

## Waaree Energies Ltd.

## Boosting growth with expansion and backward integration

We recently attended Waaree Energies' Investor Day and following are the key highlights that stood out:

**Strengthening Margins with Strategic Backward Integration :** Waaree Energies Ltd (WEL) is enhancing vertical integration by expanding into solar cell manufacturing, aiming for 11.4 GW capacity by FY27E. This includes a 5.4 GW facility at Chikhli by FY25E and a fully integrated 6.0 GW plant in Odisha, reducing dependence on third-party suppliers and securing a captive supply of cells for module production. WEL is aiming at enhancing its margins by executing a 6.0 GW backward integration strategy, including solar modules, cells, wafers, and ingots set for FY27E. WEL plans to enable advanced technologies (PERC, TOPCon, perovskite). This integrated approach should reduce reliance on external suppliers, mitigate supply chain risks, and improve cost control. By manufacturing key components in-house, WEL can better absorb price fluctuations, optimize production costs. The company is capitalizing on India's 2030 solar target and global opportunities across the USA, Europe and Middle east.

**Robust Distribution Network solidifying Retail Market:** The company has built a strong pan-India retail network through its franchisee model, with 373, 253, 335, and 372 franchisees in FY22, FY23, FY24, and Sept'30, 2024, respectively. This expansion creates high entry barriers for competitors, particularly in the local rooftop and MSME segments. By partnering with franchisees with proven sales performance and offering support in installation, maintenance, and post-sales services, the company ensures broad market reach. Additionally, supply chain partnerships with financial institutions provide credit for product procurement, strengthening operations and sales. Marketing integration enhances brand visibility, while efficient inventory management streamlines operations.

**Waaree Energies sets 20.9 GW capacity target by FY27E, outpacing industry peers:** As of FY24, India's total solar module manufacturing capacity stands at approximately 70 GW. Waaree Energies currently operates around 13.3 GW and is targeting an expansion to 20.9 GW by FY27E. In contrast, both Vikram Solar and Premier Energies have an installed capacity of approximately 4.5GW (Vikram) and 4.1 GW(Premier). Waaree's superior scale is expected to drive enhanced economies of scale, improved operational efficiencies, and a stronger competitive position in both domestic and export markets.

We believe that the expansion of module manufacturing capacity announced by multiple players over the next two years should lead to a supply-demand ratio of 1.5-2x for modules, potentially resulting into moderation in price realization for solar modules. Waaree being the largest module manufacturer in India, supported by underlying backward integration up to the ingot stage, Waaree should be well-equipped to sustain itself through evolving industry dynamics in a relatively favorable manner and take advantage of operating leverage due to its sheer size and scale. With these expansions, we believe Waaree is expected to deliver Revenue/EBITDA/PAT CAGR of 31%/48%/40% during FY24 to FY27E.

### Key Financials

Key Financials	FY23	FY24	FY25E	FY26E	FY27E
Revenue	67,509	1,13,976	1,42,849	1,97,295	2,58,685
EBITDA	8,346	15,744	25,983	38,006	51,012
PAT	4,828	12,372	17,656	22,487	34,347
EBITDA Margin	12.4%	13.8%	18.2%	19.3%	19.7%
PAT Margin	7.2%	10.9%	12.4%	11.4%	13.3%
P/E (x)	131.5	51.3	36.0	28.2	18.5

Source: Company, Deven Choksey Research

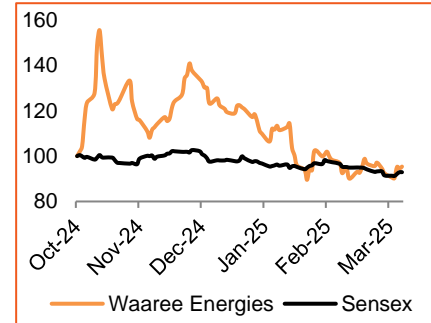
### Recommendation

CMP (INR)*	2,210
Target Price (INR)	NA
Upside %	NA
Rating	<b>NOT RATED</b>

### Market Data

M - Cap (INR Mn)	634,270
52 W H/L (INR)	3,743/2,026
Volume Avg. (3m K)	2,109
Outstanding shares (Mn)	287
Face Value (INR)	10.0

### Price Chart



### Market Info

SENSEX	74,340
NIFTY	22,545

### Shareholding Pattern (%)

Particulars	Dec-24%
Promoters	64.3
FIIIs	1.4
DIIIs	2.7
Others	31.6
Total	100.0

Source: Bloomberg

\*Price as on 06<sup>th</sup> March 2025

## Waaree Energies Ltd.

### Company Overview:

Waaree Energies (Waaree) is a solar photovoltaic (PV) cell & module manufacturer. The company has grown significantly expanding its aggregate module capacity from 4.0 GW in FY22 to 13.3 GW in H1FY25, currently standing at 14.9 GW as of Q3FY25 (including US capacity).

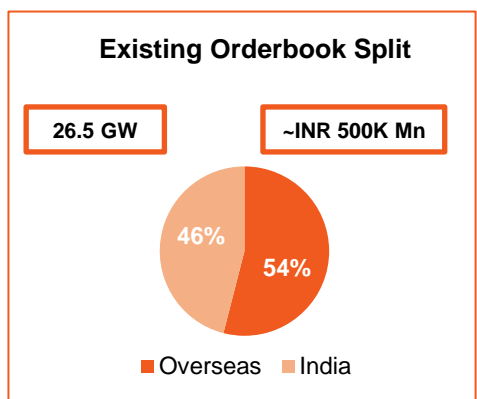
The company operates five manufacturing facilities covering an area of 150 acre. Solar PV modules are currently manufactured using multi-crystalline cell technology, monocrystalline cell technology, and emerging technologies such as Tunnel Oxide Passivated Contact ("TopCon") which helps reduce energy loss and enhances overall efficiency. WEL's portfolio of solar energy products consists of the following PV modules: (i) multicrystalline modules; (ii) monocrystalline modules; and (iii) TopCon modules, comprising flexible modules, which include bifacial modules (Mono PERC) (framed and unframed), and building integrated photo voltaic (BIPV) modules.

The company's sales and revenue streams are derived from the following channels:

- **Direct Sales to Utilities and Enterprises:** Revenue generated through direct sales of solar PV modules and related solutions to utility companies and enterprise clients.
- **Export Sales:** Includes revenue from the sale of solar PV modules to international customers and income from international EPC (Engineering, Procurement, and Construction) contracts.
- **Retail Sales:** Comprising franchisee-driven sales, this channel focuses on rooftop installations and MSME verticals, generating revenue through solar PV module sales and franchisee-based EPC services.
- **Other Operational Revenue:** Encompasses income from EPC services for domestic utilities and enterprises, operations and maintenance (O&M) services, trading in ancillary products, export incentives, electricity generation from renewable sources, and scrap sales.

Particulars	FY22	FY23	FY24	9MFY25*
Domestic sales (INR Mn)	21,965	21,344	48,285	73,786
% of Domestic Sales	77%	32%	42%	79%
Export sales (INR Mn)	6,578	46,165	65,691	19,614
% of Export Sales	23%	68%	58%	21%
Total Sales (INR Mn)	28,543	67,509	1,13,976	93,400

\*For Solar Module  
Source: Company, Deven Choksey Research



Source: Company, Deven Choksey Research

### Presence in the USA :

Waaree Solar Americas Inc., a subsidiary of the Company, has commenced commercial production at its 1.6 GW solar module manufacturing unit in Brookshire, Texas. The facility has been designed to be expandable to 3 GW and further upto 5 GW. Waaree Solar Americas Inc. has signed a five-year binding framework agreement with a customer for the supply of 3.75 GW of solar PV modules.

By establishing a local manufacturing presence in USA, the company can effectively circumvent U.S. import restrictions on Chinese solar products, benefiting from policies such as the Inflation Reduction Act (IRA) and other federal incentives promoting domestic clean energy production. However, the benefit of IRA remains clouded since the **new administration has put a pause on disbursement of funds** appropriated through the Inflation Reduction Act of 2022. ([Source: Unleashing American Energy](#))

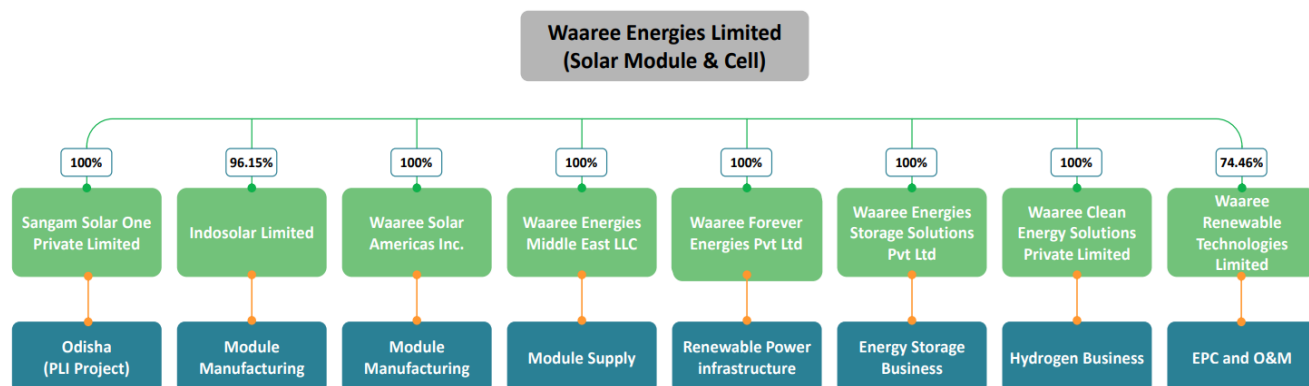
### Focus to High-Efficiency Solar with Mono PERC and TopCon Tech

The company's Chikhli facility is equipped for manufacturing high-efficiency (vs. multi-crystalline) solar PV modules with large-sized silicon wafers (G1, M6, M10, M12), while its newly established Indosolar facility focuses on M10 and G12 wafers. To meet rising demand, Waaree is phasing out multi-crystalline module production and expanding its capacity for Mono PERC and TopCon modules. The company is also integrating emerging technologies that enhance product efficiency and durability, further strengthening its competitive position in both domestic and international markets.

## Waaree Energies Ltd.

### Company Overview:

### Company Structure



Source: Company, Deven Choksey Research

### Listed Subsidiary Company:

Waaree Renewable Technologies Limited (WRTL), a subsidiary of the Waaree Group, is a key player in the Solar EPC (Engineering, Procurement, and Construction) segment. The Waaree Group has successfully completed over 10,000 solar projects, with a cumulative installation capacity exceeding 1.9 GW.

WRTL's EPC business contributed 98.3% of its revenue in 9MFY25. WRTL offers comprehensive end-to-end EPC solutions, including the financing, construction, ownership, and operation of solar projects. The company delivers clean energy to clients through both on-site solar installations (rooftop and ground-mounted) and off-site solar farms (open access solar plants).

Additionally, it provides a range of solar-related products, including off-grid inverters, solar modules, water pumps, streetlights, solar thermal solutions, on-grid inverters, and lithium-ion batteries. The company also offers operation and maintenance (O&M) services, managing a portfolio of over 587 MWp in solar power plant assets.

The Power Sale segment accounted for 1.7% of the company's revenue in 9MFY25. This segment generates income through the sale of power. Unexecuted order book has scaled up over the years from 817 MWp in 2023 to 2,365 MWp in 2024 to 3,398 MWp in 9MFY25.

### Capacity Details

Metric (GW)	FY22	FY23	FY24	H1FY25	FY25E	FY26E	FY27E
Module Capacity	4.0	9.0	12.0	13.3	14.9	14.9	20.9
Module Capacity (if contingent plan gets executed)*	4.0	9.0	12.0	13.3	14.9	16.3	24.3
Projected Cell Capacity					5.4	5.4	11.4
Projected Wafer Capacity							6.0

\* Waaree has a contingent plan of increasing its US capacity to 3.0 GW and 5.0 GW by FY26E and FY27E, depending on market conditions

Source: Company, Deven Choksey Research

## Waaree Energies Ltd.

### Key Takeaways on Chikhli Plant from Waaree's Investor Day Meet:

#### 1. Overview of Chikhli Manufacturing Facility

- The plant is part of Waaree's 15 GW (approximately) total installed capacity, making it the largest domestic solar module manufacturer in India.
- The Chikhli plant has 27 operational buildings, with 3 more under construction.
- The Chikhli module and cell manufacturing plants have seen significant investments:
  - **Module manufacturing:** INR 1,236 million (CWIP-as of 30/06/2024)
  - **Cell manufacturing:** INR 13,016 million. (CWIP-as of 30/06/2024)
- The land for the Chikhli facility was acquired from SGP Industrial Infrastructure Private Limited, a group company.

#### 2. Testing & Quality Assurance at Chikhli

- The facility follows global standards for module testing and performance validation.
- **49-50 tests** are conducted to ensure module reliability, including:
  - **Performance tests:** Power output validation.
  - **Safety tests:** Module breakage tests, LETID (Light and elevated temperature-induced degradation) testing, PID (Potential Induced Degradation) testing.
- **Environmental stress tests include:**
  - **Damp heat testing:** 85°C and 85% humidity for 1,000 hours.
  - **Snow load test:** 5,400 Pascals to simulate extreme cold conditions.
  - **Salt mist corrosion tests:** Specifically for coastal and high-salinity regions.
  - **UV exposure tests:** Simulated exposure up to 250 W/m<sup>2</sup>.

#### 3. Manufacturing Capabilities & Efficiency

- High-speed production lines with automated laser cell processing.
- Total manufacturing lines for module are 13 lines.
- Modules undergo rigorous structural integrity tests, including glass breakage tests (max 65 sq. meters) and weight-bearing tests (45.5 kg).
- Batches are organized based on module efficiency, and while packaging is currently manual, it will soon be fully automated.
- 60% dependency on China for making of its cell.
- PVCD and diffusion are regarded as the most complex stages in the cell manufacturing process. Utilities account for large part of the project.
- Solar panels will soon be installed on the outer windows of the facility.
- The plant has an annual capacity to build 3 lakh inverters.
- The work towards battery plant has commenced and is expected to be operational by FY27.

## **Waaree Energies Ltd.**

### **Investment Rationale:**

#### **Leadership Position in the Solar Module Market:**

- Waaree Energies Ltd has cemented its position as India's largest solar photovoltaic (PV) module manufacturer, with an installed capacity of 14.9 GW as of 9MFY25. India's current solar module capacity stands at 70.0 GW, with WEL's market share of 19.0%.
- WEL plans to expand its capacity to 20.9 GW by FY27E, including a 6.0 GW module facility in Odisha. In the U.S., its Texas plant has scalability options for an additional 1.4 GW, potentially increasing U.S. capacity to 3.0 GW by FY26E and further to 5.0 GW by FY27E, based on market demand.
- In FY24, Waaree accounted for a significant share of the domestic module market, benefiting from India's increasing solar adoption and government mandates favoring local procurement.
- The company's high-efficiency PV modules have gained traction due to their reliability and performance, making Waaree a preferred choice for solar developers. Furthermore, Waaree's diversified product portfolio, which includes bifacial and half-cut cell modules, aligns with the industry's shift toward advanced technologies.

#### **Strategic entry into solar cell manufacturing to drive profitability:**

- Waaree Energies is adding 5.4 GW solar cell manufacturing facility at Chikhli, marking a significant milestone in its backward integration strategy. This move strengthens the company's position in the renewable energy value chain by reducing dependency on external suppliers and enhancing cost efficiency.
- Waaree has commenced commercial operations, with the 1.4 GW Mono PERC lines(operates three production lines, each with an annual capacity of 500 MW) Additionally, the remaining 4 GW TOPCon lines(eight lines of 500MW) are on track for commissioning by April-May 2025.
- Waaree's technological advancements towards PERC, TOPCon, and perovskite will not only strengthen supply chain control but also support the company's commitment to producing more efficient and durable solar PV modules. The facility will cater to both DCR (Domestic Content Requirement) markets and the U.S. solar market, reinforcing Waaree's export potential. Post the integration of Odhisa plant, the cell capacity would reach to 11.4 GW by FY27E. Additionally, the company is exploring the possibility of establishing a 5.0 GW solar cell manufacturing plant in the U.S. in the future.

#### **6.0 GW Backward integration to provide a competitive edge:**

- Waaree Energies Limited is undertaking a major expansion with a 6.0 GW fully integrated facility in Odisha, scheduled to commence operations by FY27E. This facility will integrate the production of ingots, wafers, solar cells, and solar PV modules, marking a significant step toward complete backward integration in the solar manufacturing value chain.
- This facility is part of Waaree's backward integration initiatives, aiming to produce key raw materials and components in-house. By integrating ingot, wafer, and cell production, Waaree expects to improve cost efficiencies, reduce lead times, manage supply chain dynamics and enhance profit margins.

#### **Break-up of 6GW backward integrated facility to launch from FY27E**

Particulars	Existing		Proposed	Total
	Domestic	United States		
Solar PV Module capacity (GW)	13.3	1.6	6	20.9
Solar Cell capacity (GW)	5.4		6	11.4
Ingot-Wafer capacity (GW)			6	6

Source: Company, Deven Choksey Research

Waaree Energies 6.0GW Integrated Facility (in INR Mn)	
Project Cost	90,500
Capex incurred	1,467
Finance Required	89,033
Net Proceeds	27,750
Internal Accruals	6,103
Project Loan	55,180

Source: Company, Deven Choksey Research

## **Waaree Energies Ltd.**

### **Investment Rationale:**

#### **Waaree Energies announces capex for electrolyzer, lithium-ion, inverters and power infra :**

- Waaree Energies has allocated a capital expenditure of INR 5,510 Mn for the establishment of a 300 MW electrolyzer manufacturing plant. This initiative is part of the PLI tender issued by the Ministry of New and Renewable Energy (MNRE) through SECI with an incentive upto INR 4,440 Mn, to be paid over a period of five years and is expected to commence operations by FY26E. The capital expenditure will be financed through a combination of debt and internal accruals.
- Additionally, on 30th January 2025, Waaree Clean Energy Solutions Private Limited received a Notification of Award (NOA) from Solar Energy Corporation of India Limited (SECI) for setting up a 90,000 MTPA Green Hydrogen production facility under the Strategic Interventions for Green Hydrogen Transitions (SIGHT) Scheme (Model-1, Tranche-II).
- The company has also earmarked a capex of INR 20,730 Mn for the establishment of a 3.5 GWh lithium-ion advanced chemistry storage cell and an investment of INR 6,500 Mn for renewable power infrastructure. The capital expenditure will be funded through debt and internal accruals. A capital expenditure of INR 1,300 Mn has been allocated to the inverter business through Waaree Power Private Limited, a wholly owned subsidiary of Waaree Energies. Waaree is also in the process of acquiring Enel Green Power India and the acquisition is expected to support Waaree's business and will help both the core manufacturing and EPC (engineering, procurement, and construction) businesses.
- We have not factored in the new initiatives in our model—electrolyzer, lithium-ion, inverters and power infra as we are awaiting more clarity on the commencement of these business.

### **Domestic Policy Tailwind:**

- The PLI Scheme for Solar PV Modules was launched in Nov 2020 to boost domestic manufacturing. Tranche-I allocated INR 45,000 Mn for 8,737 MW, while Tranche-II allocated INR 195,000 Mn for 39,600 MW of solar module capacity.
- Waaree Energies secured INR 19,232.40 Mn under the PLI Scheme to enhance backward integration by establishing a 6.0 GW fully integrated manufacturing facility for ingots, wafers, solar cells, and modules. The 6.0 GW facility (linked to SECI & Odisha) will be operational by FY27E and will receive state-level incentives like capital subsidies, tax exemptions, tariff reimbursements, and employment incentives under Odisha's industrial development program.
- The Domestic Content Requirement (DCR) policy mandates government-funded solar projects to use domestically manufactured components. By June 1, 2026, DCR modules are expected to constitute large part of new installations, creating a favorable demand environment. With an 11.4 GW solar cell capacity by FY27E, Waaree will be India's second-largest solar cell manufacturer. Its backward integration strategy ensures compliance with DCR policies, reducing reliance on imports and strengthening its competitive edge over module-only players facing restricted market access.
- In Feb 2025, India reduced Basic Customs Duty (BCD) on solar cells (25% to 20%) and modules (40% to 20%) but introduced an Agriculture Infrastructure and Development Cess (AIDC) (7.5% on cells, 20% on modules), effectively maintaining the import tax burden. This move, alongside DCR and ALMM policies, restricts imports, boosts domestic manufacturing, and strengthens Waaree's competitive position in the Indian solar market.

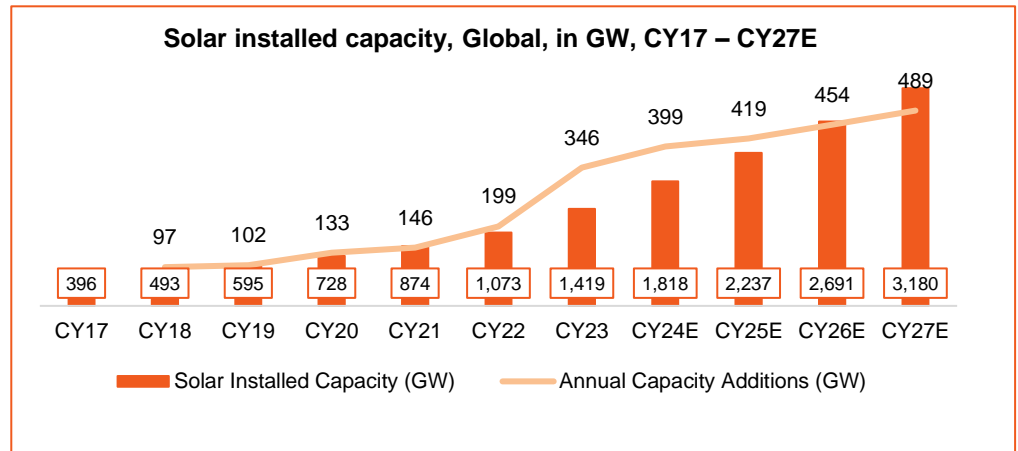


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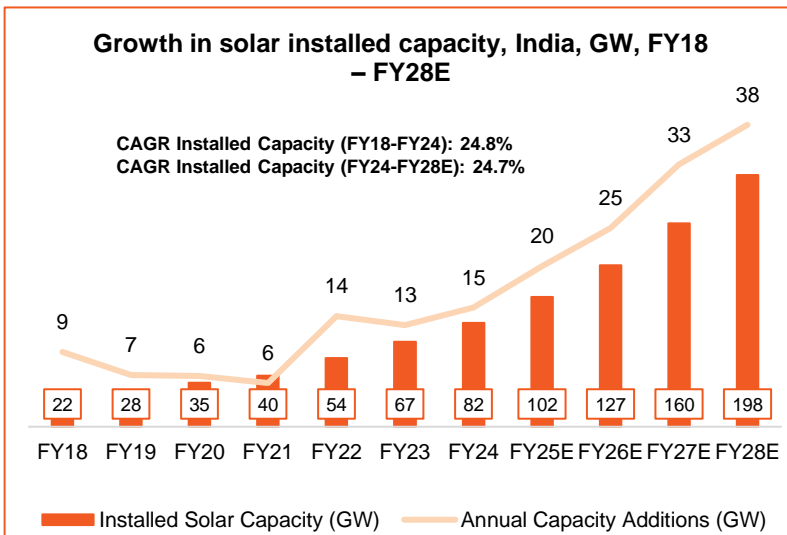
### Industry Overview:

#### Solar Capacity

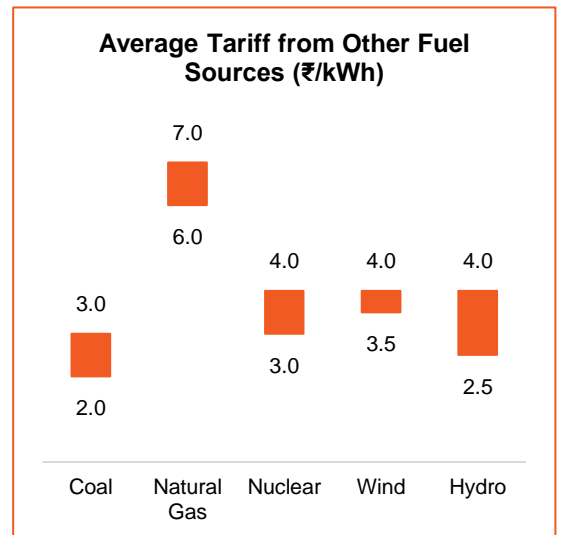
- Solar is expected to remain the leading energy source globally, with installed capacity anticipated to rise from 1,419 GW in CY23 to 3,180 GW by CY27, reflecting a CAGR of 22.3%.



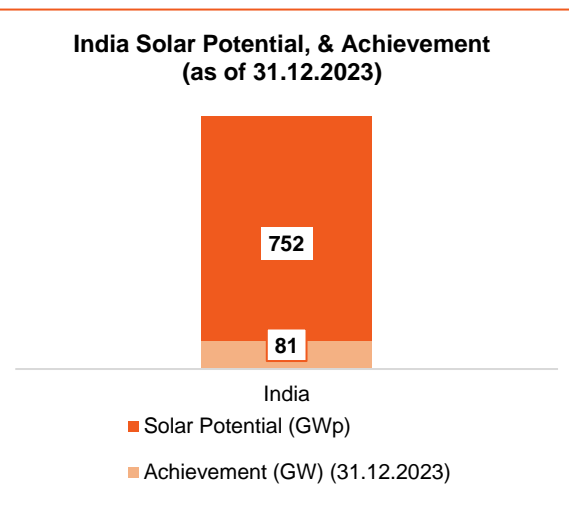
Source: Premier Energies RHP, Deven Choksey Research



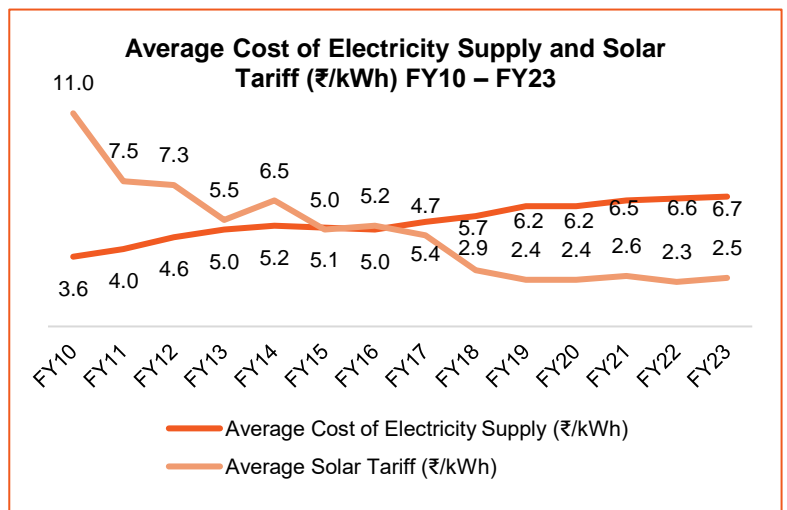
Source: Premier Energies RHP, Deven Choksey Research



Source: Premier Energies RHP, Deven Choksey Research



Note: Country-level data is derived from state wise data  
Source: Premier Energies RHP, Deven Choksey Research

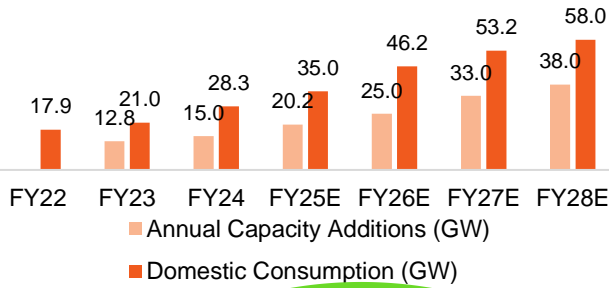


Source: Premier Energies RHP, Deven Choksey Research

## Waaree Energies Ltd.

### Industry Overview

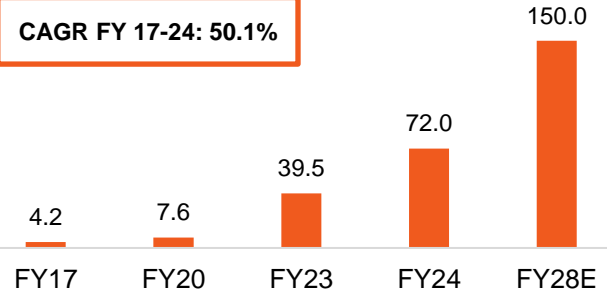
**Solar capacity addition targets vs module requirements, GW, India, FY22 – FY28E**



Source: Premier Energies RHP, Deven Choksey Research

**Solar Module Manufacturing Installed Capacity (GW)**

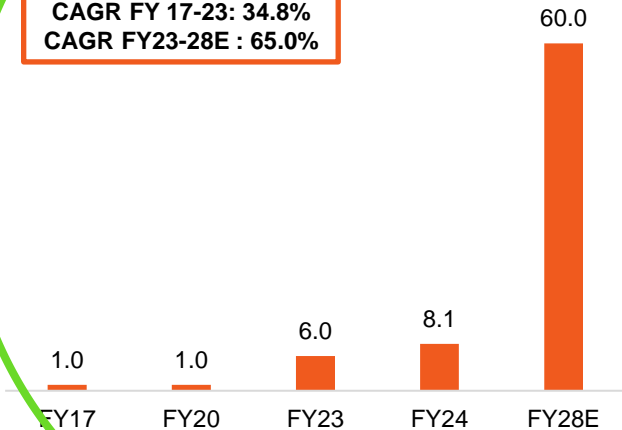
**CAGR FY 17-24: 50.1%**



Source: Premier Energies RHP, Deven Choksey Research

**Solar Cell Manufacturing Installed Capacity (GW)**

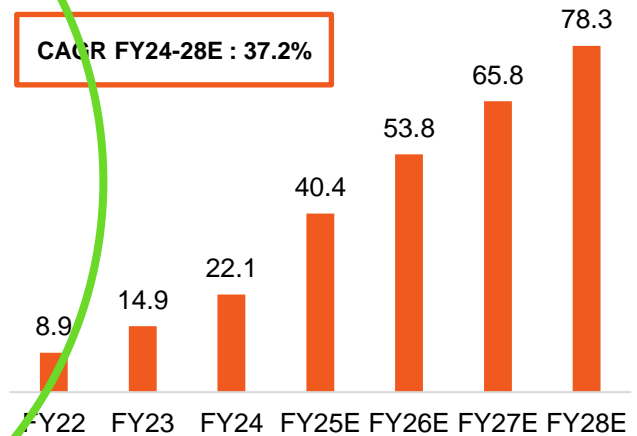
**CAGR FY 17-23: 34.8%**  
**CAGR FY23-28E : 65.0%**



Source: Premier Energies RHP, Deven Choksey Research

**Indian solar cell consumption market, GW, FY22 – FY28E**

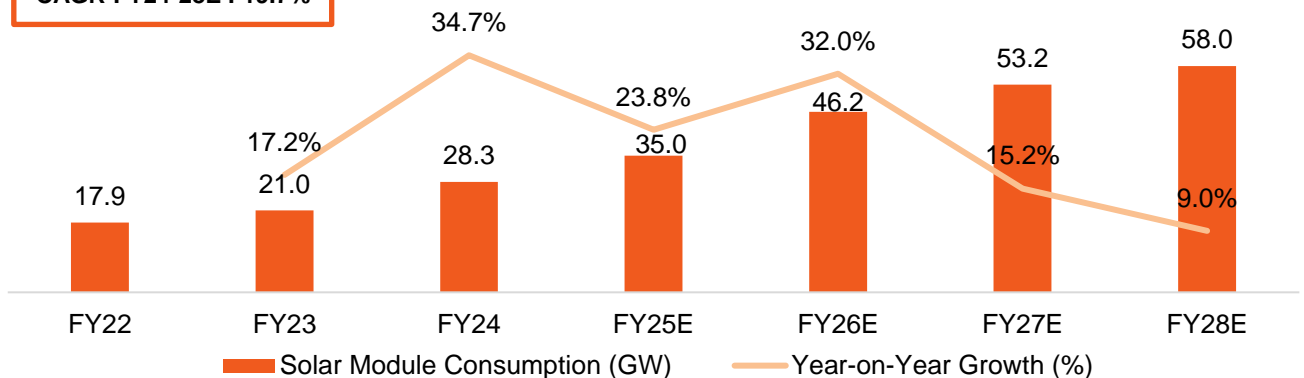
**CAGR FY24-28E : 37.2%**



Source: Premier Energies RHP, Deven Choksey Research

**Indian solar module consumption market, GW, FY22 – FY28E**

**CAGR FY24-28E : 19.7%**



Source: Premier Energies RHP, Deven Choksey Research



## **Waaree Energies Ltd.**

### **Key Risks:**

#### ➤ **Flipside of Domestic Incentives :**

- The solar energy sector in India relies heavily on government initiatives like subsidies, tax incentives, and preferential policies (e.g., "Make in India"). Any reduction or withdrawal of these benefits could affect the cashflows and capital deployment strategies.
- The proposed project attracts government subsidies, including INR 19,232.40 Mn under the Production Linked Incentive (PLI) scheme for enhancing backward integration.
- As per company prospectus, the subsidy is contingent upon meeting specific terms, such as timely facility completion by April 18, 2025, with an expected project completion by FY27E.
- While an extension for commissioning has been requested for 24 months, but any delay in the commissioning of the plant could lead to a reduction in the PLI period or forfeiture of incentives if performance targets are not met.
- Additionally, the company is eligible for various incentives from the Odisha government, including capital investment subsidies and tax exemptions, though these are subject to actual investments and other conditions. Any adverse changes in subsidy availability or approval could materially impact the anticipated financial outcome of the projects

#### ➤ **Execution Risk in Capacity Expansion and Backward Integration:**

- Waaree Energies is pursuing an aggressive expansion strategy involving backward integration and capacity addition in India and the US.
- Any delay in commissioning new capacities, cost overruns, or operational challenges could lead to increased capital expenditure and impact the return on investment.
- Timely execution is crucial to benefit from government policies and maintain a competitive edge

#### ➤ **Declining Realizations :**

- Waaree Energies Ltd. faces significant risk from declining solar module prices, which could lead to margin compression.
- As global solar module prices continue to decrease due to increased competition, technological advancements, and overcapacity in the industry, Waaree may experience pressure on its selling prices, directly impacting profitability.
- Sustaining margins in a declining price environment requires effective cost management and operational efficiency

#### ➤ **Export Risks:**

- Waaree's reliance on exports has increased significantly, with export sales rising from 23.1% of revenue in FY22 to 57.6% in FY24. However, any decline in international demand, particularly if it is unable to maintain export sales, could adversely impact revenue and cash flows.
- Moreover, there are risks related to maintaining customer relationships, particularly with international clients, as the company relies on short- to medium-term contracts and faces competition from other suppliers.
- A reduction in orders or failure to secure repeat business could have a material negative effect on Waaree's financial condition and growth prospects.

#### ➤ **Debt Dependency**

- The company has entered into a borrowing arrangement of INR 55,180 Mn from the State Bank of India (SBI), which is essential for funding its expansion plans but it imposes a substantial interest burden on WEL's financials. This increased financial leverage could pressure net margins and reduce the flexibility to manage unexpected downturns in cash flows or market demand.

## Waaree Energies Ltd.

### Financials:

#### Exhibit 1: Profit & Loss Statement

Income Statement (in INR Mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue from Operations	67,509	1,13,976	1,42,849	1,97,295	2,58,685
COGS	53,163	90,139	1,05,411	1,43,689	1,87,132
<b>Gross Profit</b>	<b>14,345</b>	<b>23,838</b>	<b>37,438</b>	<b>53,605</b>	<b>71,553</b>
Employee benefits expense	1,238	1,772	3,123	4,318	5,665
Other expenses	4,761	6,322	8,333	11,281	14,876
<b>EBITDA (in INR Mn)</b>	<b>8,346</b>	<b>15,744</b>	<b>25,983</b>	<b>38,006</b>	<b>51,012</b>
Finance Cost	823	1,399	1,395	4,240	5,363
Depreciation	1,641	2,768	3,582	6,505	9,375
Other Income	1,095	2,352	3,370	3,779	11,125
<b>PBT before exceptional items</b>	<b>6,977</b>	<b>13,929</b>	<b>24,375</b>	<b>31,040</b>	<b>47,398</b>
Add: Exceptional Items	-206	3,413	0	0	0
<b>PBT</b>	<b>6,772</b>	<b>17,342</b>	<b>24,375</b>	<b>31,040</b>	<b>47,398</b>
Tax Expenses	1,769	4,598	6,359	8,094	12,351
PAT before NCI	5,003	12,744	18,016	22,946	35,048
PAT after non-controlling interest	4,828	12,372	17,656	22,487	34,347
EPS	16.8	43.1	61.5	78.3	119.6

#### Exhibit 3: Cash Flow Statement

Cash Flow Statement	FY23	FY24	FY25E	FY26E	FY27E
CFO	15,602	23,050	24,526	20,768	56,151
CFI	-20,938	-33,403	-32,360	-41,459	-41,701
CFF	6,425	9,092	40,165	50,719	-16,262
Net increase/decrease	1,089	-1,260	32,330	30,028	-1,813
<b>Adjustments</b>	<b>56</b>	<b>-62</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash at Beginning	1,392	2,537	1,214	33,544	63,572
<b>Cash at the End</b>	<b>2,537</b>	<b>1,214</b>	<b>33,544</b>	<b>63,572</b>	<b>61,760</b>

#### Exhibit 4: Key Ratios

Key Ratios	FY23	FY24	FY25E	FY26E	FY27E
EBITDA Margin	12.4%	13.8%	18.2%	19.3%	19.7%
PAT Margin	7.2%	10.9%	12.4%	11.4%	13.3%
ROA	10.0%	13.2%	11.8%	9.6%	11.6%
ROE	41.9%	41.2%	25.8%	21.0%	25.3%
ROCE	44.9%	37.7%	29.2%	21.7%	21.3%
P/Ex	131.5	51.3	36.0	28.2	18.5

#### Exhibit 2: Balance Sheet

Consolidated Balance Sheet (in INR Mn)	FY23	FY24	FY25E	FY26E	FY27E
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9,912	11,494	38,227	72,161	1,03,295
CWIP	5,370	13,413	13,413	13,413	13,413
Rights of use assets	1,002	2,870	4,554	5,115	5,606
Other non-current assets	3,085	5,230	10,084	12,775	15,784
<b>Total Non-current assets</b>	<b>19,370</b>	<b>33,006</b>	<b>66,278</b>	<b>1,03,464</b>	<b>1,38,098</b>
<b>Current assets</b>					
Inventories	27,089	25,855	26,128	44,732	42,425
Trade Receivables	3,126	9,714	15,334	22,504	20,020
Cash Balance	2,537	1,214	33,544	63,572	61,760
Bank Balance	14,828	36,578	36,578	36,578	36,578
Other current assets	7,250	6,770	9,034	11,123	12,862
<b>Total Current assets</b>	<b>54,829</b>	<b>80,131</b>	<b>1,20,617</b>	<b>1,78,509</b>	<b>1,73,645</b>
<b>Total Assets</b>	<b>74,199</b>	<b>1,13,137</b>	<b>1,86,895</b>	<b>2,81,974</b>	<b>3,11,743</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
a) Equity share capital	2,434	2,630	2,869	2,869	2,869
b) Other equity	15,950	38,249	91,665	1,14,152	1,48,499
c) Non controlling interest	234	607	967	1,426	2,127
<b>Total Equity</b>	<b>18,619</b>	<b>41,485</b>	<b>95,501</b>	<b>1,18,447</b>	<b>1,53,495</b>
<b>Non-current liabilities</b>					
Borrowings	1,458	1,026	826	55,926	45,926
Lease Liabilities	381	2,075	2,275	2,475	2,675
Other non-current liabilities	4,450	14,320	14,156	19,311	17,315
<b>Total Non-current liabilities</b>	<b>6,288</b>	<b>17,421</b>	<b>17,257</b>	<b>77,712</b>	<b>65,916</b>
<b>Current liabilities</b>					
Borrowings	1,277	2,147	7,147	6,147	4,147
Lease Liabilities	87	286	486	686	886
Trade Payables	14,316	14,752	19,527	26,498	26,705
Other current liabilities	33,612	37,046	46,978	52,483	60,595
<b>Total Current Liabilities</b>	<b>49,292</b>	<b>54,231</b>	<b>74,138</b>	<b>85,814</b>	<b>92,333</b>
<b>Total Equity and Liabilities</b>	<b>74,199</b>	<b>1,13,137</b>	<b>1,86,895</b>	<b>2,81,974</b>	<b>3,11,743</b>

## Waaree Energies Ltd.

### Rating Legend (Expected over a 12-month period)

#### Our Rating

#### Upside

**Buy**

More than 15%

**Accumulate**

5% – 15%

**Hold**

0 – 5%

**Reduce**

-5% – 0

**Sell**

Less than – 5%

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