable (Days) | 62 | 45 | 82 | 128 | 60 | 60 | 60 |
| Working Capital (Days) | 55 | 56 | 75 | 89 | 69 | 66 | 66 |

Source: Company, MOFSL

## Benchmarking vs Domestic Players

**The Indian solar manufacturing landscape is evolving toward deeper integration and selective overseas expansion. WEL remains the only Indian module manufacturer with a meaningful overseas footprint, with 1.6GW of US module operational capacity and an additional 2.6GW under expansion. PEL and Emmvee, however, stand out on integration metrics, with a higher cell-to-module integration ratio of 29%/28% as of the end of FY26 (vs. WEL's 22%), translating into a superior FY26 EBITDA margin of 30%/34% (vs. 22% for WEL). Beyond core solar manufacturing, both PEL and WEL are scaling adjacencies—PEL through transformers, inverters, and battery packs (transformer capacity scaling from 2.5 GVA to ~16.8 GVA by Apr'26; inverter capacity to 1.5m units p.a.) and WEL through battery manufacturing, independent power producer (IPP) business, inverters (~3GW), green hydrogen, and renewable infrastructure.**

Industry-wide module overcapacity and elevated input costs are likely to constrain SGEL's EBITDA margins to 10% in FY27, with stabilization of cell operations expected to drive margin expansion to 15% by FY28.

- **Scale expansion and backward integration drive earnings growth:** SGEL is entering a strong growth phase, driven by capacity expansion and increasing backward integration. Consequently, with module/cell capacities expected to reach 8.8GW/6GW by FY28, we estimate EBITDA/APAT CAGR of 55%/44% over FY26-28, supported by an increasing share of DCR-compliant modules and benefits from backward integration. While industry-wide module overcapacity and elevated input costs are likely to constrain EBITDA margins to 10% in FY27, the stabilization of cell operations and realization of backward integration benefits are expected to drive margin expansion to 15% by FY28.
- **Overseas manufacturing – Waaree expanding; Premier likely contemplating:** Among Indian solar module manufacturers, Waaree Energy Ltd. (WEL) is currently the only player with an overseas manufacturing footprint, operating a 1.6 GW module manufacturing facility in the US, representing 14% of its total capacity, with an additional 2.6 GW under expansion. Premier is also evaluating entry into the US market, including the potential establishment of a cell manufacturing facility, and expects to finalize its strategic partnership decisions over the coming months. Demand in the US is increasingly fueled by AI-driven data center power consumption (projected to rise from 2.2% of total power demand currently to ~7.5–8% by 2030), manufacturing re-shoring, and transport electrification.
- **Cell to module integration:** Given the Government of India's strong emphasis and regulations on backward integration, only integrated capacity should be viewed as the relevant supply indicator. As at FY26 end, PEL has the highest integrated Cell-Module manufacturing capacity at 29%, followed by Emmvee Photovoltaic (28%) and WEL (22%), whereas other players such as SGEL and Vikram Solar do not have any cell capacity currently. PEL/Emmvee Photovoltaic/WEL enjoyed high EBITDA margins of 30%/34%/22% in FY26 vs. 12%/19% for SGEL/Vikram Solar, mainly due to their presence in the cell segment.

### Exhibit 21: Comparative summary of domestic module manufacturers

| Parameter | Waaree Energies | Goldi Solar | Vikram Solar | Premier Energies | Saatvik Green | Websol Energy | Emmvee Photovoltaic |
|---|---|---|---|---|---|---|---|
| Total module capacity (GW) | 24.2* | 15.2 | 9.5 | 11.1 | 4.8 | 0.6 | 10.3 |
| Module pipeline (GW) | 0* | 5 | 6 | 0 | 4 | 3.9 | 6 |
| Total cell capacity (GW) | 5.4 | 0 | 0 | 3.6 | 0 | 1.2 | 2.9 |
| Cell pipeline (GW) | 10 | 16 | 12 | 7 | 6 | 4.2 | 6 |
| Ingot/wafer pipeline (GW) | 10 | - | 6 | 10 | 6 | - | 9 |
| Year of incorporation | 1990 | 2011 | 2005 | 1995 | 2015 | 1990 | 2007 |
| TOPCon modules mfg | Yes | Yes | NA | Yes | Yes | No | Yes |
| Closing order book FY26 (INRb) | 530 | NA | NA | 140.1 | NA | 11.6 | NA |
| Export-oriented | ✔ | ✔ | ✔ | ✔ | ✔ | NA | ✔ |
| ALMM-I Capacity (May'26 - GW) | 18.7 | 15.5 | 7.7 | 5.2 | 4.9 | 0.6 | 8.8 |

*Includes only India capacity

Source: Company, MOFSL

### Exhibit 22: Financial comparative analysis of solar manufacturers in India

| Particulars | Waaree Energies | | Premier Energies | | Emmvee Photovoltaic | | Saatvik Green Energy | |
|---|---|---|---|---|---|---|---|---|
| | FY26 | FY25 | FY26 | FY25 | FY26 | FY25 | FY26 | FY25 |
| Revenue (INRb) | 265 | 144 | 78 | 65 | 50 | 23 | 45 | 22 |
| EBITDA (INRb) | 59 | 27 | 24 | 19 | 17 | 7 | 5 | 3 |
| EBITDA Margin (%) | 22 | 19 | 30 | 29 | 34 | 31 | 12 | 16 |
| PAT (INRb) | 39 | 19 | 15 | 9 | 11 | 4 | 4 | 2 |
| PAT Margin (%) | 15 | 13 | 19 | 14 | 21 | 15 | 8 | 10 |
| Net Debt to Equity (x) | NA | NA | 0.4 | NA | NA | 3 | 0.6 | 1.4 |
| ROE (%) | 33 | 28 | 42 | 54 | 51 | 105 | 28 | 42 |

Source: Company, MOFSL

### Exhibit 23: Global peer comparison

| Parameter | LONGi Solar | Trina Solar | Jinko Solar | JA Solar | Canadian Solar |
|---|---|---|---|---|---|
| Experience in years | 24 | 27 | 18 | 19 | 23 |
| Operational capacity GW (Module, Cell & Wafer) | 120/80/170 | 95/75/55 | 120/95/130 | 95/86/86 | 60/48/31 |
| Key products/services | ❖ modules, wafers, rooftop | ❖ modules, solar trackers, EPC | ❖ modules, energy storage systems | ❖ modules, energy storage systems | ❖ modules, energy storage systems, |
| Key technologies offered | ❖ TOPCon, Mono PERC | ❖ Bi- PERC, TOPCon, HJT | ❖ bi- PERC, TOPCon | ❖ TOPCon, Mono PERC, | ❖ TOPCon Mono PERC, HJT |

Source: Emmvee, MOFSL

## Valuation and view

- **Valuation gap vs. peers offers potential upside:** On FY28 EV/EBITDA, SGEL is trading at 6.9x, while WEL and PEL are trading at 9.2x/10.4x, respectively. This compares with global peers, which are currently valued at 6–8x on a two-year forward EV/EBITDA basis. Within our valuation framework, we ascribe a 13x/14x EV/EBITDA multiple to the domestic module manufacturing businesses of WEL/PEL. For SGEL, we assign a lower EV/EBITDA multiple of 8x, reflecting its relatively smaller scale, no operating track record in cell manufacturing, and higher business concentration, with nearly 92% of FY28 EBITDA expected to be derived from domestic module manufacturing.
- **Trading near replacement cost despite strong growth prospects:** Smaller players such as SGEL, Vikram Solar, and Emmvee are trading close to the replacement value at 2.5x, 0.7x, and 2.7x, respectively. In contrast, larger listed peers, such as Waaree Energies/Premier Energies, are trading at significantly higher multiples of 5.7x/6.2x, leaving room for SGEL to re-rate as execution milestones are achieved and backward integration progresses.

**Exhibit 24: Replacement cost comparison across peers**

| Company | Replacement Cost (INRm) | EV (INRm) | EV/ Replacement Cost (x) |
|---|---|---|---|
| WEL | 135,000 | 774,869 | 5.7 |
| PEL | 80,250 | 498,678 | 6.2 |
| **SGEL** | **24,600** | **62,218** | **2.5** |
| Vikram Solar | 81,750 | 60,248 | 0.7 |
| Emmvee | 82,580 | 226,987 | 2.7 |

Note: 1) EV is estimated by applying FY27 EV/EBITDA multiple to FY27 EBITDA (BBG estimates), 2) Replacement cost is calculated using INR1.5b/INR6b per GW for module/cell capacity commissioned through FY27.

Source: Bloomberg, Company, MOFSL

**Exhibit 25: Saatvik Green Valuation**

| Segment | Unit | EBITDA (FY28E) | Multiple | EV |
|---|---|---|---|---|
| Domestic Modules | INR m | 12,941 | 8 | 103,524 |
| **Total EV** | **INR m** | | | **103,524** |
| Net debt | INR m | | | 31,743 |
| **Market Cap** | **INR m** | | | **71,781** |
| NOSH | Mn | | | 127 |
| **Target price** | **INR** | | | **565** |
| CMP | INR | | | 449 |
| **Upside / (Downside)** | **%** | | | **26%** |

Source: Bloomberg, Company, MOFSL

## Risks

- **Project execution risk:** The company has planned significant capex over FY26-28 to set up a 6GW cell-to-module facility and a 6GW ingot-wafer manufacturing facility. This expansion is exposed to risks such as unanticipated delays in implementation, cost overruns, and other challenges.
- **Key input cost risk:** Reliance on imported raw materials and machinery exposes the company to policy and supply chain risks. Escalation in polysilicon, wafer, or glass prices could contract margins.
- **Regulatory risk:** Subsidies from the Odisha Industries Department for the Odisha plant are subject to quarterly audit committee monitoring. Delays or non-receipt of these funds could pose execution risks to the wholly-owned subsidiary's capex plans. If ALMM-III is implemented as tentatively scheduled on June 1st, 2028, SGEL's margins could be significantly affected unless the company sets up its 6GW ingot-wafer facility by FY29 in a timely manner.
- **Overcapacity risk:** With several players, including Reliance and Adani, aggressively scaling capacities, the industry could face oversupply, leading to margin contraction, erosion of pricing power, and low plant utilization.
- **Technology obsolescence risk**: Rapid technological advancements could render existing products or processes outdated, as seen with the mono-PERC technology, which still accounted for ~40% of SGEL's sales in FY25.
- **Customer concentration risk:** SGEL's business is dependent on key customers, with the top 10 contributing 57.8%, 63.9%, and 79.4% of revenue in FY25, FY24, and FY23, respectively. Loss of revenue from any of these customers could materially impact the company's business, financial condition, operations, and cash flows.

## SWOT analysis

- SGEL enjoys a high CUF in the industry (84% in FY26), driving superior operational efficiency.
- SGEL is expanding and backward integrating, with module/cell capacities likely to reach 8.8GW/ 6.0GW by FY28 (vs. 4.8GW modules currently).
- Plans to enter the ingot-wafer segment with a proposed capacity of 6GW by FY29, strengthening its backward integration strategy.

- The company currently lacks cell capacity, which is not expected until 2HFY27, leading to poor near-term EBITDA margins due to declining realizations for non-DCR modules.
- Diversification remains limited, with other businesses such as EPC and solar pumps expected to contribute only ~8% of revenue by FY28.

- Government schemes focusing on indigenization and renewable capacity growth, such as ALMM, PM Surya Ghar, PM KUSUM, and the PLI scheme, provide incentives and create significant market opportunities.
- Expansion into cells and solar inverters positions the company to capitalize on India's 500GW RE goal.

- Rapid technological advancements could render existing products or processes outdated, as seen with the mono-PERC technology.
- Increasing competition from domestic players affects pricing power.
- Payment of subsidies from the Odisha government may be subject to delays.

# Bull and Bear cases

## Bull case

- ☑ In our bull case scenario, we anticipate effective cell utilization to be higher by 5% vs. the base case over FY27/28.
- ☑ Based on the above assumptions, the company's bull case valuation would be INR652/sh.

## Bear case

- ☑ In our bear case scenario, we anticipate 5% lower realization/Wp for DCR and Non-DCR solar modules for FY27/28, as opposed to our base case.
- ☑ We also anticipate effective cell capacity utilization to be lower by 5% vs. the base case over the same period.
- ☑ Based on the above assumptions, the company's bear case valuation would be INR216/sh.

**Exhibit 26: Scenario analysis – Bull case**

| INR m | FY27E | FY28E |
|---|---|---|
| Net revenue | 60,348 | 88,360 |
| EBITDA | 6,140 | 14,204 |
| PAT | 3,947 | 8,432 |
| Valuation Multiple | | 8x FY28 EBITDA |
| **Target price (INR)** | | 652 |
| **Upside (%)** | | **45%** |

Source: MOFSL, Company

**Exhibit 27: Scenario analysis – Bear case**

| INR m | FY27E | FY28E |
|---|---|---|
| Net revenue | 56,784 | 81,285 |
| EBITDA | 2,952 | 8,054 |
| PAT | 1,396 | 3,697 |
| Valuation Multiple | | 8x FY28 EBITDA |
| **Target price (INR)** | | 216 |
| **Downside (%)** | | **-52%** |

Source: MOFSL, Company

# ESG initiatives


## Environment

- SGEL's manufacturing operations are designed with a strong focus on environmental sustainability and energy efficiency.
- The company's facility at Ambala holds an ISO 14001:2015 certification for adhering to international environmental management systems standards.
- In FY25, SGEL invested INR18.9m in the installation of solar PV systems in Mohali and Ambala.
- The company has also incurred INR1.4m on special education facilities in Chandigarh and INR3.2m on providing safe drinking water in rural areas of Rajasthan.

## Social

- SGEL provides medical insurance coverage to its employees and conducts regular health camps across its offices.
- The company also plans to enroll in the Suryamitra scheme promulgated by the National Institute of Solar Energy (NISE), which aims to upskill and empower 5,000 young workers for job opportunities in the solar energy sector.
- Through a mobile farmer connect initiative, SGEL aims to support the education of up to 10,000 farmers and encourage the adoption of clean energy solutions in farming and agriculture.
- In FY25, SGEL spent INR7.9m towards education in Chandigarh, Haryana, and Rajasthan, and INR8.7m on improving healthcare facilities in Chandigarh and Mohali.

## Governance

- SGEL conducts regular safety audits and risk assessments to identify and mitigate potential hazards, ensuring a safe working environment for employees.
- The company also organizes training programs on safety protocols, equipment handling, and emergency response procedures.
- It has significantly reduced its employee attrition rate to 17.22% in FY25, from 37.25% in FY24 and 41.32% in FY23.
- SGEL implemented a Materiality Policy (dated March 13th, 2025) to define thresholds for the disclosure of material events and litigation, ensuring structural transparency.
- The ratio of the absolute sum of all related-party transactions to revenue from operations decreased from 8.46% in FY23 to 2.35% in FY25.

## Management Overview

### Neelesh Garg, Chairman and Managing Director

- Neelesh Garg has over nine years of experience in the renewable energy sector. He is responsible for handling and defining strategy as well as establishing technical parameters and operating procedures.
- He holds a B.Tech. in Computer Science & Engineering from the Indian Institute of Technology, Delhi, and a Master's degree in Science (management and strategy) from the London School of Economics.

### Manik Garg, Managing Director

- Manik Garg holds the responsibility for handling matters related to finance and economics.
- He has completed the 36th session of the Program for Leadership Development at Harvard Business School.
- He holds a B.Com (Honors) from the University of Delhi and an MSc. (Finance) from the LSE.

### Prashant Mathur, Chief Executive Officer

- Prashant Mathur has over 21 years of experience in the renewable sector. Previously, he was associated with Mundra Solar PV Limited, Vikram Solar Private Limited, Targray India Private Limited, and Solis Solar Group.
- He holds a Bachelor's degree in Textile Engineering from Amaravati University and a Master's degree in Management Studies from Rizvi Institute of Management Studies, University of Mumbai.

### Manavika Garg, Non-Executive Director

- Manavika Garg has over seven years of experience in the information technology sector. She was a full-time employee at Accenture Solutions Private Limited.
- She holds a Master's degree in Business Administration from Nirma University and a Master's degree in Computer Applications from Mody University of Science and Technology.

# Financials and valuations

| Consolidated Income Statement | | | | | (INRm) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Net Sales** | **10,880** | **21,584** | **45,484** | **59,939** | **86,781** |
| *Change (%)* | *79%* | *98%* | *111%* | *32%* | *45%* |
| Total Expenses | 9,403 | 18,329 | 40,069 | 54,130 | 73,840 |
| Gross Profit | 2,626 | 5,677 | 10,030 | 10,604 | 19,449 |
| *GP Margin (%)* | *24%* | *26%* | *22%* | *18%* | *22%* |
| **EBITDA** | **1,476** | **3,255** | **5,415** | **5,809** | **12,941** |
| *EBITDAM (%)* | *14%* | *15%* | *12%* | *10%* | *15%* |
| Depn. & Amortization | 107 | 312 | 642 | 920 | 2,148 |
| **EBIT** | **1,369** | **2,944** | **4,773** | **4,889** | **10,792** |
| Net Interest and finance cost | 142 | 442 | 713 | 984 | 1,802 |
| Other income | 92 | 341 | 396 | 698 | 698 |
| **PBT before extraordinary items** | **1,319** | **2,842** | **4,456** | **4,602** | **9,688** |
| EO income/ (expense) | - | - | - | - | - |
| **PBT** | **1,319** | **2,842** | **4,456** | **4,602** | **9,688** |
| Tax | 314 | 671 | 845 | 920 | 2,228 |
| *Rate (%)* | *24%* | *24%* | *19%* | *20%* | *23%* |
| JV/Associates | - | - | - | - | - |
| **Profit from continued operations** | **1,005** | **2,171** | **3,611** | **3,682** | **7,460** |
| Profit from Discontinued Operations before tax | - | - | - | - | - |
| Tax (Discontinued operations) | - | - | - | - | - |
| Minority | 1 | - | - | - | - |
| **Reported PAT** | **1,004** | **2,171** | **3,611** | **3,682** | **7,460** |
| **Adjusted PAT** | **1,004** | **2,171** | **3,611** | **3,682** | **7,460** |
| *YoY change (%)* | *2016%* | *116%* | *66%* | *2%* | *103%* |

| Consolidated Balance Sheet | | | | | (INRm) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| Share Capital | 34 | 224 | 254 | 254 | 254 |
| Reserves | 1,173 | 3,184 | 13,356 | 17,038 | 24,498 |
| **Net Worth** | **1,207** | **3,408** | **13,611** | **17,292** | **24,752** |
| Minority Interest | 1 | - | (2) | (2) | (2) |
| Total Loans | 2,634 | 4,581 | 8,813 | 26,018 | 43,922 |
| **Capital Employed** | **3,842** | **7,989** | **22,421** | **43,308** | **68,672** |
| Gross Block | 1,364 | 3,694 | 5,646 | 20,646 | 36,646 |
| Less: Accum. Deprn. | 195 | 496 | 1,138 | 2,058 | 4,207 |
| **Net Fixed Assets** | **1,169** | **3,197** | **4,508** | **18,588** | **32,440** |
| Capital WIP | 329 | 15 | 3,841 | 3,841 | 3,841 |
| Goodwill | - | - | - | - | - |
| Investments | 100 | - | - | - | - |
| **Curr. Assets** | **5,283** | **13,176** | **22,796** | **31,910** | **46,381** |
| Inventories | 2,205 | 6,541 | 7,016 | 9,461 | 12,913 |
| Account Receivables | 1,767 | 3,995 | 6,988 | 9,196 | 13,314 |
| Cash and Bank Balances | 174 | 85 | 818 | 5,278 | 12,179 |
| Cash & Cash Equivalents | 123 | 54 | 279 | 4,739 | 11,641 |
| Bank Balances other than above | 50 | 31 | 539 | 539 | 539 |
| Others | 1,137 | 2,555 | 7,974 | 7,974 | 7,974 |
| **Curr. Liability & Prov.** | **3,039** | **8,400** | **8,725** | **11,031** | **13,990** |
| Account Payables | 1,843 | 5,591 | 5,803 | 8,110 | 11,068 |
| Provisions & Others | 1,196 | 2,809 | 2,922 | 2,922 | 2,922 |
| **Net Curr. Assets** | **2,244** | **4,776** | **14,071** | **20,878** | **32,391** |
| **Appl. of Funds** | **3,842** | **7,989** | **22,421** | **43,308** | **68,672** |

# Financials and valuations

| Consolidated Cash Flow Statement | | | | | (INRm) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Profit/(loss) for the year after tax** | **1,319** | **2,842** | **4,456** | **4,602** | **9,688** |
| WC | (1,018) | (2,346) | (4,524) | (2,347) | (4,611) |
| Others | 297 | 501 | 986 | 1,207 | 3,253 |
| Direct taxes (net) | (162) | (571) | (1,185) | (920) | (2,228) |
| **CF from Op. Activity** | **436** | **927** | **719** | **3,748** | **9,354** |
| Capex | (601) | (1,864) | (6,014) | (15,000) | (16,000) |
| **FCFF** | **(165)** | **(937)** | **(5,295)** | **(11,252)** | **(6,646)** |
| Interest income | 2 | 17 | 103 | 698 | 698 |
| Others | (95) | (134) | (3,052) | - | - |
| **CF from Inv. Activity** | **(694)** | **(1,981)** | **(8,964)** | **(14,302)** | **(15,302)** |
| Share capital | - | 4 | 6,603 | - | - |
| Borrowings | 402 | 1,945 | 4,232 | 17,205 | 17,905 |
| Finance cost | (115) | (366) | (558) | (984) | (1,802) |
| Dividend | - | - | - | - | - |
| Others | (37) | (96) | (821) | - | - |
| **CF from Fin. Activity** | **249** | **1,486** | **9,456** | **16,220** | **16,103** |
| **(Inc)/Dec in Cash** | **(9)** | **(69)** | **225** | **4,460** | **6,902** |
| Opening balance | 133 | 123 | 54 | 279 | 4,739 |
| Adjustment of Consolidation | - | - | - | - | - |
| **Closing balance** | **123** | **54** | **279** | **4,739** | **11,641** |

| Ratios | | | | | |
|---|---|---|---|---|---|
| **Y/E March** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Basic (INR)** | | | | | |
| **EPS** | **297.1** | **19.4** | **28.4** | **29.0** | **58.7** |
| Cash EPS | 328.9 | 22.2 | 33.5 | 36.2 | 75.6 |
| BV/Share | 357.0 | 30.4 | 107.1 | 136.0 | 194.7 |
| **Valuation (x)** | | | | | |
| P/E | 1.5 | 23.2 | 15.8 | 15.5 | 7.7 |
| Cash P/E | 0.7 | 0.0 | 0.1 | 0.1 | 0.2 |
| P/BV | 1.3 | 14.8 | 4.2 | 3.3 | 2.3 |
| EV/EBITDA | 2.7 | 16.8 | 12.0 | 13.4 | 6.9 |
| **Return Ratios** | | | | | |
| RoE | 142% | 94% | 42% | 24% | 35% |
| RoCE (post-tax) | 41% | 42% | 28% | 14% | 16% |
| RoIC (post-tax) | 44% | 40% | 30% | 15% | 19% |
| **Working Capital Ratios** | | | | | |
| Fixed Asset Turnover (x) | 0.1 | 0.1 | 0.1 | 0.3 | 0.4 |
| Asset Turnover (x) | 0.4 | 0.4 | 0.5 | 0.7 | 0.8 |
| Debtor (Days) | 59 | 68 | 56 | 56 | 56 |
| Inventory (Days) | 98 | 150 | 72 | 70 | 70 |
| Payable (Days) | 82 | 128 | 60 | 60 | 60 |
| Working Capital (Days) | 75 | 89 | 69 | 66 | 66 |
| **Leverage Ratio (x)** | | | | | |
| Net Debt/Equity | 2.0 | 1.3 | 0.6 | 1.2 | 1.3 |
| Net Debt/EBITDA | 1.7 | 1.4 | 1.5 | 3.6 | 2.5 |

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|---|---|
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