



WAAREE[®]

One with the Sun



Issue Opens - October 21, 2024 to October 23, 2024

Price Band

₹1427 to ₹1503

Face Value
₹10

Issue Size
₹4,321 Cr

Lot Size
9 Shares

Issue Type
Book Built

Issue Size

28,752,095 shares / ₹4,321 Cr

Fresh Issue

23,952,095 shares / ₹3,600 Cr

Offer for Sale

4,800,000 shares / ₹721.44 Cr

Basis of Allotment

Thursday, October 24, 2024

Initiation of Refunds

Friday, October 25, 2024

Credit of Shares to Demat

Friday, October 25, 2024

Waaree Energy Listing Day

Monday, October 28, 2024

research@ganeshstock.com

Objects of The Offer



The Offer comprises of the Fresh Issue by the Company and the Offer for Sale by the Selling Shareholders. The objects of the Fresh issue are:

- To partly finance the cost of establishing the 6 GW of Ingot Wafer, Solar Cell and Solar PV Module manufacturing facility in Odisha, and
- For General corporate purposes.

Brief profile of the Directors

Hitesh C. Doshi - Managing Director and Chairman of Board- He holds a doctorate in professional entrepreneurship in business project management from the European Continental University. He has been associated with the Company since 1999 and is currently responsible for, inter alia, overseeing the Company's financial performance, investments and other business ventures, providing strategic advice to the Board, developing and executing the Company's business strategies and establishing policies and legal guidelines. He has over 22 years of experience in the engineering industry.

Viren C. Doshi - Whole-time Director - He has been associated with the Company since November 2007 and is currently responsible for overseeing the engineering, procurement and construction of the solar projects of the Company, its Subsidiaries and other companies within the group. He has over 15 years of experience in the engineering industry.

Hitesh P. Mehta - Whole-time Director - He holds a bachelor's degree in commerce from the University of Bombay and has been admitted to the Institute of Chartered Accountants of India as a member. He has been associated with the Company since 2011 as the director in Waaree Group. He is currently responsible for, inter alia, leading the Company's short and long-term strategy and setting strategic goals. He has over 23 years of experience in the field of engineering, solar and oil industries.

Sujit K. Varma - Independent Director - He holds a bachelor's degree in arts from the Ranchi University. He has been associated with the Company since 2021. He has been associated with the State Bank of India in various capacities since 1987. He has over 35 years of experience in the banking industry and has held board positions in several banks, such as State Bank of India as the deputy managing director, SBI, New York branch as the chief executive officer.



About The Company

WAAREE ENERGIES Ltd. is the largest manufacturer of solar PV modules in India with the largest aggregate installed capacity of 12 GW, as of June 30, 2024. For Fiscal 2024, we had the second best operating income among all the domestic solar PV module manufacturers in India. They commenced operations in 2007 focusing on solar PV module manufacturing with an aim to provide quality, cost-effective sustainable energy solutions across markets, and aid in reducing carbon foot-print paving the way for sustainable energy thereby improving quality of life.

Key Business Operations

The solar PV modules are currently manufactured using multicrystalline cell technology, monocrystalline cell technology and emerging technologies such as Tunnel Oxide Passivated Contact which helps reduce energy loss and enhances overall efficiency.

Company'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 includes bifacial modules (Mono PERC)(framed and unframed), and building integrated photo voltaic (BIPV) modules.

They operate five manufacturing facilities in India spread over an area of 143 acres. They operate one factory each located at Surat, Tumb, Nandigram, Chikhli in Gujarat, India and the IndoSolar Facility, in Noida, Uttar Pradesh. Over the years, they have significantly expanded their aggregate installed capacity from 4 GW in Fiscal 2022 to 12 GW, as of June 30, 2024

Their solar PV modules warranties are insured by external parties, which requires them to maintain high standards for insurance approval.

Solar Products



All in one solar street light WEPWS612

- 100W/200W - 10/20AH/10V
- Higher power output & longer life span
- Detachable Rechargeable battery packs
- All in one product design for easy
- Easy installation
- IP65 / Waterproof rating
- Small footprint



Solar mobile charger WEPWS305

- 100W/200W - 10/20AH/10V
- Higher power output & longer life span
- Detachable Rechargeable battery packs
- All in one product design for easy
- Easy installation
- IP65 / Waterproof rating
- Small footprint



Waaree Solar bag VX WEPBVX0001

- 100W/200W - 10/20AH/10V
- Higher power output & longer life span
- Detachable Rechargeable battery packs
- All in one product design for easy
- Easy installation
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Growth Drivers for the solar sector in India

Statement of Profit and Loss



WAAREE ENERGIES LIMITED

(All amounts are in Indian ₹ million except share data and its rates)

Particulars	Annexure VI Note No.	Period ended June 30, 2024	Period ended June 30, 2023	Year ended March 31, 2024	Year ended March 31, 2023
1) Income					
(a) Revenue from operations	33	34,089.01	33,282.92	1,13,876.29	87,808.73
(b) Other income	34	875.12	867.06	2,231.54	1,284.91
Total income		34,964.13	34,149.98	1,16,107.83	89,093.64
2) Expenses					
(a) Cost of materials consumed	35	17,942.73	21,554.47	60,954.83	58,973.26
(b) Purchases of stock-in-trade	36	2,064.72	711.89	9,633.27	2,606.86
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	5,102.80	582.95	(5,619.86)	(10,268.01)
(d) Other manufacturing and Engineering, Procurement and construction project expenses	38	692.40	619.55	2,540.47	1,832.58
(e) Employees benefit expense	39	653.28	522.00	1,771.53	1,237.88
(f) Sales, administration and other expenses	40	2,107.32	1,238.43	6,321.80	4,780.96
(g) Finance costs	41	336.89	433.67	1,399.38	823.73
(h) Depreciation and amortization expense	42	737.63	568.67	2,766.10	1,861.36
Total expenses		29,638.84	29,576.36	1,02,399.34	81,626.38
3) Restated profit before tax and exceptional items (1-2)		5,325.29	4,573.62	13,828.29	7,467.26
4) Add/(less) : Exceptional items	43	-	-	3,415.42	(201.50)
5) Restated profit before tax (3+4)		5,325.29	4,573.62	17,243.71	6,771.80
6) Tax expense	34				
(i) Current tax		1,314.83	1,231.00	3,284.73	1,877.07
(ii) Tax for earlier years		(122.28)	-	(0.01)	(1.62)
(iii) Deemed tax		43.28	(63.11)	(796.68)	84.28
Total tax expense		1,235.83	1,167.89	4,595.24	1,758.73
7) Restated profit for the period / year (5-6)		4,089.46	3,405.73	12,748.47	5,013.07
8) Restated Other comprehensive income Items that will be reclassified to statement of profit or loss					
(i) Foreign currency translation reserve (FCTR)		(0.26)	(0.01)	(0.22)	0.20
(ii) Income tax effect on (i) above		-	0.00	-	(0.05)
Items that will not be reclassified to statement of profit or loss					
(i) Remeasurement gain / (loss) on net defined benefit liability / asset		1.27	(8.56)	(7.91)	(11.13)
(ii) Income tax effect on (i) above		(0.32)	2.43	1.97	3.52
Restated total other comprehensive income		0.89	(7.14)	(5.96)	(8.54)
9) Restated total comprehensive income for the period / year (after tax) (7+8)		4,090.35	3,398.59	12,742.51	4,994.53
10) Restated net profit for the year attributable to					
(a) Owners of the parent company		3,541.40	3,360.27	12,371.76	4,827.60
(b) Non-controlling interest		548.95	38.32	370.75	166.93
		4,090.35	3,398.59	12,742.51	5,037.53
Residual Earnings per equity share of ₹ 10/- each : (EPS) for the three months ended June 30, 2023 and June 30, 2024 are not calculated.	44	14.88	10.74	48.09	21.82
(a) Basic		14.88	10.74	47.98	21.87
(b) Diluted					

Strengths



- **Largest solar PV module manufacturer in India** - Company is well positioned to capture industry tailwinds and growth prospects for solar energy in India and globally.
- **Diversified Customer base** - Company's leadership position enables us to offer competitive pricing for their products, which in turn facilitates access to a large and diversified customer base and revenue generation from such customers.
- **Advanced manufacturing facilities** - Their manufacturing facilities include NABL accredited laboratory, and automated production lines and have global accreditations.
- **Extensive pan-India retail network** - They have a pan-India retail network consisting of franchisees .As of March 31, 2024, retail network consisted of 369 franchisees across India,

Threats

- **Solar PV module prices** - Decline in the price of solar PV module prices may have an adverse impact on their business. Module prices underwent a significant decline, and are down by 43% YoY in March 2024,
- **Raw material Cost** - They import a portion of the raw material supply from China. Restrictions on or import duties may adversely affect their business prospects, financial performance and cash flows.
- **Order Book** - The outstanding orders in their order book may be delayed, modified or cancelled which may have an adverse impact on their business, results of operations and cash flows.
- **Manufacturing facility Concentration Risk** - Waaree Energies 4 out of 5 manufacturing facilities are located in Gujarat, India which exposes their operations to potential risks arising from local and regional factors which may restrict their operations and adversely affect their business,

Valuation and Outlook



Waaree Energies Ltd IPO is expected to be priced between ₹1427 to ₹1503 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 31.4x versus the Industry P/E of 150x.

Name of the Company	Total income (₹ in million)	Face value per equity share (₹)	Closing price as on October 4, 2024	P/E**	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Company*	116,327.63	10	NA	NA	48.05	47.86	30.36	124.96
Listed Peer								
Webkul Energy System Limited*	268.10	10	1,015.50	NA	(29.99)	(29.99)	NA	NA
Premier Energies	31,713.11	10	1,047.40	151.13	6.93	5.48	37.46	14.63

Waaree is the largest solar power manufacturer in India, with a strong reputation as a preferred partner in the solar energy segment. They've achieved impressive milestones, including introducing the first 730-watt module in India.

Waaree Energies Ltd.'s revenue grew by 99% annually to INR 11,633 crores during FY22 and FY 24 and Profits grew by more than 300% annually to INR 1,274 crores during the same period. Waaree Energies' robust financial and strategic market positioning place the company as a powerful player in the renewable energy sector.

Based on valuations the company seems to be fairly priced hence we rate Waaree energies IPO with **"Apply"** rating both for Listing gains and for Long term investment.

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