PAISA PAATAM

EQUITY RESEARCH REPORT

EMMVEE PHOTOVOLTAIC POWER LIMITED

NSE: EMMVEE | Renewable Energy / Solar Photovoltaic Manufacturing

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1. Executive Summary

Emmvee Photovoltaic Power Limited operates in India's solar photovoltaic manufacturing industry. The company is positioned to participate in the expansion of solar energy and domestic manufacturing. Its future performance will depend on demand growth, manufacturing execution, pricing, cost control, capacity utilisation, capital expenditure and the ability to generate cash flow.

The company's reported financial performance for the quarter ended September 2026 showed year-on-year growth in revenue, operating profit and net profit. Financial figures and the related calculations in this report should be read together with the company's official exchange filings. Strong reported growth alone does not establish that the shares are undervalued or that future performance will match historical results.

Key factors considered

- Revenue and earnings growth and their sustainability.
- Capacity expansion, commissioning timelines and capital requirements.
- Operating margins and sensitivity to solar module and cell pricing.
- Balance-sheet strength, working capital and cash-flow conversion.
- Competitive positioning and valuation relative to comparable companies.
- Company-specific, industry and market risks.

2. Company Overview

Emmvee Photovoltaic Power Limited is an Indian solar manufacturing company associated with the photovoltaic value chain, including solar modules and solar cells. The company's competitive position depends on manufacturing scale, product quality, technology, customer relationships, cost efficiency and the timely execution of its expansion plans.

Investors should refer to the company's latest annual report, investor presentations and stock-exchange disclosures for details on its product mix, operating capacity, manufacturing facilities, customer base and announced projects.

Business factors

- Demand from utility-scale and commercial solar projects.
- Installed manufacturing capacity and actual capacity utilisation.
- Technology adoption and product competitiveness.
- Raw-material sourcing, cost control and supply-chain resilience.
- Customer concentration, order execution and revenue recognition.

3. Industry Overview

India's solar industry is influenced by renewable-energy additions, electricity demand, project economics, government policy, domestic manufacturing requirements and global supply-demand conditions.

Potential growth drivers

- Increasing adoption of renewable energy and solar power generation.
- Domestic manufacturing incentives and procurement requirements, where applicable.
- Demand for photovoltaic modules and cells.
- Manufacturing scale, technology improvements and potential backward integration.

Industry risks

- Global oversupply and pressure on selling prices.
- Competition from domestic and international manufacturers.
- Changes in import duties, incentives and procurement policies.
- Technology changes and raw-material cost volatility.
- Delays in solar projects or changes in customer procurement.

Industry growth does not automatically translate into sustainable profitability for every manufacturer. Company-specific execution, costs and valuation remain important.

4. Financial Performance

The following figures represent preliminary reported consolidated quarterly data for the quarter ended 30 September 2026. The results are unaudited. Figures and calculations should be verified against the official company results and exchange filing before publication.

Particulars	Q2 FY27	Q2 FY26	YoY Change
Revenue (₹ crore)	1,578.89	1,149.39	+37.4%
Operating profit (₹ crore)	556.88	399.39	+39.4%
Net profit (₹ crore)	382.05	237.86	+60.6%
Adjusted EPS (₹)	5.52	3.44	+60.5%

Source: Consolidated quarterly financial results for the period ended 30 September 2026; verify against the official filing.

Interpretation

- Revenue increased by approximately 37.4% year-on-year, indicating higher reported business activity.
- Operating profit growth slightly exceeded revenue growth; assess product mix, manufacturing efficiency and operating costs.
- Net profit grew faster than revenue; distinguish operating performance from finance costs, tax and other income.
- Compare sequential performance with the previous quarter and assess any seasonal effects.

- Historical growth should not be assumed to continue at the same rate without supporting evidence.

5. Profitability and Margins

Metric	Q2 FY27	Q2 FY26
Operating profit margin	Approx. 35.3%	Approx. 34.7%
Net profit margin	Approx. 24.2%	Approx. 20.7%

Margins are calculated using the preliminary figures above. Confirm the definition of operating profit and the underlying accounting line items before relying on these calculations.

- Review raw-material costs, selling prices, product mix and manufacturing efficiency.
- Separate operating performance from interest expense, taxation and other income.
- Assess whether reported earnings convert into operating cash flow.
- Test margin sustainability under lower selling prices or reduced capacity utilisation.

6. Capacity Expansion and Growth Outlook

Capacity expansion may provide an opportunity to increase production and revenue, but it also requires capital, effective project execution and sufficient customer demand. The latest approved capacity, operational capacity, project costs, commissioning schedule, funding arrangements and expected ramp-up should be assessed from official disclosures.

- Distinguish operational capacity from announced or planned capacity.
- Evaluate capital expenditure and the balance between internal funding, debt and equity.
- Assess the capacity-utilisation level needed to earn acceptable returns.
- Consider whether customer demand can absorb additional output.
- Review risks of delays, cost overruns, debt increases or equity dilution.

7. Order Book and Revenue Visibility

An order book can indicate potential future business activity, but it is not equivalent to guaranteed revenue or profit. Order-book quality should be assessed alongside execution schedules, customer concentration, cancellation provisions where disclosed, revenue-recognition terms and expected margins.

8. Balance Sheet and Cash Flow

The income statement should be reviewed alongside the consolidated balance sheet and cash-flow statement. Key measures include borrowings, cash, net debt, debt-to-equity, interest coverage, operating cash flow, capital expenditure, free cash flow, receivables, inventory, working-capital cycle, ROE and ROCE.

- Assess whether operating cash flow is consistent with reported earnings.
- Check whether receivables and inventory are growing faster than revenue.
- Evaluate the company's ability to service debt under weaker operating conditions.
- Consider whether new investment is likely to generate returns above the cost of capital.

9. Competitive Position and Peer Comparison

Relevant listed solar manufacturers, including Premier Energies and other companies with comparable business mixes, may be used for peer analysis. Comparisons should use consistent reporting periods, accounting definitions and valuation dates.

Parameter	Emmvee	Premier Energies	Daimond Power
Revenue growth	116.18%	20.02%	74.35%
Operating margin	34.7%	30.00%	9.96%
Net profit margin	%	18.7%	7.58%
ROCE	44.60%	32.7%	10.40%
Debt-to-equity	0.25	0.86	-
P/E and EV/EBITDA	13.4 & 9.34	24.80 &15.50	117 & 97.30

A lower valuation multiple does not necessarily indicate undervaluation. Growth prospects, earnings quality, leverage, capital intensity and business risks should also be considered.

10. Valuation Framework

Valuation should be assessed using a consistent market-price date and verified financial data. Common methods include price-to-earnings (P/E), enterprise value to EBITDA (EV/EBITDA), discounted cash flow (DCF) and relative valuation against suitable peers.

Valuation considerations

- Use clearly defined trailing or forward earnings when calculating P/E.
- Calculate enterprise value using consistent debt and cash figures.
- For DCF, assess revenue growth, margins, capital expenditure, working capital, discount rate and terminal value.
- Test bull, base and bear scenarios for changes in demand, margins, capacity utilisation and execution.
- Consider whether market expectations already reflect the company's growth prospects.

No price target or investment rating is expressed in this report. Any such conclusion should be supported by a documented valuation model, stated assumptions and a review of material risks.

Scenario	Assumptions to test
Bull case	Strong demand, successful expansion and sustainable margins.
Base case	Moderate growth, planned capacity ramp-up and normalized margins.
Bear case	Expansion delays, pricing pressure, lower utilization or weaker cash flow.

11. Investment View and Recommendation — Analyst to Complete

- Final rating: Buy
- Investment horizon: 6 months-12months
- Reference price: ₹278 & Date:16-10-2026
- Target price: ₹ 315(14%)
- Index:Small Cap
- Benchmark: Electrical Equipment

Summarise the earnings outlook, margin sustainability, expansion execution, balance-sheet strength, cash-flow quality, valuation and principal downside risks. Identify the assumptions that would invalidate the investment thesis.

12. Principal Risks

Business and industry risks

- Competition and solar module or cell price pressure.
- Technology changes and product obsolescence.
- Raw-material availability and cost volatility.
- Customer or supplier concentration.
- Changes in government policy, import regulations or procurement requirements.

Financial and execution risks

- High capital expenditure and working-capital requirements.
- Borrowing costs and refinancing needs.
- Weak cash conversion despite reported earnings.
- Capacity commissioning delays, cost overruns or lower utilisation.
- Potential equity dilution and valuation contraction.

13. Analyst Disclosures

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