PL Capital PRABHUDAS LILLADHER

Renewable Equipments

Sector Update

July 20, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Premier Energies	Accumulate	1,086	1,138
Vikram Solar	Accumulate	192	226
Waaree Energies	BUY	2,841	3,713

MNRE extends ALMM List-II exemption till Dec'26

Quick Pointers

- C&I & rooftop projects receive temporary exemption until 31st Dec'26
- Utility-scale projects remain under mandatory ALMM List-II compliance

The Ministry of New and Renewable Energy (MNRE) has clarified that no blanket extension in the applicability of ALMM List-II (solar PV cells) will be provided. Accordingly, all utility-scale solar power projects commissioned on or after 1st Jun'26 must continue to comply with the ALMM requirements by using ALMM List-I modules and ALMM List-II solar PV cells. However, as a one-time relief measure, MNRE has provided a limited extension for net metering projects (rooftop/self-consumption projects connected under discom net metering) and open access renewable energy projects (C&I captive, group captive and open access projects). These projects will be permitted to be commissioned using non-ALMM List-II solar PV cells until 31st Dec'26.

Earlier, this exemption was available only up to 31st May'26; the latest notification extends the relaxation by 7 months. All net metering and open access projects commissioned from 1st Jan'27 will also be required to comply with ALMM List-II requirements for solar PV cells.

PL View

The deferment of mandatory ALMM List-II implementation primarily benefits C&I and PMSG segments, which accounted for ~30% and 19%, respectively, of India's 44.7GW solar installations in FY26. We believe the relaxation is intended to: (a) support the achievement of the PMSG target of 10mn households by Mar'27, against 3.4mn installations completed by the end of FY26; (b) sustain the strong growth momentum in the open access/C&I segment, supported by favorable state policies and increasing demand for green power; and (c) moderate the pricing power of domestic solar PV cell manufacturers by allowing continued use of imported cells in these segments, while retaining mandatory use of ALMM List-II PV cells for utility-scale ground-mounted projects supplying power to discoms/SECI.

Overall, we believe the exemption addresses near-term execution challenges arising from limited domestic solar PV cell capacity (~31GW as of end-Apr'26). At the same time, the utility-scale segment, which remains the largest consumer of solar PV cells, continues to be protected under the ALMM framework, thereby supporting medium-term capacity utilization and earnings visibility for domestic solar PV cell manufacturers. However, the relaxation is a near-term negative for companies with significant external solar PV cell sales, such as Emmvee Photovoltaic, Premier Energies, Websol Energy System, and Jupiter Solar, as continued availability of imported cells is likely to moderate domestic cell pricing.

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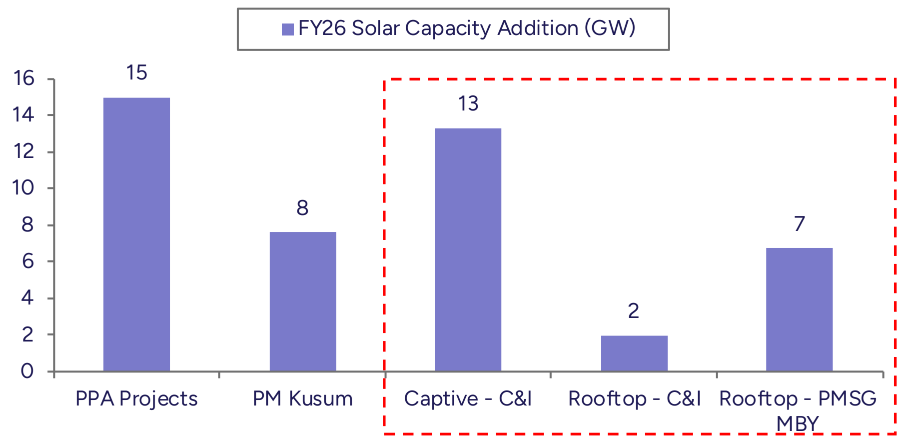
For PREMIERE, we estimate revenue/EBITDA/PAT CAGR of 46.4%/35.8%/23.0% over FY26-28E, with 'Accumulate' rating and TP of INR1,138 based on 12x Mar'28E EV/EBITDA. For WAAREEEN, we estimate revenue/EBITDA/PAT CAGR of 21.9%/21.7%/17.3% over FY26-28E, with 'BUY' rating and TP of INR3,713 valuing at 12x Mar'28E EV/ EBITDA. For VIKRAMSO, we estimate revenue/EBITDA/PAT CAGR of 62.5% / 58.5% / 20.8% with over FY26-28E with 'Accumulate' rating and TP of INR 226 based on 5.3x Mar'28E EV/EBITDA.

Exhibit 1: Exhibit 1: ALMM List-II exemption – Summary

Project type	Typical size	Power usage	ALMM List-II till Dec'26
Rooftop (net metering) under PMSG	1kW–5MW	Self-consumption	Exempt till 31st Dec'26
Commercial & industrial rooftop/net-metering projects (open access solar)	1MW–100MW+	Supplies power to captive/group captive/C&I consumers	Exempt till 31st Dec'26
Utility-scale solar (SECI/state bids/IPPs)	50MW–1GW+	Entire power sold to discoms/SECI	No exemption; ALMM List-II mandatory

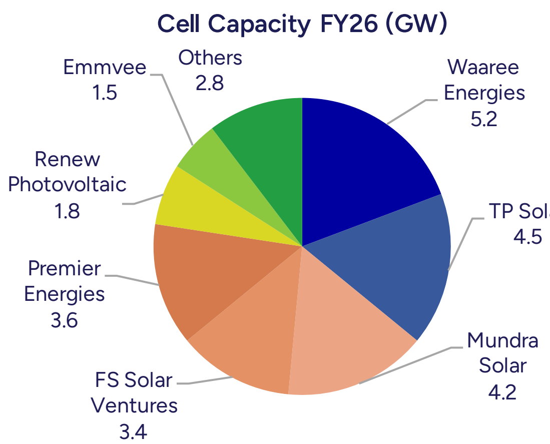
Source: Company, PL

Exhibit 2: Exempted segments account for ~22GW in FY26



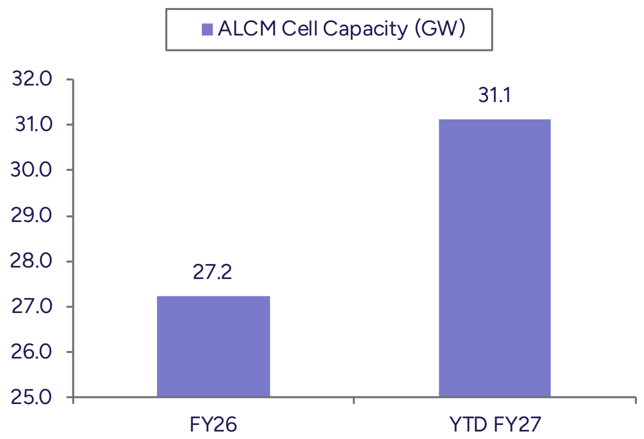
Source: Company, PL

Exhibit 3: Domestic cell capacity as of Mar'26



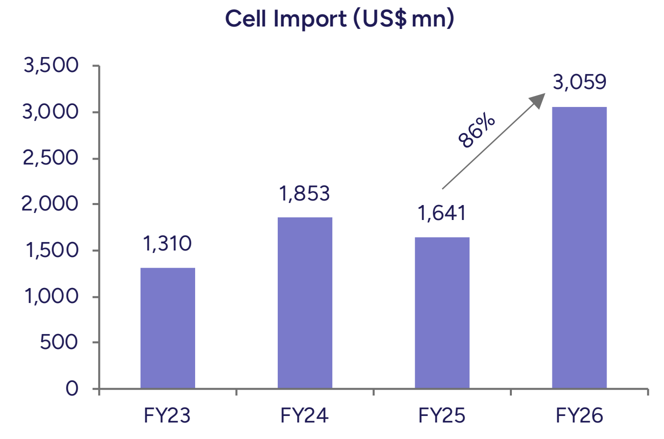
Source: Company, PL

Exhibit 4: ALCM cell capacity reaches 31.1GW as of Jul'26



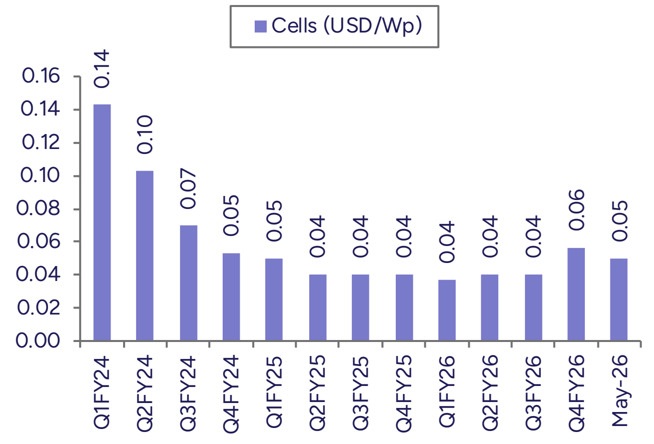
Source: Company, PL

Exhibit 5: Cell imports surge by 86% in FY26



Source: Company, PL

Exhibit 6: Cell pricing stabilizes after sharp correction



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	9375	7485
2	Astral	BUY	1779	1363
3	Avalon Technologies	REDUCE	1374	1788
4	Bajaj Electricals	Accumulate	382	329
5	Cello World	BUY	503	367
6	Century Plyboard (I)	Accumulate	862	749
7	Cera Sanitaryware	BUY	7430	6476
8	Crompton Greaves Consumer Electricals	BUY	319	271
9	Cyient DLM	Hold	532	509
10	Finolex Industries	Accumulate	207	176
11	Greenpanel Industries	BUY	325	190
12	Havells India	Accumulate	1319	1187
13	Kajaria Ceramics	Accumulate	1338	1204
14	Kaynes Technology India	Accumulate	3506	3334
15	KEI Industries	Accumulate	5650	5271
16	LG Electronics India	Accumulate	1690	1548
17	Polycab India	BUY	10764	9215
18	Premier Energies	Accumulate	1138	1025
19	R R Kabel	Hold	1964	2343
20	Supreme Industries	BUY	4454	3276
21	Syrma SGS Technology	Hold	1383	1376
22	Vikram Solar	Accumulate	226	183
23	Voltas	Hold	1308	1280
24	Waaree Energies	BUY	3712	2841

PL's Recommendation Nomenclature (Absolute Performance)

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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