

Ref. No: PEL 28/2025-26**Date: June 23, 2025**

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001
Scrip Code: 544238

To
The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla
Complex, Bandra (East), Mumbai – 400 051
Trading Symbol: PREMIERENE

Subject: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir / Madam,

Pursuant to Regulation 30 and other respective regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to bring to your notice the credit ratings assigned to bank facilities of our company and its subsidiaries as issued by CRISIL Ratings Limited.

Please find below the details of the credit rating issued by CRISIL Ratings Limited vide its press release dated 23rd June, 2025

Credit Rating Agency	Facilities	Amount (Rs. in crores)	Revised rating/Rating Action
CRISIL Ratings Limited	Long Term Bank Facilities	Rupees 10 Crores	Crisil A/Positive (Upgraded from Crisil A-/ Positive)
CRISIL Ratings Limited	Short Term Bank Facilities	Rupees 40 Crores	Crisil A1 (Upgraded from Crisil A2+)

This is for your information and records please.

Thanking you,
For Premier Energies Limited

Ravella Sreenivasa Rao
Company Secretary & Compliance officer

Rating Rationale

June 23, 2025 | Mumbai

Premier Energies Limited

Ratings upgraded to 'Crisil A/Positive/Crisil A1'

Rating Action

Total Bank Loan Facilities Rated	Rs.50 Crore
Long Term Rating	Crisil A/Positive (Upgraded from 'Crisil A-/Positive')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank loan facilities of Premier Energies Ltd (PEL; part of the Premier Energies group) to '**Crisil A/Positive/Crisil A1**' from 'Crisil A-/Positive/Crisil A2+'. The Premier Energies group includes PEL and its subsidiaries.

The upgrade factors in significant improvement in the group's credit risk profile supported by increasing scale of operations, along with higher cell integration, leading to better-than-expected operating cash accrual, while maintaining a strong financial risk profile and liquidity.

Capacity utilisation has ramped up significantly since fiscal 2024, with effective average utilisation of ~ 88% for cells and ~74% for modules in fiscal 2025 (81% and 60%, respectively, in fiscal 2024; and 41% and 43%, respectively, in fiscal 2023). The improvement has been on account of stabilisation of cell capacities and improved operational efficiency, while demand for domestic cells and modules remains strong amid increasing solar capacity in the country, with policy push for domestically manufactured components. In fiscal 2025, consolidated operating income was ~Rs 6,518 crore and earnings before interest, tax, depreciation and amortisation (Ebitda) was Rs 1,780 crore (27.3% Ebitda margin), as against Rs 3,159 crore and Rs 493 crore (15.6% Ebitda margin), respectively, in fiscal 2024. Also, strong consolidated order book of Rs 8,445 crore as on March 31, 2025, provides healthy revenue visibility for fiscal 2026.

Crisil Ratings has taken note of the commissioning of the ~1.4 GW TopCon module line in May 2025. The group has capital expenditure (capex) plans of ~Rs 4,500 crore, wherein it will add 1.2 GW of TopCon cell capacity in Premier Energies Photovoltaic Pvt Ltd (PEPPL; a subsidiary of PEL, rated 'Crisil A/Positive/ Crisil A1') and a 4-GW module line and a 4-GW TopCon cell line in Premier Energies Global Environment Pvt (PEGEPL; a subsidiary of PEL, rated 'Crisil A/Positive/Crisil A1') over the next two fiscals, for which land and enabling infrastructure are in place. Furthermore, the group is planning to improve operational integration by setting up a 2-GW wafer capacity in current fiscal.

The ratings also factor in the group's strong financial risk profile, which is likely to remain healthy over the medium term despite the sizeable capex, supported by increasing operating cash accrual, healthy networth and reduced leverage. As of March 2025, the group's net leverage* (ratio of net debt to Ebitda) and interest coverage ratio stood at negative 0.2 time and ~10 times, respectively, compared with 2.0 times and 4.2 times, respectively, in the previous fiscal.

The positive outlook reflects the expected continued increase in operating cash flow backed by increasing module and cell capacities while maintaining high utilisation and healthy operating margin of 23-25%. This, along with free cash balance of Rs 2,200 crore, should support the capex amid limited reliance on external debt and sustenance of strong financial risk profile over the medium term.

The ratings reflect the group's established market position in the domestic solar module manufacturing industry owing to highly integrated facilities, extensive experience of the promoter and robust demand supported by government thrust on capacity addition and favourable policies in the form of Approved List of Models and Manufacturers (ALMM), basic customs duty (BCD) and a proposed approved list of cell manufacturers (ALCM), similar to ALMM, which is likely to boost demand for domestic cells. However, susceptibility to intense competition, regulatory changes, volatility in raw material prices and timely

stabilisation of new capacities will remain monitorable over the medium term.

**Net debt excludes margin money deposit; EBIDTA excludes Other income*

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of PEL and its subsidiaries and associates.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position and longstanding experience of the promoter in the solar industry:** The promoter's experience of over 25 years in the solar industry and strong relationships with stakeholders will continue to support the business. The group has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India and a sizeable share in the total domestic capacity, with installed capacity of ~2 GW for cells and 5.5 GW for modules.

While the group had a module manufacturing line of 3 MW in 1995, its projects ranged from installing solar lanterns to village electrification and export of solar modules. It entered the solar EPC (engineering, procurement and construction) segment in 2011 but is now focused on module and cell manufacturing.

- **Healthy domestic demand outlook for the solar industry:** Amid growing emphasis for solar power in India, the group is well-positioned to absorb the demand arising from the long-term plans of the government to increase generation from renewable sources. Introduction of protectionist measures by the government, such as BCD of 40% and 25% on imported solar modules and solar cells, respectively, from April 2022; and implementation of ALMM from April 1, 2024, increasing the share of projects with domestic content requirement (DCR), along with incentivising domestic players under the production-linked incentive (PLI) scheme, increase the cost competitiveness of domestic modules vis-à-vis imported modules. Government-approved schemes such as Kisan Urja Suraksha Utthan Mahabhiyan, Central Public Sector Undertaking and rooftop scheme are also elevating demand. Furthermore, as per the Ministry of New and Renewable Energy (MNRE) order dated December 9, 2024, the approved list of models and manufacturers for solar PV cells (ALCM) is to be implemented from June 1, 2026. All modules approved under ALMM are required to use cells from ALCM. Furthermore, all projects where ALMM is applicable also need to use cells from the ALCM list. This will support demand for domestic cells and healthy utilisation over the medium term.
- **Strong order book providing healthy revenue visibility:** The group has orders of ~3.8 GW for modules and ~1.4 GW for cells (from reputed customers, such as NTPC Ltd, IRCON International Ltd and Shakti Pumps) worth ~Rs 8,445 crore to be executed over the next 12-15 months. This has translated into an order book to sales ratio of 1.4 times (vis-à-vis fiscal 2025 operating income). The orders are expected to be executed over the next 12-15 months, thereby providing revenue visibility and indicating an increase in scale of operations.
- **Increased scale of operations along with robust operating margin to support capex:** At the group level, capacity increased to ~2 GW for cells and ~4.1 GW for modules in March 2025 (5.5 GW installed module capacity currently). Driven by higher capacities and better utilisation, revenue increased to Rs 6,518 crore in fiscal 2025 from Rs 3,159 crore in fiscal 2024. The group is expected to expand its cell and module facilities to more than 7 GW and 9 GW, respectively, by fiscal 2027. Furthermore, it plans to back integrate by adding ~5 GW of wafer and ingot facilities over the medium term. Ancillary capex also includes 3,6000 MTPA aluminium frames, battery and inverter space.

The operating margin improved to ~15.6% in fiscal 2024 and 27.3% in fiscal 2025 from ~6.4% in fiscal 2023. Stabilisation of operational capacities and improved supply chain dynamics supported operating performance with higher capacity utilisation. While healthy demand is expected to keep the operating margin rangebound at 20-25% in the near term, the margin will remain monitorable.

Though the group has tied up long-term loans for the ongoing capex, healthy operating cash accrual as well as existing cash balance of ~Rs 2,200 crore will support the sizeable capex and limit reliance on external debt. While the planned capex will enable increase in scale of operations with higher cell level integration, timely completion and ramp up of the capacity without any cost overrun will be monitorables.

- **Improved financial risk profile aided by fund raise through initial public offering (IPO):** The financial risk profile strengthened in fiscal 2025 with net leverage and interest coverage ratios improving to negative 0.2 times and 10.03 times, respectively, from 5.4 times and 1.6 times, respectively, in fiscal 2023. The financial risk profile is likely to sustain in the near-to-medium term despite additional debt on account of capex, supported by healthy operational performance and successful IPO funding. At the group level, gearing improve to 1.4 times as on March 31, 2025, from 4.4 times as on March 31, 2024. Net leverage is expected below 2.0 times while the interest coverage ratio is expected to remain healthy at more than 4.0 times. Increase in volumes with healthy profitability and timely increase in integrated capacities will remain key rating sensitivity factors.

Weaknesses:

- **Susceptibility to intense competition, regulatory changes and volatility in raw material prices:** The group is exposed to increasing competition from domestic as well as imported modules on account of large capacity additions planned in the domestic market to meet increasing demand. Furthermore, Indian manufacturers face competition from Chinese imports, which have witnessed significant reduction in module and cell prices due to supply glut in China amid restrictions imposed by the US on Chinese imports. However, increasing integration of operations with new cell capacities and implementation of BCD and ALMM will enable the group to be cost competitive. However, the risk of reduction in the prices of imports will remain monitorable.

Though the group has price-variation clauses for most raw materials and undertakes order-backed procurement to mitigate this risk, any sharp rise in input cost may impact domestic demand. Currently, the group has the second-largest cell manufacturing capacity in India, which helps operating margin and enables it to cater to DCR module tenders. Capacity additions by other domestic players and increase in competition will be monitorables over the medium term.

- **Exposure to stabilisation and project execution risks:** The group is undertaking sizeable capacity expansion with addition of 1.2 GW of TopCon cell line in PEPPL and 1.4 GW of TopCon module line, 4 GW module line and 4 GW TopCon cell line in PEGEPL. Furthermore, 2 GW of wafer capacity is expected to come up. This will enable the group to become a highly-integrated player, leading to economies of scale.

This poses stabilisation-related risks. Resultantly, timely completion of the capex and commensurate ramp up will remain key monitorables. Stabilisation of these capacities needs to be tracked as there was a delay in the past albeit due to other reasons. The company has learned from its past experience of stabilising plants and has taken the necessary steps to avoid occurrence of the same concerns for the PEIPL line. Crisil Ratings draws comfort from the group's track record of executing projects in both the modules and cells segments will continue to support the business risk profile

Liquidity: Adequate

Consolidated annual net cash accrual was ~Rs 1,400 crore in fiscal 2025, and is expected to be Rs 1,300-1,500 crore in fiscals 2026 and 2027 against debt and interest obligation of ~Rs 300 crore. The group had unutilised fund-based limit of more than Rs 100 crore and non-fund based limits of more than Rs 300 crore as of March 2025. This, along with undrawn term debt, will sufficiently cover capex and working capital requirement.

Outlook: Positive

With increasing capacities, the Premier Energies group is expected to sustain the growth momentum in operating performance amid healthy demand and favourable government policies. This will likely result in increase in scale of operations and support the financial risk profile and liquidity.

Rating sensitivity factors

Upward factors:

- Increasing scale of operations with sustenance of healthy utilisation and increasing sales volumes, and operating margin of 23-25% at the group level, resulting in higher cash accrual
- Improvement in the debt coverage indicators backed by increased accrual or lower-than-expected debt for the planned capex, leading to sustenance of healthy capital structure

Downward factors:

- Slower-than-expected ramp-up in capacities or lower realisations resulting in consolidated operating margin of 18-20%, thereby leading to lower cash accrual
- Delays in project execution resulting in time and cost overruns, leading to large, debt-funded capex and weakening of the capital structure
- Stretched working capital cycle leading to higher reliance on borrowing and moderation in liquidity

About the Group

Incorporated in 1995 by Mr Surender Pal Singh, PEL has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India. It has a 300 MW operating module line at its plant in Annaram, Telangana. PEPPL, a 100% subsidiary of PEL, has a 1,400 MW module and 750 MW cell line in Raviryal, Telangana. Premier Energies International Pvt Ltd (PEIPL), a 74% subsidiary of PEL, has set up a 1.6 GW module line and a 1.25 GW cell line in Telangana. PEGEPL, a 100% subsidiary of PEL, also has 1.1 GW module manufacturing capacity. Cumulatively, as of June 2024, the group had module capacity of 5.5 GW and cell capacity of 2 GW. It derives a small portion of revenue from the solar EPC business.

Key Financial Indicators (consolidated; Crisil Ratings-adjusted numbers)

As on / for the period ended March 31	Unit	2025*	2024
Operating income	Rs crore	6518	3159
Reported profit after tax (PAT)	Rs crore	935	231
PAT margin	%	14.3	7.3
Adjusted debt / adjusted networkth	Times	0.67	2.1

Interest coverage	Times	10.03	4.2
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*As per company reports, not adjusted

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Proposed Working Capital Facility	NA	NA	NA	40.00	NA	Crisil A1
NA	Proposed Rupee Term Loan	NA	NA	NA	10.00	NA	Crisil A/Positive

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Premier Energies Ltd	Full	Parent entity
Premier Energies Photovoltaic Pvt Ltd		Wholly owned subsidiary
Premier Energies International Pvt Ltd		Subsidiary
Premier Energies Global Environment Pvt Ltd		Wholly owned subsidiary
Premier Photovoltaic Gajwel Pvt Ltd		Wholly owned subsidiary
Premier Photovoltaic Zaheerabad Pvt Ltd		Wholly owned subsidiary
Premier Solar Powertech Pvt Ltd		Wholly owned subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	50.0	Crisil A1 / Crisil A/Positive	05-02-25	Crisil A-/Positive / Crisil A2+	27-11-24	Withdrawn	--	--	13-12-22	Crisil BBB+/Negative	Crisil BBB+/Positive / Crisil A2
			--	--	12-11-24	Crisil A-/Positive / Crisil A2+	--	--	07-04-22	Crisil BBB+/Positive	--	
			--	--	03-01-24	Crisil BBB+/Stable	--	--	--	--	--	
Non-Fund Based Facilities	ST		--	--	03-01-24	Crisil A2	--	--	--	13-12-22	Crisil A2	Crisil A2
			--	--	--	--	--	--	07-04-22	Crisil A2	--	

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Rupee Term Loan	10	Not Applicable	Crisil A/Positive
Proposed Working Capital Facility	40	Not Applicable	Crisil A1

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

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Rating Rationale

June 23, 2025 | Mumbai

Premier Energies Global Environment Private Limited

Ratings upgraded to 'Crisil A/Positive/Crisil A1'

Rating Action

Total Bank Loan Facilities Rated	Rs.443.78 Crore
Long Term Rating	Crisil A/Positive (Upgraded from 'Crisil A-/Positive')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank loan facilities of Premier Energies Global Environment Private Limited (PEGEPL; part of the Premier Energies group) to '**Crisil A/Positive/Crisil A1**' from 'Crisil A-/Positive/Crisil A2+'. The Premier Energies group consists of Premier Energies Ltd (PEL; 'Crisil A/Positive/Crisil A1') and its subsidiaries.

The ratings factors in upgrade in the rating of the parent, strong operational linkage with the parent along with significant improvement in the group's credit risk profile supported by increasing scale of operations, along with higher cell integration, leading to better-than-expected operating cash accrual, while maintaining a strong financial risk profile and liquidity.

Capacity utilisation has ramped up significantly since fiscal 2024, with effective average utilisation of ~ 88% for cells and ~74% for modules in fiscal 2025 (81% and 60%, respectively, in fiscal 2024; and 41% and 43%, respectively, in fiscal 2023). The improvement has been on account of stabilisation of cell capacities and improved operational efficiency, while demand for domestic cells and modules remains strong amid increasing solar capacity in the country, with policy push for domestically manufactured components. In fiscal 2025, consolidated operating income was ~Rs 6,518 crore and earnings before interest, tax, depreciation and amortisation (Ebitda) was Rs 1,780 crore (27.3% Ebitda margin), as against Rs 3,159 crore and Rs 493 crore (15.6% Ebitda margin), respectively, in fiscal 2024. Also, strong consolidated order book of Rs 8,445 crore as on March 31, 2025, provides healthy revenue visibility for fiscal 2026.

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The ratings also factor in the group's strong financial risk profile, which is likely to remain healthy over the medium term despite the sizeable capex, supported by increasing operating cash accrual, healthy networth and reduced leverage. As of March 2025, the group's net leverage* (ratio of net debt to Ebitda) and interest coverage ratio stood at negative 0.2 time and ~10 times, respectively, compared with 2.0 times and 4.2 times, respectively, in the previous fiscal.

The positive outlook reflects the expected continued increase in operating cash flow backed by increasing module and cell capacities while maintaining high utilisation and healthy operating margin of 23-25%. This, along with free cash balance of Rs 2,200 crore, should support the capex amid limited reliance on external debt and sustenance of strong financial risk profile over the medium term.

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*Net debt excludes margin money deposit; EBIDTA excludes Other income

Analytical Approach

Crisil Ratings has applied the parent notch-up framework to factor in support from its parent, Premier Energies Ltd (PEL). PEL and PEGEPL are engaged in the same business, and under a common management with significant operational and financial linkages. Also, PEL holds 100% of stake in PEGEPL. The entities, collectively referred to as the Premier Energies group, are in the same business, and have strong business and financial linkages and common promoters. Also, PEL has issued corporate guarantees for the debt facilities of its subsidiaries.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

Established market position and longstanding experience of the promoter in the solar industry: The promoter's experience of over 25 years in the solar industry and strong relationships with stakeholders will continue to support the business. The group has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India and a sizeable share in the total domestic capacity, with installed capacity of ~2 GW for cells and 5.5 GW for modules.

While the group had a module manufacturing line of 3 MW in 1995, its projects ranged from installing solar lanterns to village electrification and export of solar modules. It entered the solar EPC (engineering, procurement and construction) segment in 2011 but is now focused on module and cell manufacturing.

Healthy domestic demand outlook for the solar industry: Amid growing emphasis for solar power in India, the group is well-positioned to absorb the demand arising from the long-term plans of the government to increase generation from renewable sources. Introduction of protectionist measures by the government, such as BCD of 40% and 25% on imported solar modules and solar cells, respectively, from April 2022; and implementation of ALMM from April 1, 2024, increasing the share of projects with domestic content requirement (DCR), along with incentivising domestic players under the production-linked incentive (PLI) scheme, increase the cost competitiveness of domestic modules vis-à-vis imported modules. Government-approved schemes such as Kisan Urja Suraksha Utthan Mahabhiyan, Central Public Sector Undertaking and rooftop scheme are also elevating demand. Furthermore, as per the Ministry of New and Renewable Energy (MNRE) order dated December 9, 2024, the approved list of models and manufacturers for solar PV cells (ALCM) is to be implemented from June 1, 2026. All modules approved under ALMM are required to use cells from ALCM. Furthermore, all projects where ALMM is applicable also need to use cells from the ALCM list. This will support demand for domestic cells and healthy utilisation over the medium term.

Strong order book providing healthy revenue visibility: The group has orders of ~3.8 GW for modules and ~1.4 GW for cells (from reputed customers, such as NTPC Ltd, IRCON International Ltd and Shakti Pumps) worth ~Rs 8,445 crore to be executed over the next 12-15 months. This has translated into an order book to sales ratio of 1.4 times (vis-à-vis fiscal 2025 operating income). The orders are expected to be executed over the next 12-15 months, thereby providing revenue visibility and indicating an increase in scale of operations.

Increased scale of operations along with robust operating margin to support capex: At the group level, capacity increased to ~2 GW for cells and ~4.1 GW for modules in March 2025 (5.5 GW installed module capacity currently). Driven by higher capacities and better utilisation, revenue increased to Rs 6,518 crore in fiscal 2025 from Rs 3,159 crore in fiscal 2024. The group is expected to expand its cell and module facilities to more than 7 GW and 9 GW, respectively, by fiscal 2027. Furthermore, it plans to back integrate by adding ~5 GW of wafer and ingot facilities over the medium term. Ancillary capex also includes 3,6000 MTPA aluminium frames, battery and inverter space.

The operating margin improved to ~15.6% in fiscal 2024 and 27.3% in fiscal 2025 from ~6.4% in fiscal 2023. Stabilisation of operational capacities and improved supply chain dynamics supported operating performance with higher capacity utilisation. While healthy demand is expected to keep the operating margin rangebound at 20-25% in the near term, the margin will remain monitorable.

Though the group has tied up long-term loans for the ongoing capex, healthy operating cash accrual as well as existing cash balance of ~Rs 2,200 crore will support the sizeable capex and limit reliance on external debt. While the planned capex will enable increase in scale of operations with higher cell level integration, timely completion and ramp up of the capacity without any cost overrun will be monitorables.

Improved financial risk profile aided by fund raise through initial public offering (IPO): The financial risk profile strengthened in fiscal 2025 with net leverage and interest coverage ratios improving to negative 0.2 times and 10.03 times, respectively, from 5.4 times and 1.6 times, respectively, in fiscal 2023. The financial risk profile is likely to sustain in the near-to-medium term despite additional debt on account of capex, supported by healthy operational performance and successful IPO funding. At the group level, gearing improve to 1.4 times as on March 31, 2025, from 4.4 times as on March 31, 2024. Net leverage is expected below 2.0 times while the interest coverage ratio is expected to remain healthy at more than 4.0 times. Increase in volumes with healthy profitability and timely increase in integrated capacities will remain key rating sensitivity factors.

Weaknesses:

Susceptibility to intense competition, regulatory changes and volatility in raw material prices: The group is exposed to increasing competition from domestic as well as imported modules on account of large capacity additions planned in the domestic market to meet increasing demand. Furthermore, Indian manufacturers face competition from Chinese imports, which have witnessed significant reduction in module and cell prices due to supply glut in China amid restrictions imposed by the US on Chinese imports. However, increasing integration of operations with new cell capacities and implementation of BCD and ALMM will enable the group to be cost competitive. However, the risk of reduction in the prices of imports will remain monitorable.

Though the group has price-variation clauses for most raw materials and undertakes order-backed procurement to mitigate this risk, any sharp rise in input cost may impact domestic demand. Currently, the group has the second-largest cell manufacturing capacity in India, which helps operating margin and enables it to cater to DCR module tenders. Capacity additions by other domestic players and increase in competition will be monitorables over the medium term.

Exposure to stabilisation and project execution risks: The group is undertaking sizeable capacity expansion with addition of 1.2 GW of TopCon cell line in PEPPL and 1.4 GW of TopCon module line, 4 GW module line and 4 GW TopCon cell line in PEGEPL. Furthermore, 2 GW of wafer capacity is expected to come up. This will enable the group to become a highly-integrated player, leading to economies of scale.

This poses stabilisation-related risks. Resultantly, timely completion of the capex and commensurate ramp up will remain key monitorables. Stabilisation of these capacities needs to be tracked as there was a delay in the past albeit due to other reasons. The company has learned from its past experience of stabilising plants and has taken the necessary steps to avoid occurrence of the same concerns for the PEIPL line. Crisil Ratings draws comfort from the group's track record of executing projects in both the modules and cells segments will continue to support the business risk profile.

Liquidity: Adequate

Consolidated annual net cash accrual was ~Rs 1,400 crore in fiscal 2025, and is expected to be Rs 1,300-1,500 crore in fiscals 2026 and 2027 against debt and interest obligation of ~Rs 300 crore. The group had unutilised fund-based limit of more than Rs 100 crore and non-fund based limits of more than Rs 300 crore as of March 2025. This, along with undrawn term debt, will sufficiently cover capex and working capital requirement.

Outlook: Positive

With increasing capacities, the Premier Energies group is expected to sustain the growth momentum in operating performance amid healthy demand and favourable government policies. This will likely result in increase in scale of operations and support the financial risk profile and liquidity.

Rating sensitivity factors**Upward factors**

- Increasing scale of operations with sustenance of healthy utilisation and increasing sales volumes, and operating margin of 23-25% at the group level, resulting in higher cash accrual
- Improvement in the debt coverage indicators backed by increased accrual or lower-than-expected debt for the planned capex, leading to sustenance of healthy capital structure
- Upgrade in the parent's rating by one notch

Downward factors:

- Slower-than-expected ramp-up in capacities or lower realisations resulting in consolidated operating margin of 18-20%, thereby leading to lower cash accrual
- Delays in project execution resulting in time and cost overruns, leading to large, debt-funded capex and weakening of the capital structure
- Stretched working capital cycle leading to higher reliance on borrowing and moderation in liquidity
- Downgrade in the parent's rating by one notch

About the Company

Incorporated in 1995 by Mr Surender Pal Singh, PEL has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India. It has a 300 MW operating module line at its plant in Annaram, Telangana. PEPPL, a 100% subsidiary of PEL, has a 1,400 MW module and 750 MW cell line in Raviryal, Telangana. Premier Energies International Pvt Ltd (PEIPL), a 74% subsidiary of PEL, has set up a 1.6 GW module line and a 1.25 GW cell line in Telangana. PEGEPL, a 100% subsidiary of PEL, also has 1.1 GW module manufacturing capacity. Cumulatively, as of June 2024, the group had module capacity of 5.5 GW and cell capacity of 2 GW. It derives a small portion of revenue from the solar EPC business.

Key Financial Indicators (PEGEPL; Crisil Ratings-adjusted numbers)

As on / for the period ended March 31		2025*	2024
Operating income	Rs crore	752.5	5.5
Reported profit after tax (PAT)	Rs crore	60.6	-0.6
PAT margin	%	8.0	NM

Adjusted debt / adjusted network	Times	0.17	1.7
Interest coverage	Times	6.46	0.3

NM – Not meaningful

*as per company reports; not adjusted

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	32.00	NA	Crisil A/Positive
NA	Letter of Credit	NA	NA	NA	165.00	NA	Crisil A1
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	103.00	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Mar-34	131.25	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Dec-29	12.53	NA	Crisil A/Positive

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Premier Energies Ltd	Full	Parent entity
Premier Energies Photovoltaic Pvt Ltd	Full	Wholly owned subsidiary
Premier Energies International Pvt Ltd	Full	Subsidiary
Premier Energies Global Environment Pvt Ltd	Full	Wholly owned subsidiary
Premier Photovoltaic Gajwel Pvt Ltd	Full	Wholly owned subsidiary
Premier Photovoltaic Zaheerabad Pvt Ltd	Full	Wholly owned subsidiary
Premier Solar Powertech Pvt Ltd	Full	Wholly owned subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	278.78	Crisil A/Positive		--	12-11-24	Crisil A-/Positive		--		--	--
Non-Fund Based Facilities	ST	165.0	Crisil A1		--	12-11-24	Crisil A2+		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	6	HDFC Bank Limited	Crisil A/Positive
Cash Credit	10	YES Bank Limited	Crisil A/Positive
Cash Credit	10	Axis Bank Limited	Crisil A/Positive
Cash Credit	6	ICICI Bank Limited	Crisil A/Positive
Letter of Credit	50	Axis Bank Limited	Crisil A1
Letter of Credit	44	ICICI Bank Limited	Crisil A1
Letter of Credit	34	HDFC Bank Limited	Crisil A1
Letter of Credit	37	YES Bank Limited	Crisil A1
Proposed Long Term Bank Loan Facility	103	Not Applicable	Crisil A/Positive
Term Loan	131.25	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	12.53	Axis Bank Limited	Crisil A/Positive

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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Rating Rationale

June 23, 2025 | Mumbai

Premier Energies Photovoltaic Private Limited

Ratings upgraded to 'Crisil A/Positive/Crisil A1'

Rating Action

Total Bank Loan Facilities Rated	Rs.1794.85 Crore (Reduced from Rs.1821.49 Crore)
Long Term Rating	Crisil A/Positive (Upgraded from 'Crisil A-/Positive')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank loan facilities of Premier Energies Photovoltaic Pvt Ltd (PEPPL; part of the Premier Energies group) to '**Crisil A/Positive/Crisil A1**' from 'Crisil A-/Positive/Crisil A2+'. The Premier Energies group includes Premier Energies Ltd (PEL; 'Crisil A/Positive/Crisil A1') and its subsidiaries.

Crisil Ratings has **withdrawn** its rating on Rs 26.64 crore proposed non fund based limits of PEPPL at the client request. The withdrawal is in line with the withdrawal policy of Crisil Ratings.

The ratings factors in upgrade in the rating of the parent, strong operational linkage with the parent along with significant improvement in the group's credit risk profile supported by increasing scale of operations, along with higher cell integration, leading to better-than-expected operating cash accrual, while maintaining a strong financial risk profile and liquidity.

Capacity utilisation has ramped up significantly since fiscal 2024, with effective average utilisation of ~ 88% for cells and ~74% for modules in fiscal 2025 (81% and 60%, respectively, in fiscal 2024; and 41% and 43%, respectively, in fiscal 2023). The improvement has been on account of stabilisation of cell capacities and improved operational efficiency, while demand for domestic cells and modules remains strong amid increasing solar capacity in the country, with policy push for domestically manufactured components. In fiscal 2025, consolidated operating income was ~Rs 6,518 crore and earnings before interest, tax, depreciation and amortisation (Ebitda) was Rs 1,780 crore (27.3% Ebitda margin), as against Rs 3,159 crore and Rs 493 crore (15.6% Ebitda margin), respectively, in fiscal 2024. Also, strong consolidated order book of Rs 8,445 crore as on March 31, 2025, provides healthy revenue visibility for fiscal 2026.

Crisil Ratings has taken note of the commissioning of the ~1.4 GW TopCon module line in May 2025. The group has capital expenditure (capex) plans of ~Rs 4,500 crore, wherein it will add 1.2 GW of TopCon cell capacity in (PEPPL; a subsidiary of PEL, rated 'Crisil A/Positive/ Crisil A1') and a 4-GW module line and a 4-GW TopCon cell line in Premier Energies Global Environment Pvt (PEGEPL; a subsidiary of PEL, rated 'Crisil A/Positive/Crisil A1') over the next two fiscals, for which land and enabling infrastructure are in place. Furthermore, the group is planning to improve operational integration by setting up a 2-GW wafer capacity in current fiscal.

The ratings also factor in the group's strong financial risk profile, which is likely to remain healthy over the medium term despite the sizeable capex, supported by increasing operating cash accrual, healthy networth and reduced leverage. As of March 2025, the group's net leverage* (ratio of net debt to Ebitda) and interest coverage ratio stood at negative 0.2 time and ~10 times, respectively, compared with 2.0 times and 4.2 times, respectively, in the previous fiscal.

The positive outlook reflects the expected continued increase in operating cash flow backed by increasing module and cell capacities while maintaining high utilisation and healthy operating margin of 23-25%. This, along with free cash balance of Rs 2,200 crore, should support the capex amid limited reliance on external debt and sustenance of strong financial risk profile over the medium term.

The ratings reflect the group's established market position in the domestic solar module manufacturing industry owing to highly integrated facilities, extensive experience of the promoter and robust demand supported by government thrust on capacity addition and favourable policies in the form of Approved List of Models and Manufacturers (ALMM), basic customs

duty (BCD) and a proposed approved list of cell manufacturers (ALCM), similar to ALMM, which is likely to boost demand for domestic cells. However, susceptibility to intense competition, regulatory changes, volatility in raw material prices and timely stabilisation of new capacities will remain monitorable over the medium term.

**Net debt excludes margin money deposit; EBIDTA excludes Other income*

Analytical Approach

Crisil Ratings has applied the parent notch-up framework to factor in support from its parent, Premier Energies Ltd (PEL). PEL and PEPPL are engaged in the same business, and under a common management with significant operational and financial linkages. Also, PEL holds 100% of stake in PEPPL. The entities, collectively referred to as the Premier Energies group, are in the same business, and have strong business and financial linkages and common promoters. Also, PEL has issued corporate guarantees for the debt facilities of its subsidiaries.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position and longstanding experience of the promoter in the solar industry:** The promoter's experience of over 25 years in the solar industry and strong relationships with stakeholders will continue to support the business. The group has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India and a sizeable share in the total domestic capacity, with installed capacity of ~2 GW for cells and 5.5 GW for modules.

While the group had a module manufacturing line of 3 MW in 1995, its projects ranged from installing solar lanterns to village electrification and export of solar modules. It entered the solar EPC (engineering, procurement and construction) segment in 2011 but is now focused on module and cell manufacturing.

- **Healthy domestic demand outlook for the solar industry:** Amid growing emphasis for solar power in India, the group is well-positioned to absorb the demand arising from the long-term plans of the government to increase generation from renewable sources. Introduction of protectionist measures by the government, such as BCD of 40% and 25% on imported solar modules and solar cells, respectively, from April 2022; and implementation of ALMM from April 1, 2024, increasing the share of projects with domestic content requirement (DCR), along with incentivising domestic players under the production-linked incentive (PLI) scheme, increase the cost competitiveness of domestic modules vis-à-vis imported modules. Government-approved schemes such as Kisan Urja Suraksha Utthan Mahabhiyan, Central Public Sector Undertaking and rooftop scheme are also elevating demand. Furthermore, as per the Ministry of New and Renewable Energy (MNRE) order dated December 9, 2024, the approved list of models and manufacturers for solar PV cells (ALCM) is to be implemented from June 1, 2026. All modules approved under ALMM are required to use cells from ALCM. Furthermore, all projects where ALMM is applicable also need to use cells from the ALCM list. This will support demand for domestic cells and healthy utilisation over the medium term.
- **Strong order book providing healthy revenue visibility:** The group has orders of ~3.8 GW for modules and ~1.4 GW for cells (from reputed customers, such as NTPC Ltd, IRCON International Ltd and Shakti Pumps) worth ~Rs 8,445 crore to be executed over the next 12-15 months. This has translated into an order book to sales ratio of 1.4 times (vis-à-vis fiscal 2025 operating income). The orders are expected to be executed over the next 12-15 months, thereby providing revenue visibility and indicating an increase in scale of operations.
- **Increased scale of operations along with robust operating margin to support capex:** At the group level, capacity increased to ~2 GW for cells and ~4.1 GW for modules in March 2025 (5.5 GW installed module capacity currently). Driven by higher capacities and better utilisation, revenue increased to Rs 6,518 crore in fiscal 2025 from Rs 3,159 crore in fiscal 2024. The group is expected to expand its cell and module facilities to more than 7 GW and 9 GW, respectively, by fiscal 2027. Furthermore, it plans to back integrate by adding ~5 GW of wafer and ingot facilities over the medium term. Ancillary capex also includes 3,6000 MTPA aluminium frames, battery and inverter space.

The operating margin improved to ~15.6% in fiscal 2024 and 27.3% in fiscal 2025 from ~6.4% in fiscal 2023. Stabilisation of operational capacities and improved supply chain dynamics supported operating performance with higher capacity utilisation. While healthy demand is expected to keep the operating margin rangebound at 20-25% in the near term, the margin will remain monitorable.

Though the group has tied up long-term loans for the ongoing capex, healthy operating cash accrual as well as existing cash balance of ~Rs 2,200 crore will support the sizeable capex and limit reliance on external debt. While the planned capex will enable increase in scale of operations with higher cell level integration, timely completion and ramp up of the capacity without any cost overrun will be monitorables.

- **Improved financial risk profile aided by fund raise through initial public offering (IPO):** The financial risk profile strengthened in fiscal 2025 with net leverage and interest coverage ratios improving to negative 0.2 times and 10.03 times, respectively, from 5.4 times and 1.6 times, respectively, in fiscal 2023. The financial risk profile is likely to sustain

in the near-to-medium term despite additional debt on account of capex, supported by healthy operational performance and successful IPO funding. At the group level, gearing improve to 1.4 times as on March 31, 2025, from 4.4 times as on March 31, 2024. Net leverage is expected below 2.0 times while the interest coverage ratio is expected to remain healthy at more than 4.0 times. Increase in volumes with healthy profitability and timely increase in integrated capacities will remain key rating sensitivity factors.

Weaknesses:

- **Susceptibility to intense competition, regulatory changes and volatility in raw material prices:** The group is exposed to increasing competition from domestic as well as imported modules on account of large capacity additions planned in the domestic market to meet increasing demand. Furthermore, Indian manufacturers face competition from Chinese imports, which have witnessed significant reduction in module and cell prices due to supply glut in China amid restrictions imposed by the US on Chinese imports. However, increasing integration of operations with new cell capacities and implementation of BCD and ALMM will enable the group to be cost competitive. However, the risk of reduction in the prices of imports will remain monitorable.

Though the group has price-variation clauses for most raw materials and undertakes order-backed procurement to mitigate this risk, any sharp rise in input cost may impact domestic demand. Currently, the group has the second-largest cell manufacturing capacity in India, which helps operating margin and enables it to cater to DCR module tenders. Capacity additions by other domestic players and increase in competition will be monitorables over the medium term.

- **Exposure to stabilisation and project execution risks:** The group is undertaking sizeable capacity expansion with addition of 1.2 GW of TopCon cell line in PEPPL and 1.4 GW of TopCon module line, 4 GW module line and 4 GW TopCon cell line in PEGEPL. Furthermore, 2 GW of wafer capacity is expected to come up. This will enable the group to become a highly-integrated player, leading to economies of scale.

This poses stabilisation-related risks. Resultantly, timely completion of the capex and commensurate ramp up will remain key monitorables. Stabilisation of these capacities needs to be tracked as there was a delay in the past albeit due to other reasons. The company has learned from its past experience of stabilising plants and has taken the necessary steps to avoid occurrence of the same concerns for the PEIPL line. Crisil Ratings draws comfort from the group's track record of executing projects in both the modules and cells segments will continue to support the business risk profile.

Liquidity: Adequate

Consolidated annual net cash accrual was ~Rs 1,400 crore in fiscal 2025 and is expected to be Rs 1,300-1,500 crore in fiscals 2026 and 2027 against debt and interest obligation of ~Rs 300 crore. The group had unutilised fund-based limit of more than Rs 100 crore and non-fund based limits of more than Rs 300 crore as of March 2025. This, along with undrawn term debt, will sufficiently cover capex and working capital requirement.

Outlook: Positive

With increasing capacities, the Premier Energies group is expected to sustain the growth momentum in operating performance amid healthy demand and favourable government policies. This will likely result in increase in scale of operations and support the financial risk profile and liquidity.

Rating sensitivity factors

Upward factors:

- Increasing scale of operations with sustenance of healthy utilisation and increasing sales volumes, and operating margin of 23-25% at the group level, resulting in higher cash accrual
- Improvement in the debt coverage indicators backed by increased accrual or lower-than-expected debt for the planned capex, leading to sustenance of healthy capital structure
- Upgrade in the parent's rating by one notch

Downward factors:

- Slower-than-expected ramp-up in capacities or lower realisations resulting in consolidated operating margin of 18-20%, thereby leading to lower cash accrual
- Delays in project execution resulting in time and cost overruns, leading to large, debt-funded capex and weakening of the capital structure
- Stretched working capital cycle leading to higher reliance on borrowing and moderation in liquidity
- Downgrade in the parent's rating by one notch

About the Group

Incorporated in 1995 by Mr Surender Pal Singh, PEL has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India. It has a 300 MW operating module line at its plant in Annaram, Telangana. PEPPL, a 100% subsidiary of PEL, has a 1,400 MW module and 750 MW cell line in Raviryal, Telangana. Premier Energies International Pvt Ltd (PEIPL), a 74% subsidiary of PEL, has set up a 1.6 GW module line and a 1.25 GW cell line in Telangana. PEGEPL, a 100% subsidiary of PEL, also has 1.1 GW module manufacturing capacity. Cumulatively, as of June

2024, the group had module capacity of 5.5 GW and cell capacity of 2 GW. It derives a small portion of revenue from the solar EPC business.

Key Financial Indicators (PEPPL; Crisil Ratings-adjusted numbers)

As on / for the period ended March 31	Unit	2025*	2024
Operating income	Rs crore	5615	3117
Reported profit after tax (PAT)	Rs crore	489	252
PAT margin	%	8.7	8.1
Adjusted debt / adjusted network	Times	1.34	2.0
Interest coverage	Times	9.45	5.3

*As per company reports; not adjusted

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
NA	Bill Discounting*	NA	NA	NA	25	NA	Crisil A/Positive
NA	Cash Credit#	NA	NA	NA	174	NA	Crisil A/Positive
NA	Letter of Credit	NA	NA	NA	90	NA	Crisil A1
NA	Letter of Credit\$	NA	NA	NA	265	NA	Crisil A1
NA	Letter of Credit^	NA	NA	NA	190	NA	Crisil A1
NA	Letter of Credit%	NA	NA	NA	205	NA	Crisil A1
NA	Proposed Non Fund based limits	NA	NA	NA	26.64	NA	Withdrawn
NA	Working Capital Loan	NA	NA	NA	10	NA	Crisil A/Positive
NA	Working Capital Loan!	NA	NA	NA	25	NA	Crisil A/Positive
NA	Working Capital Loan@	NA	NA	NA	30	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Dec-28	26.93	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Mar-34	112.31	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Mar-26	2.11	NA	Crisil A/Positive
NA	Term Loan	NA	NA	30-Jun-34	456.24	NA	Crisil A/Positive
NA	Term Loan	NA	NA	30-Sep-30	64.95	NA	Crisil A/Positive
NA	Term Loan	NA	NA	30-Sep-30	103.4	NA	Crisil A/Positive
NA	Term Loan	NA	NA	31-Dec-31	14.91	NA	Crisil A/Positive

Interchangeable with Working Capital Demand Loan

* Pre acceptance limit

@ Interchangeable with Cash Credit

! Interchangeable with Working Capital Demand Loan and Packing credit in Foreign Currency

\$ Interchangeable with Standby Letter of Credit and Bank Guarantee

^ Interchangeable with Letter of credit

% Interchangeable with Bank Guarantee

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Premier Energies Ltd	Full	Parent entity
Premier Energies Photovoltaic Pvt Ltd		Wholly owned subsidiary
Premier Energies International Pvt Ltd		Subsidiary

Premier Energies Global Environment Pvt Ltd	Wholly owned subsidiary
Premier Photovoltaic Gajwel Pvt Ltd	Wholly owned subsidiary
Premier Photovoltaic Zaheerabad Pvt Ltd	Wholly owned subsidiary
Premier Solar Powertech Pvt Ltd	Wholly owned subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	1044.85	Crisil A/Positive		--	12-11-24	Crisil A-/Positive		--	13-12-22	Crisil BBB+/Negative	Crisil BBB+/Positive / Crisil A2
			--		--	08-05-24	Crisil BBB+/Stable / Crisil A2		--		--	--
			--		--	03-01-24	Crisil BBB+/Stable / Crisil A2		--		--	--
Non-Fund Based Facilities	ST	776.64	Crisil A1		--	12-11-24	Crisil A2+		--	13-12-22	Crisil A2	Crisil A2
			--		--	08-05-24	Crisil A2		--		--	--
			--		--	03-01-24	Crisil A2		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bill Discounting ^{&}	15	YES Bank Limited	Crisil A/Positive
Bill Discounting ^{&}	10	The Federal Bank Limited	Crisil A/Positive
Cash Credit [%]	33	YES Bank Limited	Crisil A/Positive
Cash Credit [%]	39	Bandhan Bank Limited	Crisil A/Positive
Cash Credit [%]	40	ICICI Bank Limited	Crisil A/Positive
Cash Credit [%]	22	Axis Bank Limited	Crisil A/Positive
Cash Credit [%]	40	HDFC Bank Limited	Crisil A/Positive
Letter of Credit [~]	70	HDFC Bank Limited	Crisil A1
Letter of Credit ^{<}	100	IndusInd Bank Limited	Crisil A1
Letter of Credit [~]	78	Axis Bank Limited	Crisil A1
Letter of Credit ^{&&}	60	Bandhan Bank Limited	Crisil A1
Letter of Credit ^{<}	90	The Hongkong and Shanghai Banking Corporation Limited	Crisil A1
Letter of Credit [~]	117	YES Bank Limited	Crisil A1
Letter of Credit ^{&&}	65	ICICI Bank Limited	Crisil A1
Letter of Credit ^{&&}	80	The Federal Bank Limited	Crisil A1
Letter of Credit	90	CSB Bank Limited	Crisil A1
Proposed Non Fund based limits	26.64	Not Applicable	Withdrawn
Term Loan	103.4	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	14.91	Indian Renewable Energy Development Agency Limited	Crisil A/Positive

Term Loan	112.31	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	2.11	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	456.24	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	64.95	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	26.93	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Working Capital Loan@@	10	The Hongkong and Shanghai Banking Corporation Limited	Crisil A/Positive
Working Capital Loan!!	25	IndusInd Bank Limited	Crisil A/Positive
Working Capital Loan@@	20	The Federal Bank Limited	Crisil A/Positive
Working Capital Loan	10	CSB Bank Limited	Crisil A/Positive

& - Pre acceptance limit

% - Interchangeable with Working Capital Demand Loan

~ - Interchangeable with Standby Letter of Credit and Bank Guarantee

< - Interchangeable with Letter of credit

&& - Interchangeable with Bank Guarantee

@@ - Interchangeable with Cash Credit

!! - Interchangeable with Working Capital Demand Loan and Packing credit in Foreign Currency

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

[Criteria for consolidation](#)

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Rating Rationale

June 23, 2025 | Mumbai

Premier Energies International Private Limited

Ratings upgraded to 'Crisil A/Positive/Crisil A1'

Rating Action

Total Bank Loan Facilities Rated	Rs.1067.55 Crore (Reduced from Rs.1188.95 Crore)
Long Term Rating	Crisil A/Positive (Upgraded from 'Crisil A-/Positive')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank loan facilities of Premier Energies International Pvt Ltd (PEIPL; part of the Premier Energies group) to '**Crisil A/Positive/Crisil A1**' from 'Crisil A-/Positive/Crisil A2+'. The Premier Energies group includes Premier Energies Ltd (PEL; 'Crisil A/Positive/Crisil A1') and its subsidiaries.

Crisil Ratings has **withdrawn** its rating on Rs 121.4 crore term loan as these have been repaid at the request of the company and on receiving a no objection certificate from the lender. The withdrawal is in line with the withdrawal policy of Crisil Ratings.

The ratings factors in upgrade in the rating of the parent, strong operational linkage with the parent along with significant improvement in the group's credit risk profile supported by increasing scale of operations, along with higher cell integration, leading to better-than-expected operating cash accrual, while maintaining a strong financial risk profile and liquidity.

Capacity utilisation has ramped up significantly since fiscal 2024, with effective average utilisation of ~ 88% for cells and ~74% for modules in fiscal 2025 (81% and 60%, respectively, in fiscal 2024; and 41% and 43%, respectively, in fiscal 2023). The improvement has been on account of stabilisation of cell capacities and improved operational efficiency, while demand for domestic cells and modules remains strong amid increasing solar capacity in the country, with policy push for domestically manufactured components. In fiscal 2025, consolidated operating income was ~Rs 6,518 crore and earnings before interest, tax, depreciation and amortisation (Ebitda) was Rs 1,780 crore (27.3% Ebitda margin), as against Rs 3,159 crore and Rs 493 crore (15.6% Ebitda margin), respectively, in fiscal 2024. Also, strong consolidated order book of Rs 8,445 crore as on March 31, 2025, provides healthy revenue visibility for fiscal 2026.

Crisil Ratings has taken note of the commissioning of the ~1.4 GW TopCon module line in May 2025. The group has capital expenditure (capex) plans of ~Rs 4,500 crore, wherein it will add 1.2 GW of TopCon cell capacity in Premier Energies Photovoltaic Pvt Ltd (PEPPL; a subsidiary of PEL, rated 'Crisil A/Positive/ Crisil A1') and a 4-GW module line and a 4-GW TopCon cell line in Premier Energies Global Environment Pvt Ltd(PEGEPL; a subsidiary of PEL, rated 'Crisil A/Positive/Crisil A1') over the next two fiscals, for which land and enabling infrastructure are in place. Furthermore, the group is planning to improve operational integration by setting up a 2-GW wafer capacity in current fiscal.

The ratings also factor in the group's strong financial risk profile, which is likely to remain healthy over the medium term despite the sizeable capex, supported by increasing operating cash accrual, healthy networth and reduced leverage. As of March 2025, the group's net leverage* (ratio of net debt to Ebitda) and interest coverage ratio stood at negative 0.2 time and ~10 times, respectively, compared with 2.0 times and 4.2 times, respectively, in the previous fiscal.

The positive outlook reflects the expected continued increase in operating cash flow backed by increasing module and cell capacities while maintaining high utilisation and healthy operating margin of 23-25%. This, along with free cash balance of Rs 2,200 crore, should support the capex amid limited reliance on external debt and sustenance of strong financial risk profile over the medium term.

The ratings reflect the group's established market position in the domestic solar module manufacturing industry owing to highly integrated facilities, extensive experience of the promoter and robust demand supported by government thrust on capacity addition and favourable policies in the form of Approved List of Models and Manufacturers (ALMM), basic customs

duty (BCD) and a proposed approved list of cell manufacturers (ALCM), similar to ALMM, which is likely to boost demand for domestic cells. However, susceptibility to intense competition, regulatory changes, volatility in raw material prices and timely stabilisation of new capacities will remain monitorable over the medium term.

**Net debt excludes margin money deposit; EBIDTA excludes Other income*

Analytical Approach

Crisil Ratings has applied the parent notch-up framework to factor in support from its parent, Premier Energies Ltd (PEL). PEL and PEIPL are engaged in the same business, and under a common management with significant operational and financial linkages. Also, PEL holds 74% of stake in PEIPL. The entities, collectively referred to as the Premier Energies group, are in the same business, and have strong business and financial linkages and common promoters. Also, PEL has issued corporate guarantees for the debt facilities of its subsidiaries.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position and longstanding experience of the promoter in the solar industry:** The promoter's experience of over 25 years in the solar industry and strong relationships with stakeholders will continue to support the business. The group has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India and a sizeable share in the total domestic capacity, with installed capacity of ~2 GW for cells and 5.5 GW for modules.

While the group had a module manufacturing line of 3 MW in 1995, its projects ranged from installing solar lanterns to village electrification and export of solar modules. It entered the solar EPC (engineering, procurement and construction) segment in 2011 but is now focused on module and cell manufacturing.

- **Healthy domestic demand outlook for the solar industry:** Amid growing emphasis for solar power in India, the group is well-positioned to absorb the demand arising from the long-term plans of the government to increase generation from renewable sources. Introduction of protectionist measures by the government, such as BCD of 40% and 25% on imported solar modules and solar cells, respectively, from April 2022; and implementation of ALMM from April 1, 2024, increasing the share of projects with domestic content requirement (DCR), along with incentivising domestic players under the production-linked incentive (PLI) scheme, increase the cost competitiveness of domestic modules vis-à-vis imported modules. Government-approved schemes such as Kisan Urja Suraksha Utthan Mahabhiyan, Central Public Sector Undertaking and rooftop scheme are also elevating demand. Furthermore, as per the Ministry of New and Renewable Energy (MNRE) order dated December 9, 2024, the approved list of models and manufacturers for solar PV cells (ALCM) is to be implemented from June 1, 2026. All modules approved under ALMM are required to use cells from ALCM. Furthermore, all projects where ALMM is applicable also need to use cells from the ALCM list. This will support demand for domestic cells and healthy utilisation over the medium term.
- **Strong order book providing healthy revenue visibility:** The group has orders of ~3.8 GW for modules and ~1.4 GW for cells (from reputed customers, such as NTPC Ltd, IRCON International Ltd and Shakti Pumps) worth ~Rs 8,445 crore to be executed over the next 12-15 months. This has translated into an order book to sales ratio of 1.4 times (vis-à-vis fiscal 2025 operating income). The orders are expected to be executed over the next 12-15 months, thereby providing revenue visibility and indicating an increase in scale of operations.
- **Increased scale of operations along with robust operating margin to support capex:** At the group level, capacity increased to ~2 GW for cells and ~4.1 GW for modules in March 2025 (5.5 GW installed module capacity currently). Driven by higher capacities and better utilisation, revenue increased to Rs 6,518 crore in fiscal 2025 from Rs 3,159 crore in fiscal 2024. The group is expected to expand its cell and module facilities to more than 7 GW and 9 GW, respectively, by fiscal 2027. Furthermore, it plans to back integrate by adding ~5 GW of wafer and ingot facilities over the medium term. Ancillary capex also includes 3,6000 MTPA aluminium frames, battery and inverter space.

The operating margin improved to ~15.6% in fiscal 2024 and 27.3% in fiscal 2025 from ~6.4% in fiscal 2023. Stabilisation of operational capacities and improved supply chain dynamics supported operating performance with higher capacity utilisation. While healthy demand is expected to keep the operating margin rangebound at 20-25% in the near term, the margin will remain monitorable.

Though the group has tied up long-term loans for the ongoing capex, healthy operating cash accrual as well as existing cash balance of ~Rs 2,200 crore will support the sizeable capex and limit reliance on external debt. While the planned capex will enable increase in scale of operations with higher cell level integration, timely completion and ramp up of the capacity without any cost overrun will be monitorables.

- **Improved financial risk profile aided by fund raise through initial public offering (IPO):** The financial risk profile strengthened in fiscal 2025 with net leverage and interest coverage ratios improving to negative 0.2 times and 10.03 times, respectively, from 5.4 times and 1.6 times, respectively, in fiscal 2023. The financial risk profile is likely to sustain

in the near-to-medium term despite additional debt on account of capex, supported by healthy operational performance and successful IPO funding. At the group level, gearing improve to 1.4 times as on March 31, 2025, from 4.4 times as on March 31, 2024. Net leverage is expected below 2.0 times while the interest coverage ratio is expected to remain healthy at more than 4.0 times. Increase in volumes with healthy profitability and timely increase in integrated capacities will remain key rating sensitivity factors.

Weaknesses:

- **Susceptibility to intense competition, regulatory changes and volatility in raw material prices:** The group is exposed to increasing competition from domestic as well as imported modules on account of large capacity additions planned in the domestic market to meet increasing demand. Furthermore, Indian manufacturers face competition from Chinese imports, which have witnessed significant reduction in module and cell prices due to supply glut in China amid restrictions imposed by the US on Chinese imports. However, increasing integration of operations with new cell capacities and implementation of BCD and ALMM will enable the group to be cost competitive. However, the risk of reduction in the prices of imports will remain monitorable.

Though the group has price-variation clauses for most raw materials and undertakes order-backed procurement to mitigate this risk, any sharp rise in input cost may impact domestic demand. Currently, the group has the second-largest cell manufacturing capacity in India, which helps operating margin and enables it to cater to DCR module tenders. Capacity additions by other domestic players and increase in competition will be monitorables over the medium term.

- **Exposure to stabilisation and project execution risks:** The group is undertaking sizeable capacity expansion with addition of 1.2 GW of TopCon cell line in PEPPL and 1.4 GW of TopCon module line, 4 GW module line and 4 GW TopCon cell line in PEGEPL. Furthermore, 2 GW of wafer capacity is expected to come up. This will enable the group to become a highly-integrated player, leading to economies of scale.

This poses stabilisation-related risks. Resultantly, timely completion of the capex and commensurate ramp up will remain key monitorables. Stabilisation of these capacities needs to be tracked as there was a delay in the past albeit due to other reasons. The company has learned from its past experience of stabilising plants and has taken the necessary steps to avoid occurrence of the same concerns for the PEIPL line. Crisil Ratings draws comfort from the group's track record of executing projects in both the modules and cells segments will continue to support the business risk profile.

Liquidity: Adequate

Consolidated annual net cash accrual was ~Rs 1,400 crore in fiscal 2025, and is expected to be Rs 1,300-1,500 crore in fiscals 2026 and 2027 against debt and interest obligation of ~Rs 300 crore. The group had unutilised fund-based limit of more than Rs 100 crore and non-fund based limits of more than Rs 300 crore as of March 2025. This, along with undrawn term debt, will sufficiently cover capex and working capital requirement.

Outlook: Positive

With increasing capacities, the Premier Energies group is expected to sustain the growth momentum in operating performance amid healthy demand and favourable government policies. This will likely result in increase in scale of operations and support the financial risk profile and liquidity.

Rating sensitivity factors

Upward factors:

- Increasing scale of operations with sustenance of healthy utilisation and increasing sales volumes, and operating margin of 23-25% at the group level, resulting in higher cash accrual
- Improvement in the debt coverage indicators backed by increased accrual or lower-than-expected debt for the planned capex, leading to sustenance of healthy capital structure
- Upgrade in the parent's rating by one notch

Downward factors:

- Slower-than-expected ramp-up in capacities or lower realisations resulting in consolidated operating margin of 18-20%, thereby leading to lower cash accrual
- Delays in project execution resulting in time and cost overruns, leading to large, debt-funded capex and weakening of the capital structure
- Stretched working capital cycle leading to higher reliance on borrowing and moderation in liquidity
- Downgrade in the parent's rating by one notch

About the Group

Incorporated in 1995 by Mr Surender Pal Singh, PEL has one of the largest integrated (solar cell and module) manufacturing facilities (capacity-wise) in India. It has a 300 MW operating module line at its plant in Annaram, Telangana. PEPPL, a 100% subsidiary of PEL, has a 1,400 MW module and 750 MW cell line in Raviryal, Telangana. Premier Energies International Pvt Ltd (PEIPL), a 74% subsidiary of PEL, has set up a 1.6 GW module line and a 1.25 GW cell line in Telangana. PEGEPL, a 100% subsidiary of PEL, also has 1.1 GW module manufacturing capacity. Cumulatively, as of June

2024, the group had module capacity of 5.5 GW and cell capacity of 2 GW. It derives a small portion of revenue from the solar EPC business.

Key Financial Indicators (PEIPL; Crisil Ratings-adjusted numbers)

As on / for the period ended March 31	Unit	2025*	2024
Operating income	Rs crore	2772	439
Reported profit after tax (PAT)	Rs crore	245	39
PAT margin	%	8.8	8.9
Adjusted debt/adjusted networkth	Times	2.02	7.5
Interest coverage	Times	6.98	3.6

*As per company reports, not adjusted

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs. Crore)	Complexity Level	Rating assigned with outlook
NA	Bill Discounting	NA	NA	NA	32	NA	Crisil A/Positive
NA	Cash Credit	NA	NA	NA	16.4	NA	Crisil A/Positive
NA	Cash Credit*	NA	NA	NA	38	NA	Crisil A/Positive
NA	Letter of Credit	NA	NA	NA	132	NA	Crisil A1
NA	Letter of Credit [^]	NA	NA	NA	349	NA	Crisil A1
NA	Letter of Credit [#]	NA	NA	NA	56	NA	Crisil A1
NA	Proposed Non Fund based limits	NA	NA	NA	26	NA	Crisil A1
NA	Working Capital Demand Loan	NA	NA	NA	10.6	NA	Crisil A1
NA	Working Capital Demand Loan ^{**}	NA	NA	NA	25	NA	Crisil A1
NA	Term Loan	NA	NA	30-Sep-33	121.4	NA	Withdrawn
NA	Term Loan	NA	NA	30-Sep-33	106.8	NA	Crisil A/Positive
NA	Term Loan	NA	NA	30-Sep-33	275.75	NA	Crisil A/Positive

*Interchangeable with working capital demand loan

**Interchangeable with cash credit

[^]Interchangeable between standby letter of credit and bank guarantee

[#]Interchangeable with standby letter of credit

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Premier Energies Limited	Full	Parent Entity
Premier Energies International Private Limited	Full	Subsidiary
Premier Energies Global Environment Private Limited	Full	Wholly owned subsidiary
Premier Photovoltaic Gajwel Private Limited	Full	Wholly owned subsidiary
Premier Photovoltaic Zaheerabad Private Limited	Full	Wholly owned subsidiary
Premier Solar Powertech Private Limited	Full	Wholly owned subsidiary
Premier Energies Photovoltaic Pvt Ltd	Full	Wholly owned subsidiary

Annexure - Rating History for last 3 Years

	Current	2025 (History)	2024	2023	2022	Start of 2022

Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	625.95	Crisil A1 / Crisil A/Positive		--	12-11-24	Crisil A-/Positive / Crisil A2+		--		--	--
			--		--	04-01-24	Crisil BBB+/Stable		--		--	--
Non-Fund Based Facilities	ST	563.0	Crisil A1		--	12-11-24	Crisil A2+		--		--	--
			--		--	04-01-24	Crisil A2		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bill Discounting	22	The Federal Bank Limited	Crisil A/Positive
Bill Discounting	10	YES Bank Limited	Crisil A/Positive
Cash Credit	14.4	Bandhan Bank Limited	Crisil A/Positive
Cash Credit ^{&}	15	Axis Bank Limited	Crisil A/Positive
Cash Credit	2	ICICI Bank Limited	Crisil A/Positive
Cash Credit ^{&}	8	YES Bank Limited	Crisil A/Positive
Cash Credit ^{&}	15	HDFC Bank Limited	Crisil A/Positive
Letter of Credit ^{\$}	67	YES Bank Limited	Crisil A1
Letter of Credit	35.6	Bandhan Bank Limited	Crisil A1
Letter of Credit [#]	56	IndusInd Bank Limited	Crisil A1
Letter of Credit	59.4	The Hongkong and Shanghai Banking Corporation Limited	Crisil A1
Letter of Credit	37	ICICI Bank Limited	Crisil A1
Letter of Credit ^{\$}	75	Axis Bank Limited	Crisil A1
Letter of Credit ^{\$}	36	The Federal Bank Limited	Crisil A1
Letter of Credit ^{\$}	75	HDFC Bank Limited	Crisil A1
Letter of Credit ^{\$}	96	Kotak Mahindra Bank Limited	Crisil A1
Proposed Non Fund based limits	26	Not Applicable	Crisil A1
Term Loan	275.75	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Term Loan	121.4	Indian Renewable Energy Development Agency Limited	Withdrawn
Term Loan	106.8	Indian Renewable Energy Development Agency Limited	Crisil A/Positive
Working Capital Demand Loan	4	The Federal Bank Limited	Crisil A1
Working Capital Demand Loan	6.6	The Hongkong and Shanghai Banking Corporation Limited	Crisil A1
Working Capital Demand Loan ^{>}	10	IndusInd Bank Limited	Crisil A1

Working Capital Demand Loan^{>}	15	Kotak Mahindra Bank Limited	Crisil A1
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& - Interchangeable with working capital demand loan

\$ - Interchangeable between standby letter of credit and bank guarantee

- Interchangeable with standby letter of credit

> - Interchangeable with cash credit

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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