Date: 01.01.2026

To, The Manager Listing, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai: 400051 Scrip Code- WEBELSOLAR	To, The Manager Listing, BSE Limited Floor 25, PJ Towers, Dalal Street, Mumbai: 400 001 Scrip Code- 517498

WEBSOL ENERGY SYSTEM LIMITED: ISIN-INE855C01023

Dear Sir/ Madam,

Sub: Intimation of Credit Rating under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that CRISIL Ratings Limited ("CRISIL") has assigned ratings to the Company's credit facilities as detailed below:

Facility	Amount (Rs. Crore)	Rating
Cash Credit	15	Crisil BBB+/Stable
Term Loan	135	Crisil BBB+/Stable

The rating rationale received from CRISIL is enclosed with this intimation as **Annexure.**

Kindly take this on your record.

For WEBSOL ENERGY SYSTEM LIMITED

RAJU SHARMA

Digitally signed by RAJU SHARMA
Date: 2026.01.01 10:54:22 +05'30'

Raju Sharma
Company Secretary & Compliance Officer

Encl: a/a

Websol Energy System Limited
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Crisil Ratings

Rating Rationale

December 31, 2025 | Mumbai

Websol Energy System Limited

'Crisil BBB+ / Stable' assigned to Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.150 Crore**
Long Term Rating	**Crisil BBB+/Stable (Assigned)**

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 assigned its '**Crisil BBB+/Stable**' rating to the long term bank facilities of Websol Energy System Ltd (WESL).

The rating reflects Websol's established market presence and healthy operational efficiency, extensive experience of the promoters, prudent working capital cycle and comfortable financial risk profile to sustain despite the on-going capex. These strengths are partially offset by its susceptibility to increasing competition, regulatory change and volatility in raw material prices and exposure to project execution and stabilisation risks.

Analytical Approach

Crisil Ratings has evaluated the consolidated business and financial risk profile of Websol Energy System Ltd as well as Websol Renewables Pvt Ltd, its wholly owned subsidiary incorporated from 13th October 2025 onwards.

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

Key Rating Drivers - Strengths

Established market presence, and extensive experience of the promoters: The promoters have entrepreneurial experience of over three decades and have been in the solar PV module manufacturing business since 1994. The Websol group was incorporated in 1990 by Mr. Sohan Lal Agarwal and currently remains promoted and managed by Mr. Sohan Lal Agarwal and Miss Sanjana Khaitan supported by an experienced management. Currently, the company has significant solar photovoltaic (PV) cell manufacturing capacity of 1200 megawatt (MW) at its plant in West Bengal (after phasing out of 250 MW of multicrystalline cell capacity) and 550 MW of modules. The company has established position and clientele across India with a sizeable market share in the solar cell manufacturing segment. Websol commenced operations in its monoperc cell and module capacity in February 2024 and August 2024 respectively and has since demonstrated significant ramp-up in operations with revenue of Rs 575 crore in fiscal 2025 and about Rs 387 crore in H1FY2026. Revenue growth over the medium term will be driven by strong domestic demand and will be supported by full year benefit of enhanced capacities in solar cell. Strong order book and significant increase in scale bolster the business risk profile. On the domestic front, the government's high targets in renewable energy installation for the next decade, implementation of approved list of models and manufacturers (ALMM) scheme, imposition of BCD and production-linked incentive (PLI) schemes, and government schemes (with domestic content requirement clause) should lead to healthy demand.

Furthermore, blended operating margin is estimated to be over 30% over the medium term driven by an overall reduction in key raw material costs (polysilicon wafer prices), execution of high margin orders with entire revenue contribution from monoperc cells entailing higher margins and phasing out of multi crystalline cells and a series of initiatives taken up by the management for a sustained growth in margin profile. Operating margin remained healthy at around 44% and 45% in fiscal 2025 and first half of fiscal 2026 respectively backed by full year benefit of operations in monoperc cell unit and lower raw material prices amid healthy demand scenario. Return on capital employed (RoCE) also remains expected over 20-25% over the medium term. Production and operating margin were impacted in fiscal 2023 and 2024 on account of the company transitioning from manufacturing of multicrystalline cells into monoperc cells wherein operations in the newer technology began from February 2024 onwards. Stabilization of operational capacities and improved supply chain dynamics have supported operating performance. Sustainability of margin in the near term will remain a key monitorable.

Moreover, on the back of timely receipt of payments from established clientele base with majority of the sales being undertaken on advance or letter of credit (LC) basis and inventory holding of 45-60 days comprising raw materials, working capital management is also expected to be efficient with gross current assets (GCA) days net of liquid investments expected to be around 60 days over the medium term.

Comfortable financial risk profile despite debt funded capex: The financial risk profile should remain supported by steady accretion to reserves. Networth is healthy estimated around Rs 391 crore as on September 30th, 2025, and is expected to increase over the medium term backed by steady accretion to reserves. Capital structure is healthy as reflected by comfortable gearing and TOL/TNW ratio below unity as on September 30th, 2025. Debt protection measures have been at comfortable level despite leverage due to healthy profitability. While debt is expected to increase over the medium term, owing to the large capital expenditure (capex), the financial risk profile is expected to remain comfortable over the medium term aided by incremental cashflow from the expanded capacity and pick-up in profitability with healthy capacity utilisation in enhanced capacity in solar cells expected over the medium term.

Favourable demand outlook for the solar industry: Amid growing emphasis for solar power in India, Websol is well-positioned with a market share of around 10% in solar cell manufacturing segment to absorb the demand arising from the long-term plans of the government to increase generation from renewable sources. Furthermore, the implementation of safeguard basic customs duty (BCD) and agriculture infrastructure and development cess (AIDC) on imported modules of 20% and 20% respectively and 20% and 7.50% on imported cells respectively applicable from April 2022 and implementation of ALMM along with incentivising domestic players under the production linked incentive (PLI) scheme increases the cost competitiveness of domestic modules compared to imported ones. Government-approved schemes such as Kisan Urja Suraksha Utthan Mahabhiyan, Central Public Sector Undertaking, PM Surya Ghar Muft Bijli Yojana and rooftop scheme are also expected to push up demand.

Key Rating Drivers - Weaknesses

Susceptibility to increasing competition and volatility in raw material prices and regulatory changes: Operating margin remains vulnerable to sharp fluctuations in raw material prices. While the prices of key inputs such as polysilicon and silicon wafers have seen significant dip in fiscal 2024 and 2025 and in the first half of fiscal 2026 and is expected to remain stable over the medium term, it remains volatile and dependent on external factors. Moreover, the company is exposed to increasing competition from domestic as well as imported cells. This is on account of large capacity additions being undertaken (and planned) in the domestic market with various degrees of integration.

Furthermore, Indian manufacturers face competition from Chinese imports, which have witnessed significant reduction in module and cell prices during last and current fiscal due to supply glut in China amid restrictions imposed by US on Chinese imports. However, increasing integration of operations with new cell capacities and implementation of BCD provides the required support for the company to be cost-competitive against Chinese imports. Furthermore, the implementation of safeguard basic customs duty (BCD) and agriculture infrastructure and development cess (AIDC) on imported modules of 20% and 20% respectively and 20% and 7.50% on imported cells respectively applicable from April 2022 makes Indian players cost-competitive against their Chinese counterparts. However, the risk of further material reduction in prices of imports impacting competitiveness of the company will remain a key monitorable. Additionally, implementation of approved list of cell manufacturers (ALCM) expected from June 2026 onwards which is expected to boost demand for domestic cells will also remain a key monitorable as it can provide boost to company's growth plans.

Though the company has prevalent raw material prices plus fixed markup fixed as selling price of per watt peak of cell and undertakes order-backed procurement to mitigate this risk, any sharp rise in input cost may impact the realisation levels of cells impacting the operating performance. Currently, the company has an accountable share of the country's cell manufacturing capacity which helps its operating margins and supports it to cater to domestic content requirement (DCR) module tenders. The capacity additions planned by other domestic players over the medium term and further intensification of competition will need to be monitored going forward.

Growth also remains vulnerable to changes in government policies. However, the central government's focus on achieving a steep target of ~280 GW from solar power by 2030 is expected to support in the long run.

Exposure to project execution and stabilisation risks: Websol is currently undertaking capital expenditure wherein the first phase of the capex is to set up a 2 GW solar cell and solar module plant in Andhra Pradesh. The total project outlay of first phase is expected to be around Rs 1721 crore. Of this, around Rs 480 crore will be funded through internal accruals and the balance through debt. This poses stabilisation-related and project related risks. However, WEBSOL's record of executing successful capacity expansion lends support. The timely completion and ramp up of expanded capacities will remain monitorable. Demand risk is also expected to be low on the back of robust demand scenario amidst healthy solar power capacity additions in the country. While the ongoing capex exposes the company to project execution risk, Crisil Ratings draws comfort from the track record of the company in commissioning sizeable capacities. However, timely completion and successful stabilisation of its operations at the new units will remain a key rating sensitivity factor. Expected improvement in operating cash accruals is to support the equity requirement for the capex and shall be a key monitorable.

Liquidity Adequate

Bank limit utilization of fund based limits was around 65% during the past four months ending December 2025. Expected annual cash accrual of over Rs 300 crore in fiscal 2026 and around Rs 300-400 crore per annum over the medium term will be more than sufficient to meet yearly term debt repayment obligation of Rs 26-29 crore per annum over the medium term; the remaining accrual will cushion liquidity. In addition, it shall enhance financial flexibility to cushion any exigencies, incremental working capital requirement or capex plans of the group. Adequate unencumbered liquidity exists in the form of cash and bank balance and fixed deposits of around Rs 19 crore as on December 2025. Healthy support from promoters in the form of unsecured loans or equity infusion shall be available if needed. Current ratio is expected to be comfortable around 1.20-1.30 times going forward further enhancing financial flexibility.

Outlook Stable

Crisil Ratings believes the recently commissioned capex under Websol and the proposed 2 GW of module and cell capex will further improve the business risk profile. The financial risk profile is likely to remain adequate, despite the expected increase in debt levels, supported by healthy cash generation. The group will additionally continue to benefit from its established market position and the extensive experience of the promoters in the solar cell and module manufacturing business.

Rating sensitivity factors

Upward factors

- Sustenance of healthy operating performance on the back of volumetric growth thereby enabling healthy growth in scale of operations and sustenance of operating margin over 30% leading to higher generation of cash accruals on a sustained basis.
- Sustenance of healthy financial risk profile with no large unanticipated debt funded capital expenditure (capex) or acquisition and healthy liquidity levels

Downward factors

- Deterioration in operating performance leading to significant decline in operating profitability owing to slower than expected ramp up in enhanced operations, thereby reducing cash accruals below Rs 50 crore per fiscal
- Higher-than-expected time and cost over runs in debt-funded capital expenditure (capex), any unexpected acquisitions or any elongated stretch in the working capital cycle resulting in material increase in leverage thereby significantly weakening the financial and liquidity risk profiles

About the Group

WESL was incorporated in 1990 and remains promoted by Mr. Sohan Lal Agarwal. The company, with more than three decades of experience, is one of the earliest entrants in India’s solar cell and manufacturing space. The company’s manufacturing facility is present in Falta Special Economic Zone (SEZ), West Bengal and is engaged in the manufacturing of Mono-PERC cells (Monocrystalline Passivated Emitter and Rear Cells) and modules.

Currently, the company has an installed manufacturing capacity of solar cells and modules of 1200 mega watt (MW) and 550 MW, respectively wherein capacity of solar cells was increased by 600 MW from September 2025 onwards.

Websol is planning its next capacity expansion through its wholly owned subsidiary, Websol Renewables Pvt Ltd. The phase one of capacity expansion shall be towards setting up capacity of 2 GW of solar cells and modules of TopCon (Tunnel Oxide Passivated Contact) technology which will be developed as a greenfield project, with a total estimated cost of Rs 1721 crores. This first phase of the project will be funded with internal accruals of Rs. 480 crores and the balance with debt.

The project will commence from January 2026 and the first phase is expected to be completed by June 2027. As such, FY2028 will be the first year of operations for the new facility.

Key Financial Indicators (Consolidated)

As on / for the period ended March 31*		2025*	2024
Operating income	Rs crore	575.46	26.68
Reported profit after tax	Rs crore	154.74	-120.96
PAT margins	%	26.89	-453
Adjusted Debt/Adjusted Net worth	Times	0.55	1.71
Interest coverage	Times	12.88	-1.08

** Crisil Ratings’ adjusted financials*

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	15.00	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	30-Jun-31	135.00	NA	Crisil BBB+/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Websol Energy System Ltd	100%	Parent company
Websol Renewables Pvt Ltd	100%	Wholly owned subsidiary of Websol Energy System Ltd incorporated on 13th October 2025 having significant business, operational and financial linkages with the parent.

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	LT	150.0	Crisil BBB+/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	**15**	**Union Bank of India**	**Crisil BBB+/Stable**
Term Loan	**135**	**Indian Renewable Energy Development Agency Limited**	**Crisil BBB+/Stable**

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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About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

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