

Scaling operations with a clear roadmap for technology and integration-led growth

During our plant visit, we observed four-line solar PV module manufacturing operations at Solex's Tadkeshwar facility in Gujarat (4 GW installed capacity), with strong recipe-control automation and bifacial TOPCon G12R modules. We met the management who outlined the company's Vision 2030 roadmap covering 10 GW module capacity, 10 GW cell manufacturing, and entry into BESS. The company began with its first 700 MW line in 2021 and progressively scaled to four production lines, the latest 2.2 GW facility commencing commercial production in November 2025. Lines 1 through 4 are configured across technologies: Line 1 runs MonoPerc (single-sided) and is likely to be upgraded to TOPCon or Rear Contact technology; Lines 2, 3, and 4 operate N-type TOPCon, with 99% of TOPCon output being bifacial (dual-glass). The company produces 12,000-13,000 modules daily (8-9 MW), operating three shifts including Sundays. Key customers are large Independent Power Producers (IPPs) and Commercial & Industrial (C&I) players, constituting 70-80% of revenues. Its order book exceeds Rs. 4,000 crores with execution visibility through November 2026, underpinning the FY26 revenue guidance of Rs. 1,700-1,800 crores.

Following are the key takeaways from the interaction:

Industry-leading utilization driven by scale and consistency

The company's blended utilization was 75-80% in Q3FY26, against an industry average of 50-55%. Management attributed this premium to two structural advantages: consistent large-ticket orders from IPPs that enable uninterrupted production planning, and recipe control and module traceability systems embedded in the manufacturing process that reduce rework and reject rates. The company's historical nameplate utilization average of 70%+ compares favorably to peers. With 2.4 GW of new capacity commissioned in November 2025, utilization dipped temporarily but is expected to recover to ~70% in Q4FY26 as the ramp-up stabilizes. Over the medium term, higher glass availability (currently constrained by cartelization among 1-2 major suppliers) and full order execution should drive utilization back above 75%. The operating leverage from this ramp-up is significant, with fixed costs already fully absorbed in Q3 and incremental revenue flowing directly into margins, supporting management's 6-8% PAT target for FY26.

Transitioning ahead of India's solar technology curve

The company is strategically positioned at the frontier of solar cell technology in India. While the country's 9 GW TOPCon capacity (versus 35 GW demand) creates a supply deficit, Solex is already manufacturing high-efficiency N-type TOPCon G12R bifacial modules, which generate more power per square meter and command a premium in the market. More importantly, Solex unveiled India's first Rear Contact (RC) solar module, branded TAPI Rear Contact (TRC), in Delhi in October 2025, with commercial production targeted for FY27. Rear Contact, the next-generation technology after TOPCon, eliminates front-side metal contacts and maximizes light absorption. The critical competitive advantage is that existing TOPCon lines can be upgraded to Rear Contact by plugging in certain equipment, thereby avoiding greenfield capex. This means Solex's Lines 3 and 4 can be progressively upgraded to RC without any big investment. The company has also partnered with ISC Konstanz in Germany (a pioneer in RC technology), becoming the first Indian manufacturer to do so. Management noted that ISC Konstanz originally developed RC technology for Chinese manufacturers. Having them in Solex's corner provides a significant technology edge over Indian peers.

Backward integration to drive margin stability and expansion

Currently, the company imports all cells from China, as Indian domestic capacity (20 GW: 11 GW MonoPerc, 9 GW TOPCon) is insufficient to meet the demand. This import dependence introduces margin volatility, cell prices surged 110-120%, straining module pricing for some peers. Solex has proactively mitigated FY26 exposure by securing raw material under fixed-price contracts before the price spike. However, the structural solution is backward integration. The company is planning a 2.5 GW TOPCon cell line (Phase 1), with construction to begin imminently after land clearances are finalized in Gujarat. Operations are targeted for September-December 2027. Full Vision 2030 targets 10 GW of cell manufacturing, with land for 5 GW already acquired. Capex per GW for cells is ~Rs. 600 crores, with a total Phase 1 investment of ~Rs. 1,050 crores (Rs. 700 crores from principal). Critically, Solex has partnered with a Chinese technology partner under a KPI-based revenue-sharing model,

Sector Outlook

Positive

Stock

CMP (Rs.)	1,328
BSE code	NA
NSE Symbol	SOLEX
Bloomberg	SOLEX IN
Reuters	SOEX.BO

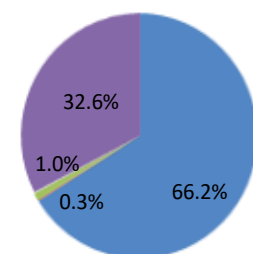
Key Data

Nifty	24,365
52 Week H/L (Rs.)	1,985 / 795
O/s Shares (Crs.)	1.1
Market Cap (Rs. Crs.)	1,374
Face Value (Rs.)	10

Average Volume

3 months	61,929
6 months	54,414
1 year	36,265

Share Holding (%)



■ Promoters ■ FII ■ DII ■ Public

Research Analyst

Palak Devadiga

palak.devadiga@bpwealth.com

+022-61596138

Solex Energy Ltd.

enabling factory setup in ~15 months. In-house cell manufacturing at scale would dramatically improve margins. Current DCR/non-DCR cell procurement at market pricing is margin-dilutive. A captive cell supply would convert this cost into an internal transfer, lifting consolidated EBITDA by a steady state.

Strong visibility backed by order book and structural tailwinds

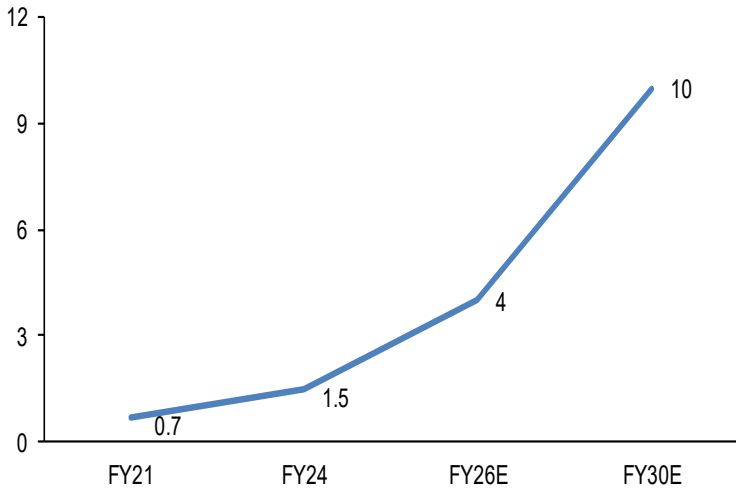
The company enters FY27 with an order book exceeding Rs. 4,000 crores, providing over 12 months of revenue visibility. Key recent wins include a Rs. 544 crores order from Zelestra Group (execution in February-November 2026) and a Rs. 289 crores order from a reputed IPP for TOPCon G12R modules. The order book composition, ~80% large IPPs with mostly signed PPAs, significantly de-risks execution. Orders with dynamic cell pricing are protected against raw material cost fluctuations. The macro backdrop is equally supportive. Union Budget FY27 allocated Rs. 30,540 crores to solar energy schemes (+32% over FY26 revised estimates), Rs. 22,000 crores to PM Surya Ghar Muft Bijli Yojana (+29%), and Rs. 5,000 crores under PM KUSUM. India's green grid buildout (765 kV national grid lines pass near the Tadkeshwar facility) provides structural long-run demand. Additionally, the upcoming BESS mandate is expected to create a complementary demand driver. Solex is exploring containerized BESS manufacturing (5 MW units), positioning itself as a future one-stop integrated clean-energy solution provider.

Valuation & Outlook

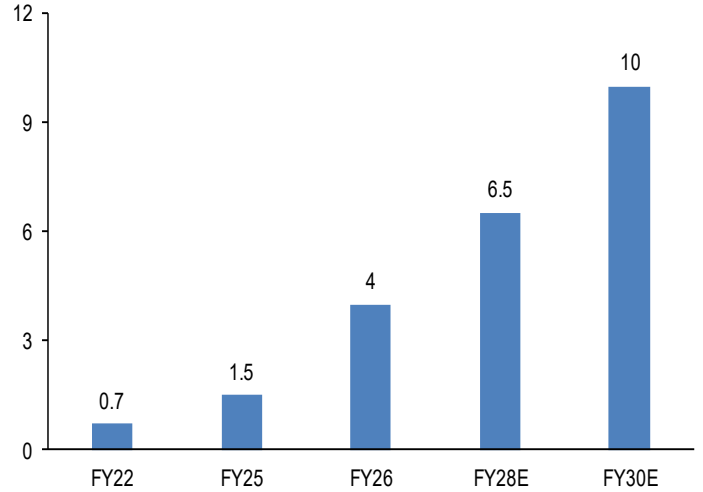
Solex's near-term trajectory is anchored by strong execution momentum in Q4FY26. The prolonged monsoon and ramp-up of Lines 3 and 4 were the primary headwinds in Q3FY26; with both resolved, Q4FY26 should deliver meaningful operating leverage. In the medium term, the cell manufacturing entry will be the key margin inflection point. As captive cell capacity comes online by the end of CY27, dependence on imported Chinese cells would diminish, thereby insulating margins from global cell price volatility. Solex's partnership with ISC Konstanz accelerates readiness for next-generation Rear Contact technology. The company's Vision 2030 roadmap, 10 GW modules, 10 GW cells, 2 GW in-gots/wafers, and BESS manufacturing, creates a credible pathway to becoming a fully integrated solar PV manufacturer. The key risks to monitor are land acquisition pace for the cell plant, funding closure for ~Rs. 1,050 crores capex, continued glass supply constraints, and Chinese cell price volatility. Overall, Solex presents a compelling growth profile backed by technology leadership, consistent execution, and favorable policy tailwinds. **We, thus, expect Solex Energy to generate sustained growth over the long term and is trading at a P/E of 42.1x on FY26E EPS estimates.**

Solex Energy Ltd.

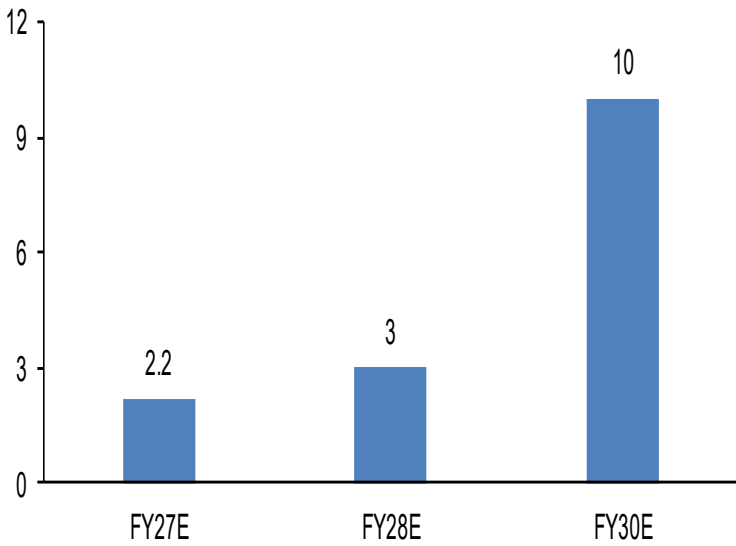
Installed Capacity (GW)



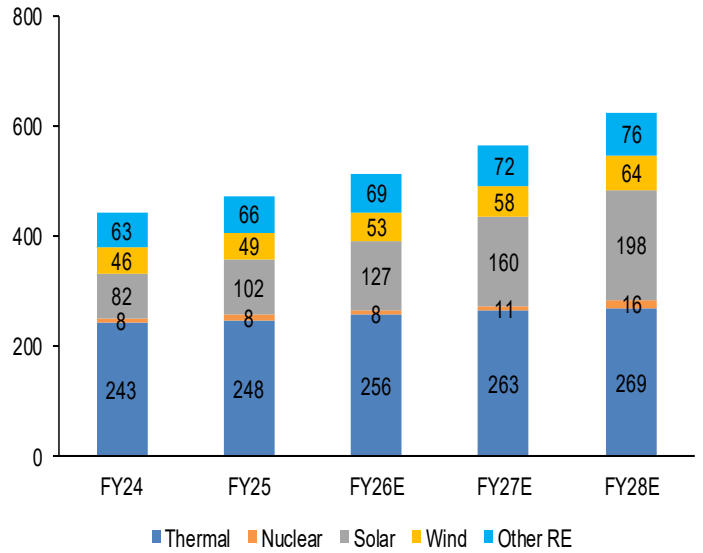
Solar Module Manufacturing Capacity (in GW)



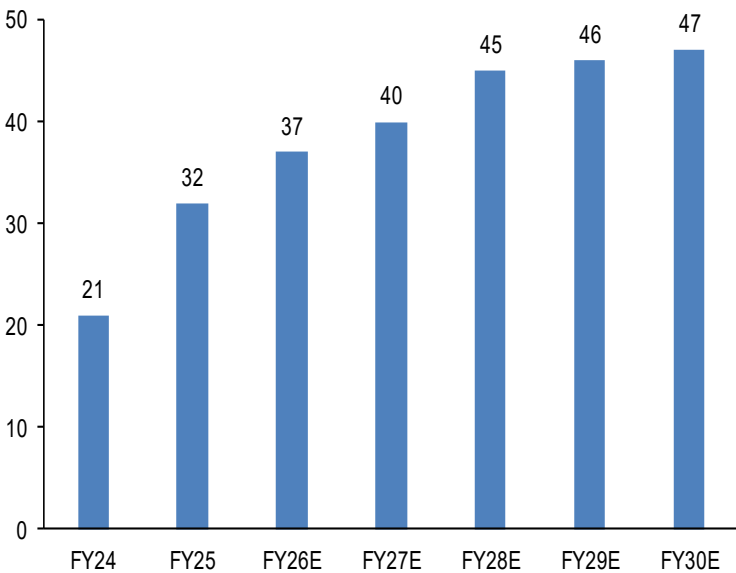
Solar Cell Manufacturing Capacity (in GW)



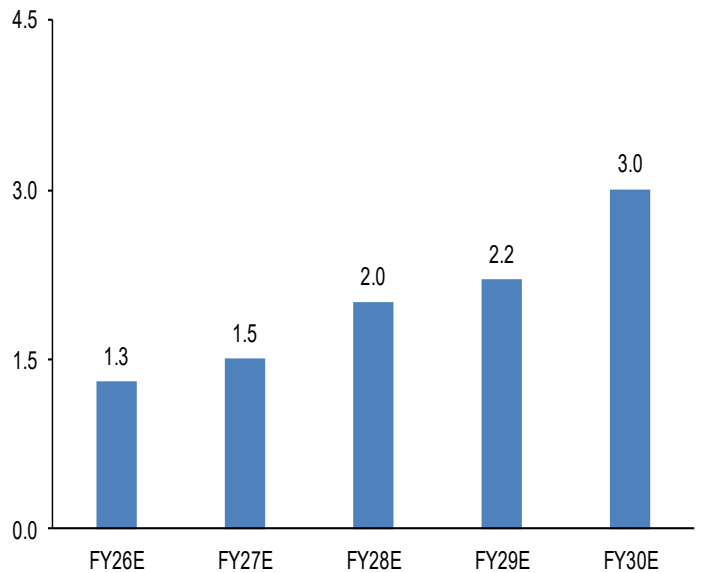
India Installed Power Generation Capacity (GW)



India Solar Module Demand (GW)



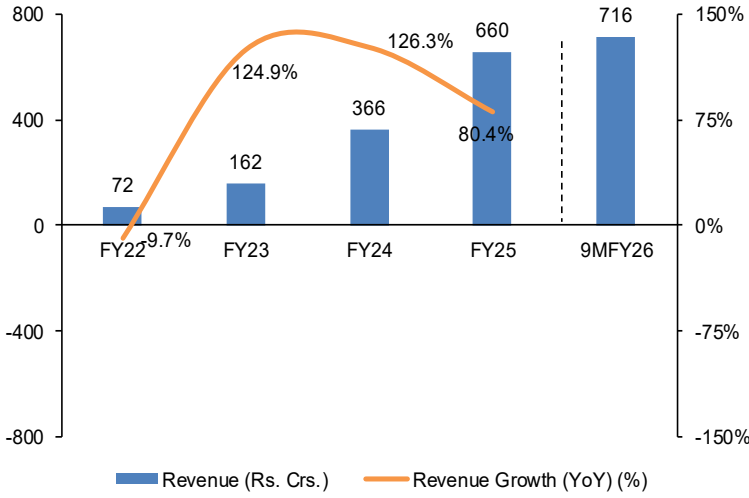
Expected investments in the solar energy generation sector



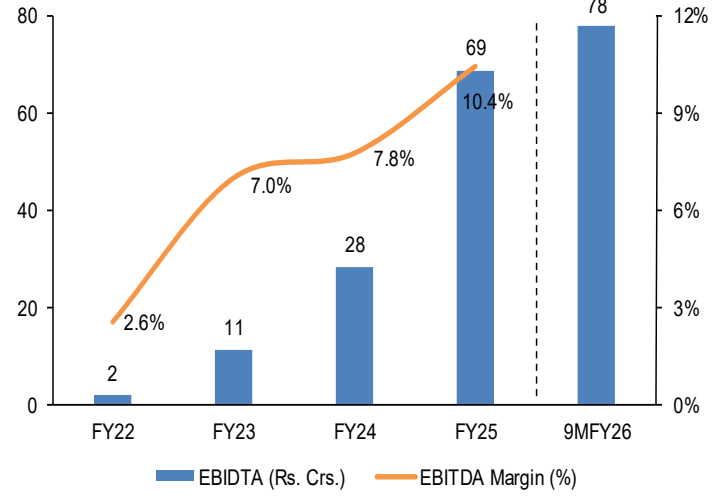
Source: Company, BP Equities Research

Solex Energy Ltd.

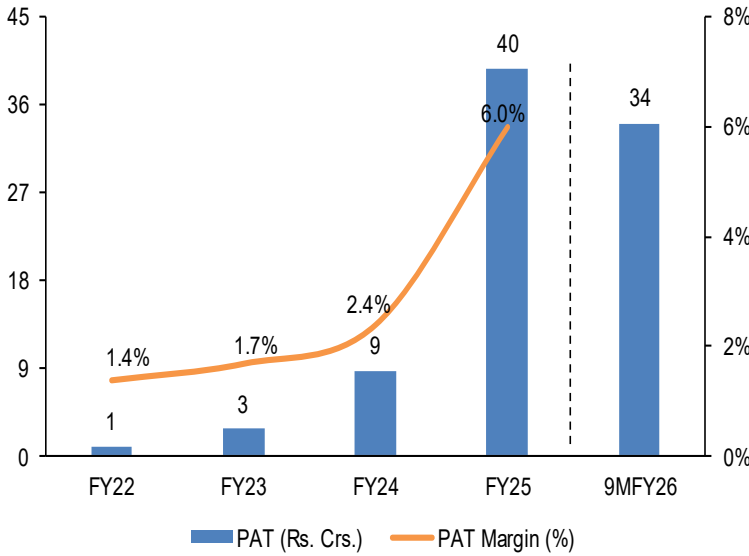
Revenue (Rs. Crs.)



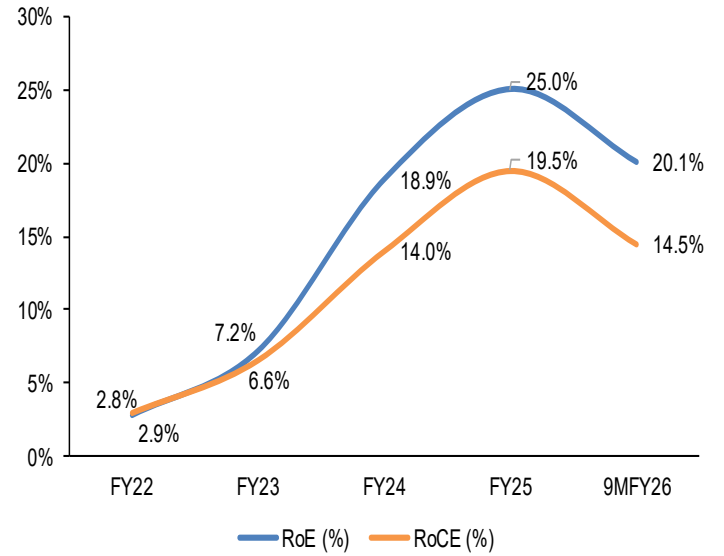
EBITDA & EBITDA Margin



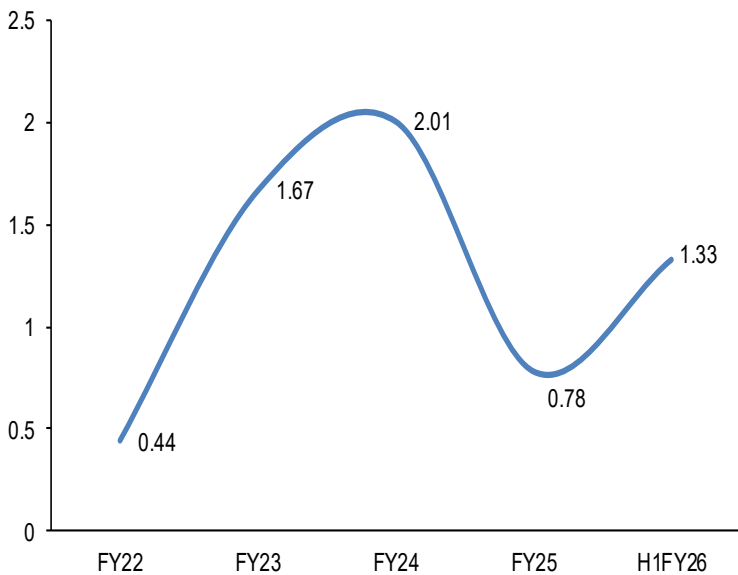
PAT & PAT Margin



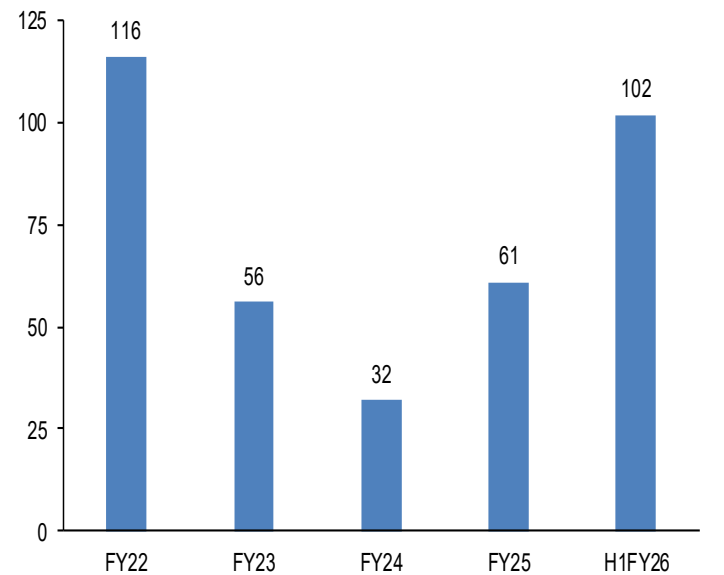
RoE (%) & RoCE (%)



Net Debt to Equity Ratio



Working Capital Days



Source: Company, BP Equities Research

Solex Energy Ltd.

Key Financials

YE March (Rs. Crs.)	FY22	FY23	FY24	FY25	9MFY26
Revenue	72	162	366	660	716
<i>Revenue Growth (Y-o-Y)</i>	<i>(9.7%)</i>	<i>124.9%</i>	<i>126.3%</i>	<i>80.4%</i>	<i>8.4%</i>
EBITDA	2	11	28	69	78
<i>EBIDTA Growth (Y-o-Y)</i>	<i>(44.4%)</i>	<i>510.1%</i>	<i>150.9%</i>	<i>142.3%</i>	<i>13.6%</i>
Net Profit	1	3	9	40	34
<i>Net Profit Growth (Y-o-Y)</i>	<i>(41.1%)</i>	<i>174.4%</i>	<i>222.2%</i>	<i>353.4%</i>	<i>(13.9%)</i>
Diluted EPS	1.3	3.4	10.9	41.3	31.6
<i>Diluted EPS Growth (Y-o-Y)</i>	<i>(62.2%)</i>	<i>164.8%</i>	<i>222.1%</i>	<i>278.1%</i>	<i>(23.6%)</i>

Key Ratios

EBITDA margin (%)	2.6%	7.0%	7.8%	10.4%	10.9%
NPM (%)	1.4%	1.7%	2.4%	6.0%	4.8%
RoE (%)	2.8%	7.2%	18.9%	25.0%	20.1%
RoCE (%)	2.9%	6.6%	14.0%	19.5%	14.5%

Valuation Ratios

P/E (x)	1037.2x	391.6x	121.6x	32.2x	42.1x
EV/EBITDA (x)	782.8x	132.4x	53.8x	22.8x	21.6x
Market Cap. / Sales (x)	19.9x	8.9x	3.9x	2.2x	2.0x

Source: Company, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001
BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591
BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392