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Initial Public Offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



## PREMIER ENERGIES LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was originally incorporated as a private limited company with the name "Premier Solar Systems Private Limited" under the provisions of the Companies Act, 1956, at Hyderabad, India, pursuant to a certificate of incorporation dated April 3, 1995, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, pursuant to a Board resolution dated May 6, 2019 and a resolution passed at an extraordinary general meeting dated July 25, 2019, the name of our Company was changed to "Premier Energies Private Limited" and a fresh certificate of incorporation dated August 6, 2019 was issued by the Registrar of Companies, Telangana at Hyderabad ("RoC"). Upon the conversion of our Company into a public limited company, pursuant to a Board resolution dated September 3, 2019 and a Shareholders' resolution dated September 4, 2019, the name of our Company was changed to "Premier Energies Limited" and a fresh certificate of incorporation dated September 25, 2019 was issued by the RoC. For details in relation to the changes in the registered office of our Company, see "History and Certain Corporate Matters - Changes in the registered office of our Company" on page 284 of the Red Herring Prospectus dated August 20, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Corporate Identity Number: U40106TG1995PLC019909

Registered Office: Plot No. 8/B/1 and 8/B/2, E- City, Maheshwaram Mandal Raviryalu Village, K.V. Rangareddy - 501 359, Telangana, India. Corporate Office: 8<sup>th</sup> Floor, Orbit Tower, Hyderabad Knowledge City, Raidurg (Panmaktha Village), Senlingampally Mandal, Hyderabad - 500 019, Telangana, India  
Contact Person: Ravella Sreenivasa Rao, Company Secretary and Compliance Officer, Tel: +91 90 3099 4222; E-mail: investors@premierenergies.com; Website: www.premierenergies.com

### OUR PROMOTERS: SURENDER PAL SINGH SALUJA AND CHIRANJEEV SINGH SALUJA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF PREMIER ENERGIES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH BY OUR COMPANY AGGREGATING UP TO ₹12,914 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 34,200,000 EQUITY SHARES OF FACE VALUE OF ₹1 EACH (THE "OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH, AGGREGATING UP TO ₹100.00 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

### DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholder	Type	Number of Equity Shares offered	Weighted Average Cost of Acquisition Per Equity Share (in ₹)*
South Asia Growth Fund II Holdings LLC	Investor Selling Shareholder	Up to 26,827,200 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	19.97
South Asia EBT Trust	Investor Selling Shareholder	Up to 172,800 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	19.97
Chiranjeev Singh Saluja	Promoter Selling Shareholder	Up to 7,200,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.25

\* As certified by Manian and Rao, Chartered Accountants, by way of their certificate dated August 20, 2024.

### Our Company is primarily an integrated solar cell and solar module manufacturer

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer  
Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 100 Million

PRICE BAND: ₹ 427 TO ₹ 450 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 427 TIMES AND 450 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.

BIDS CAN BE MADE FOR A MINIMUM OF 33 EQUITY SHARES AND IN MULTIPLES OF 33 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 22 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated August 21, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 159 of the RHP.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

## RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 37 of the RHP

- Customer concentration risk:** We have in the past derived, and we believe that we will continue to derive, a significant portion of our revenue from certain large customers. The top 10 customers for Fiscals 2022, 2023, 2024 and for three months ended June 30, 2023 and June 30, 2024 contributed ₹4,918.01 million, ₹10,794.63 million, ₹21,073.91 million, ₹4,900.79 million and ₹13,447.53 million. This represents 66.20%, 75.56%, 67.03%, 80.21% and 81.14% of the revenue from operation, respectively for the same period.
- Deployment of IPO proceeds towards loss making subsidiary:** 75% of the Gross proceeds of the Fresh Issue will be applied to our subsidiary, Premier Energies Global Environment Private Limited which has incurred losses of ₹(5.23) million, ₹(1.50) million, ₹(10.83) million and ₹(222.58) million in Fiscals 2022, 2023, 2024 and three month ended June 30, 2024, respectively. Further, most of our Subsidiaries have incurred losses at some point in the last three Fiscals and the three months ended June 30, 2024, and any similar losses in the future may adversely affect our business, financial condition and cash flows.
- Product concentration risk:** Our business and prospects of our Company is dependent on the success of two products namely, solar cells and modules, and therefore their continued success is necessary for our business and prospects.
- Geographical concentration risk pertaining to manufacturing units:** We operate through five manufacturing facilities, all of which are situated on land that we own, in Hyderabad, Telangana, India and operations are susceptible to disruptions which may be caused by certain local and regional factors, including but not limited to economic and weather conditions, natural disasters, demographic factors, and other unforeseen events and circumstances.
- Financial Risk:**  
**Loss incurred in the past:** We incurred losses of ₹(144.08) million and ₹(133.36) million in Fiscals 2022 and 2023, respectively. Losses in future could have an adverse impact on our growth prospects.
- No long-term agreement with suppliers of raw materials:** Absence of long-term supply contracts subject us to risks such as price volatility and we continue to remain susceptible to the risks arising out of price fluctuations as well as import duties, which could result in a decline in our operating margins.
- Import risk:** A significant portion of the raw materials are imported from China and other jurisdictions. Total cost of imported materials from China and other jurisdictions for Fiscals 2022, 2023, 2024 and for three months ended June 30, 2023 and June 30, 2024 was ₹4,493.43 million, ₹8,687.22 million, ₹16,923.92 million, ₹3,681.37 million and ₹6,004.89 million. This represents 60.79%, 54.78%, 62.24%, 0.73% and 62.32% of the total purchases, respectively for the same period.
- Competition risk:** We face intense competition from other Indian solar cell and module manufacturers as well as solar cell and module manufacturers from China and Southeast Asia for domestic demand, while our export sales face competition from a wide range of global solar cell and module manufacturers. As of the date of the Red Herring Prospectus, we have an aggregate annual installed capacity of 2 GW for solar cells and 4.13 GW for solar modules. According to F&S, the largest integrated solar cell and solar module manufacturer in India as of March 31, 2024 is Mundra Solar with an aggregate annual installed capacity of 4 GW of solar cell and 4 GW of solar module. Increased competition may result in price reduction, reduced margins and a loss of our market share, any of which may adversely affect our business, financial condition and prospects.
- Offer related risk:** We will not receive any proceeds from the Offer for Sale portion and the same will be received by the Selling Shareholders.

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**10. Market Risk:** Our revenue from operations and profit for Fiscal 2024 was ₹ 31,437.93 million and ₹ 2,313.60 million respectively.

Particulars	At Floor Price	At Cap Price
Market capitalization to revenue from operations for Fiscal 2024	6.14	6.45
Price to earnings ratio (based on profit after tax for Fiscal 2024)	77.92	82.12

**11.** Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is 17.00%.

**12.** Weighted average cost of acquisition for all shares transacted in the last one year, 18 months and 3 years preceding the date of the Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (in ₹) <sup>#</sup>	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last 1 year	10.13	44.42	Lowest Price: NA* Highest Price: 267.38
Last 18 months	9.96	45.18	Lowest Price: NA* Highest Price: 267.38
Last 3 years	10.42	43.19	Lowest Price: NA* Highest Price: 267.38

*\*As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated August 20, 2024.*

*<sup>#</sup>Calculated after considering the conversion of CCDs into Equity Shares on August 16, 2024. The cost of acquisition of such Equity Shares converted has been arrived at by taking into account the amount paid on acquisition of CCDs.*

*\*Equity shares acquired pursuant to a gift and bonus issue.*

**13.** The average cost of acquisition per Equity Share by the Selling Shareholders as on the date of the Red Herring Prospectus is as follows:

Name	Number of Equity Shares of face value of ₹1 each held	Average cost of acquisition per Equity Share (in ₹)
Chiranjeev Singh Saluja	273,675,382	0.25
South Asia Growth Fund II Holdings LLC	88,065,171	19.97*
South Asia EBT Trust	567,247	19.97*

*\*As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated August 20, 2024.*

*\*The amount paid on the acquisition of CCDs has been considered as the basis for arriving at the cost of acquisition of Equity Shares on conversion. Our Company allotted 17,487,360 compulsorily convertible debentures ("CCDs") to South Asia Growth Fund II Holdings LLC and 112,640 CCDs to South Asia EBT Trust by way of preferential allotment on September 28, 2021. Pursuant to conversion of the CCDs on August 16, 2024, 87,436,800 Equity Shares were allotted to South Asia Growth Fund II Holdings LLC, and 563,200 Equity Shares were allotted to South Asia EBT Trust, in the ratio of five Equity Shares for each CCD held, amounting to 88,000,000 Equity Shares in the aggregate, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. As on date of the Red Herring Prospectus, our Company does not have any outstanding CCDs.*

**14.** WACA, Floor Price and Cap Price

Past Transactions	Weighted average cost of acquisition per Equity Share (in ₹) <sup>#</sup>	Floor Price (in ₹)	Cap Price (in ₹)
Weighted average cost of acquisition of Primary Issuances	19.97	21.38 times	22.53 times
Weighted average cost of acquisition of Secondary Transactions	Nil	N.A.	N.A.

*<sup>#</sup>As certified by Manian & Rao, Chartered Accountants by way of their certificate dated August 20, 2024.*

**15.** The 3 BRLMs associated with the Offer have handled 62 public issues in the past three financial years, out of which 14 issues have closed below the offer price on the listing date

Name of the BRLM	Total Public Issues	Issues closed below the issue price on listing date
Kotak Mahindra Capital Company Limited*	9	1
ICICI Securities Limited*	35	10
J. P. Morgan India Private Limited*	1	0
Common Issues handled by the BRLMs	17	3
<b>Total</b>	<b>62</b>	<b>14</b>

*\*Issues handled where there were no common BRLMs.*

**BID/OFFER PERIOD**

**ANCHOR INVESTOR BIDDING DATE : MONDAY, AUGUST 26, 2024\***

**BID/OFFER OPENS ON : TUESDAY, AUGUST 27, 2024\***

**BID/OFFER CLOSES ON : THURSDAY, AUGUST 29, 2024<sup>^</sup>**

\*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.

<sup>^</sup>UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

**An indicative timetable in respect of the Offer is set out below:**

**Submission of Bids (other than Bids from Anchor Investors):**

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs, Non-Institutional Investors and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Bidders)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Offer Closing Date

\*UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

\*QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids.

**Bid / Offer Period**

Event	Indicative Date
Bid/Offer Opens On*	Tuesday, August 27, 2024
Bid/Offer Closes On*	Thursday, August 29, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, August 30, 2024
Initiation of refunds for Anchor Investors/ unblocking of funds from ASBA Account*	On or about Monday, September 2, 2024
Credit of Equity Shares to Depository Accounts	On or about Monday, September 2, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, September 3, 2024

\*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations i.e. Monday, August 26, 2024.

<sup>^</sup>Unified Payments Interface ("UPI") mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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