



Sector Update

Negligible CVD impact on Indian manufacturers

On 24th Feb'26, the US Department of Commerce announced preliminary countervailing duties on crystalline silicon photovoltaic cells imported from India, Indonesia and Laos. CVD has been increased to 126% on solar cells manufactured in India; earlier, this was reduced to 18%, from 50%, under the US-India trade deal. Final determination of CVD investigations is scheduled to be issued on 6th Jul'26.

Though the US solar market remains volatile amid ongoing tariff wars and global uncertainty, the CVD does not appear to have a material impact on Indian module manufacturers.

Waaree: Cell sourcing in line with FEOC guidelines, no CVD impact likely

- Waaree sources cells primarily from the countries with ~10% duty, avoiding Southeast Asia, where tariffs are higher. The company has also diversified cell procurement and stopped sourcing from China since 2019.
- Even after the CVD announcement, Waaree does not expect any adverse impact on servicing its US clients.
- Waaree's US manufacturing capacity stands at 2.6GW and is projected to increase to 4.2GW by mid-CY26, driven by 1.6GW under construction in Texas and the acquisition of a 1GW HJT facility in Arizona. This expanded capacity is expected to adequately support the existing US order book, along with the growing US manufacturing footprint and diversified supply chain.
- The Foreign Entities of Concern (FEOC) guidelines restrict the use of solar panels in the US if any component, even at the polysilicon level, is supplied by a company where the Chinese holding is beyond 30%.
- Waaree's Oman plant has commenced pilot production of polysilicon, with commercial production expected to begin in the next 2-3 months.
- Module prices in the US rose to USD0.35-0.37/Wp by mid-2024 from USD0.30-0.35/Wp at the start of CY24. However, subsequently, technology improvements and reduction of metal component, especially silver, in the products helped lower the cost to USD0.23-0.24/Wp on FOB basis and USD0.27-0.28/Wp on delivery basis on the US shores.
- As per the management, the US has historically consumed ~50GW of modules annually and currently consumes 70-80GW annually, which can increase to 180-200GW in the next 2-3 years.
- Waaree's order book stood at Rs600bn as of Dec'25, of which 50-60% is exports; timeline for execution is 3-4 years. Thus, exports are expected to contribute to 30-35% of total revenue annually.
- As of 9MFY26, retail contributed to 20-25%; exports, 30-35%; and EPC/O&M, 70% of revenue; these are high-margin segments.

February 26, 2026

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Premier Energies	BUY	729	892
Waaree Energies	BUY	2,709	3,600
Vikram Solar	BUY	175	326

Source: PL

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Vikram: Focus shifts to Europe & APAC, no impact from US duty

- The company has no export exposure that is subject to 126% duty. Further, it has strategically shifted its focus from the US, toward domestic markets and regions such as Europe and APAC.

Premier: Fully domestic order book insulates from US duty impact

- Premier has no export exposure with its entire 9.4GW order book (as of Dec'25) being domestic. Thus, it remains unaffected by the CVD.

PL view

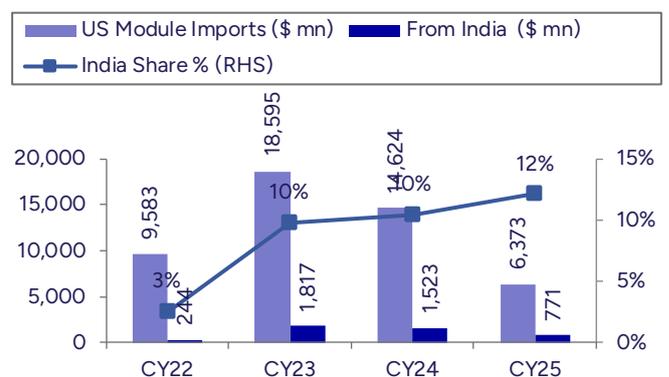
We see no impact of CVD on our coverage stocks. Waaree continues to maintain stable US servicing with diversified sourcing and FEOC-compliant supply chains. Vikram has no exposure to exports that can attract 126% CVD and is shifting focus toward domestic, Europe and APAC markets, while Premier's entire 9.4GW order book (as of Dec'25) remains fully domestic, insulating it from any US duty-related risks. There is no change in our estimates or ratings.

Exhibit 2: Exports from India to US decline by 49% in CY25

Country	Exporter	CVD Rate%
India	Mundra Solar Energy Ltd	125.9
India	Mundra Solar PV Ltd	125.9
India	All others	125.9
Indonesia	PT Blue Sky Solar Indonesia	143.3
Indonesia	PT REC Solar Energy Indonesia	86.0
Indonesia	All others	104.4
Laos	Solarspace Technology Sole Co Ltd	80.7
Laos	Vietnam Sunergy Joint Stock Company	80.7
Laos	All others	80.7

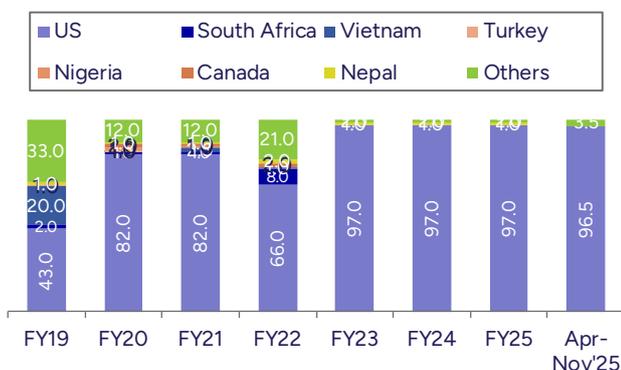
Source: US Department of Commerce

Exhibit 3: Exports from India to US decline by 43% in FY25



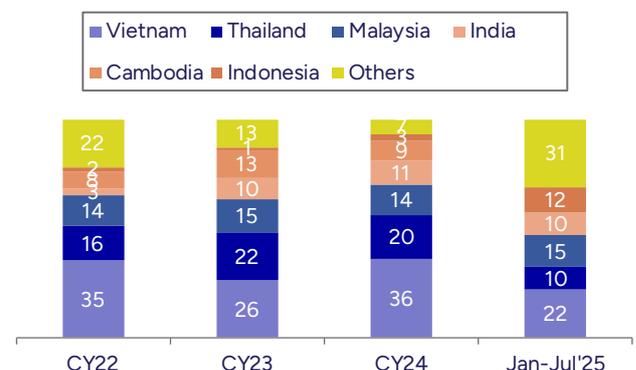
Source: US Department of Commerce

Exhibit 4: US - Main destination for India's module exports (%)



Source: India Department of Commerce

Exhibit 5: Share in solar component exports to US



Source: Emmvee RHP

Exhibit 6: Valuation Summary

Company Names	S/C Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Premier Energies	C BUY	729	892	330.4	65.2	78.7	137.3	170.7	17.8	23.7	36.4	42.6	9.4	14.6	20.0	22.0	20.8	32.3	44.2	48.5	54.0	41.2	38.2	30.1	35.1	22.6	16.5	15.0
Waaree Energies	C BUY	2,709	3,600	778.1	144.4	258.0	329.0	381.8	27.2	61.0	73.1	84.8	18.7	41.8	44.5	48.7	65.1	145.4	154.8	169.6	27.6	36.2	28.2	24.0	41.6	18.6	17.5	16.0
Vikram Solar	C BUY	175	326	63.4	34.2	46.5	89.3	134.2	4.9	9.1	16.3	25.4	1.4	4.9	5.5	6.9	4.4	13.4	15.3	19.0	16.6	21.8	15.8	16.7	39.7	13.0	11.5	9.2

Source: Company, PL

S=Standalone / C=Consolidated

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,617	7,048
2	Astral Ltd.	BUY	1,794	1,504
3	Avalon Technologies	BUY	1,175	1,021
4	Bajaj Electricals	Accumulate	449	409
5	Cello World	BUY	621	508
6	Century Plyboard (I)	Accumulate	843	798
7	Cera Sanitaryware	BUY	6,800	5,054
8	Crompton Greaves Consumer Electricals	BUY	346	245
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	199	175
11	Greenpanel Industries	BUY	369	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	BUY	1,056	902
14	Kaynes Technology India	BUY	5,502	3,700
15	KEI Industries	BUY	5,573	3,853
16	LG Electronics India	BUY	1,808	1,469
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1,844	1,356
20	Supreme Industries	BUY	4,566	3,349
21	Syrma SGS Technology	BUY	929	755
22	Vikram Solar	BUY	326	215
23	Voltas	Hold	1,442	1,349
24	Waaree Energies	BUY	3,600	2,599

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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