

## Reiterate buy at the current levels with a price target of INR 563

At the time of initiation, the valuation framework applied a 35x multiple to FY27 earnings, deriving a target price of ₹563. At the current price of ₹195, the implied forward multiple has compressed materially, placing the stock closer to mid-cycle valuation levels despite the business entering a high-growth phase. This disconnect introduces valuation asymmetry, where downside appears limited by asset creation and policy support, while upside remains contingent on execution.

Strategically, the company continues to strengthen its positioning through its order book of nearly 11 GW, high repeat business from marquee clients, and alignment with domestic manufacturing policies. Additionally, its entry into battery energy storage systems adds a new growth vector, enhancing optionality beyond core module manufacturing. These developments collectively signal a transition from a conventional module supplier to a more integrated clean energy platform. In essence, **the correction to ₹195 reflects a market-driven valuation reset rather than a breakdown in the investment thesis, thereby preserving the long-term upside potential.**

### Decoding Market Reaction & Solar Industry Dynamics

The sharp correction in VIKRAMSOLAR's stock price must be contextualized within broader industry and market dynamics rather than being viewed as an isolated company-specific event. Globally, the solar industry is currently experiencing a significant supply-demand imbalance, primarily driven by excess module production capacity, particularly from China. This oversupply has led to a sharp decline in module prices, triggering concerns over margin sustainability across manufacturers. As a result, investors have repriced solar companies to reflect lower near-term profitability, even in cases where long-term fundamentals remain intact.

Additionally, VIKRAMSOLAR is entering a phase of substantial capital expenditure, including investments in solar cell manufacturing, module expansion, and battery storage. While these initiatives are strategically aligned with long-term industry trends, they exert pressure on near-term financial metrics, including cash flows and return ratios. This often leads to investor apprehension, as the market perceives a lag between capital deployment and earnings generation.

There exists a clear misalignment between the company's long-term narrative and its near-term financial profile. While the strategic roadmap is oriented toward FY27 and beyond, current margins remain moderate, and the benefits of backward integration and policy alignment are yet to be fully reflected in reported numbers. Markets, however, tend to prioritize present performance over future potential, leading to valuation compression.

In summary, the stock's decline is a function of converging factors including global pricing pressure, domestic execution uncertainty, capex-induced financial strain, and shifting market sentiment. These factors are largely cyclical and transitional in nature, suggesting that while near-term volatility may persist, the structural growth story remains intact.

25 March, 2026  
Company Data

BUY

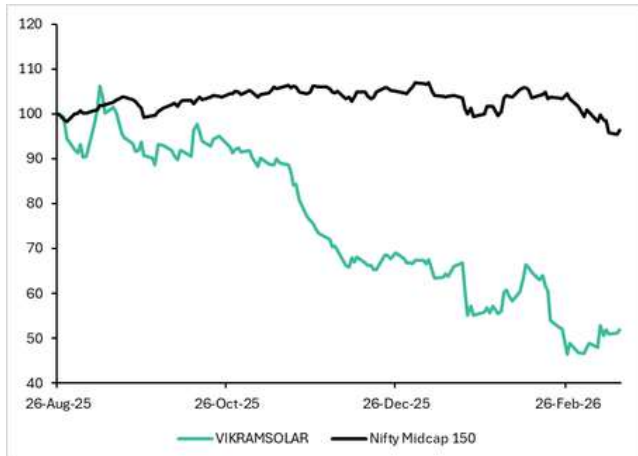
Ticker/CMP	VIKRAMSOLAR / Rs. 195
New Price Target   Upside	Rs. 563   204%
Market Cap	Rs. 6,709Cr
Outstanding shares	36.2 Cr
Free Float	36.88%
52w High/Low	408 / 162

### Shareholding Pattern %

	Jun-25	Sep-25	Dec-25
Promotor	63.12	63.12	63.01
FII	3.04	3.01	1.83
DII	3.38	3.38	1.25
Mutual Funds	3.01	3.04	3.46
Retail	27.45	27.45	30.45

### Key Financial Data

(Rs. Crore)	FY24	FY25	FY26F	FY27F
Revenue	2511	3423	4450	5474
Operating Profit	399	492	832	1034
Operating Margin%	15.9%	14.4%	18.7%	18.9%
Net Profit	80	140	446	582
Net Profit Margin%	3.17%	4.08%	10.02%	10.64%
EPS	0.0	3.9	12.3	16.1
Total Assets	2585	2832	3573	4318
ROE%	19.7%	16.6%	30.4%	29.4%



## Income Statement

Rs. Crore	2024	2025	2026 F	2027 F
<b>Net Sales</b>	<b>2511</b>	<b>3423</b>	<b>4450</b>	<b>5474</b>
Growth%		36.3%	30%	23%
Employee Expenses	1721	2606	3235	3995
COGS	96	124	162	202
Other Expenses	295	201	221	244
<b>EBITDA</b>	<b>399</b>	<b>492</b>	<b>832</b>	<b>1034</b>
Growth%		23.4%	69.2%	24.2%
Margin%	15.9%	14.4%	18.7%	18.9%
Depreciation	138	156	179	208
<b>EBIT</b>	<b>261</b>	<b>336</b>	<b>653</b>	<b>826</b>
Growth%		28.95%	94.34%	26.43%
Margin%	10.4%	9.8%	14.7%	15.1%
Interest Expense	155	155	56	73
<b>EBT from Core Operations</b>	<b>106</b>	<b>181</b>	<b>597</b>	<b>753</b>
Other Income	13	36	40	45
Exceptional Items	-11.6			
<b>Total EBT</b>	<b>107</b>	<b>217</b>	<b>637</b>	<b>798</b>
Tax	28	78	191	215
<b>Net Profit</b>	<b>80</b>	<b>140</b>	<b>446</b>	<b>582</b>
<b>Earnings per share</b>	<b>0.0</b>	<b>3.9</b>	<b>12.3</b>	<b>16.1</b>

## Cashflow Statement

Rs. Crore	2024	2025	2026 F	2027 F
Earnings Before Tax	107	217	637	798
Adjustments	365	337	236	281
Change in Working Capital	-310	-227	-226	-218
Total Tax Paid	-11	-28	-191	-215
<b>Cash flow from operating activities</b>	<b>152</b>	<b>299</b>	<b>456</b>	<b>646</b>
Net Capital Expenditure	-72	-133	-300	-500
Other investing activities	8	-36	0	0
<b>Cash flow from investing activities</b>	<b>-64</b>	<b>-169</b>	<b>-300</b>	<b>-500</b>
Interest Paid	-143	-165	-56	-73
Other financing activities	62	66	48	51
<b>Cash flow from financing activities</b>	<b>-81</b>	<b>-100</b>	<b>-9</b>	<b>-21</b>
<b>Net Change in cash</b>	<b>7</b>	<b>30</b>	<b>147</b>	<b>124</b>
Cash at the beginning of the year	2	9	39	186
<b>Cash at the end of the year</b>	<b>9</b>	<b>39</b>	<b>186</b>	<b>310</b>

## Balance Sheet

Rs. Crore	2024	2025	2026 F	2027 F
Cash, Cash Equivalents & Bank	116	189	336	460
Other current assets	393	429	573	708
Debtors	1185	1229	1558	1752
Other Financial Assets	284	315	315	315
<b>Total Current Assets</b>	<b>1978</b>	<b>2161</b>	<b>2781</b>	<b>3234</b>
PP&E, Right of use of Assets	527	607	728	1020
Financial Assets	57	52	52	52
Other Non-current Assets	24	12	12	12
<b>Total Non-Current Assets</b>	<b>607</b>	<b>671</b>	<b>792</b>	<b>1084</b>
<b>Total Assets</b>	<b>2585</b>	<b>2832</b>	<b>3573</b>	<b>4318</b>
Creditors	647	828	1076	1187
Provisions	1	0	0	0
Current Borrowings	610	153	199	249
Other Current Liabilities	165	416	416	416
<b>Total Current Liabilities</b>	<b>1422</b>	<b>1397</b>	<b>1691</b>	<b>1852</b>
Provisions	19	27	27	27
Borrowings	199	77	79	81
Other Financial Liabilities	44	40	40	40
Other Liabilities	456	49	49	49
<b>Total Non Current Liabilities</b>	<b>718</b>	<b>193</b>	<b>194</b>	<b>196</b>
Paid-up Capital	259	317	317	317
Reserves & Surplus	187	925	1371	1954
<b>Total Equity &amp; Liabilities</b>	<b>2585</b>	<b>2832</b>	<b>3573</b>	<b>4318</b>

## Ratios

Rs. Crore	2024	2025	2026 F	2027 F
<b>Per Share Data</b>				
EPS	-	3.86	12.31	16.09
Growth %	-	-	219%	31%
Book Value Per Share	12.3	34.3	46.6	62.7
<b>Return Ratios</b>				
ROA%	3.1%	5.2%	13.9%	14.8%
ROE%	19.7%	16.6%	30.4%	29.4%
ROCE%	22.2%	25.9%	39.4%	38.0%
<b>Turnover Ratios</b>				
Receivable Days	1	3	9	17
Payable Days	116	102	103	100
Inventory Days	81	57	54	57
Cash conversion cycle	-34	-43	-40	-27
<b>Liquidity Ratios</b>				
Current Ratio	1.39	1.55	1.64	1.75
Quick Ratio	1.11	1.24	1.31	1.36
Debt/Equity	1.81	0.19	0.16	0.15
<b>Valuation</b>				
PE	-	92	26	20
Earnings Yield%	-	1.08%	3.84%	5.01%
Price to Sales	-	3.77	2.61	2.12
Price to Book	-	10.39	6.89	5.12

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