

## Premier Energies Limited

December 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	120.00	CARE A+; Stable / CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of Premier Energies Limited (PEL), which is the flagship company of Premier Energies group, factor in established position in the solar cell and module manufacturing industry and satisfactory operational and financial performance in the last two years. The company has been able to scale up its operations by enhancing its manufacturing capacity, which stood at ~3.2 GW for solar cell and ~5.1 GW for solar modules as of September 2025 end. The same is reflected by proportionate increase in total operating income (TOI) of ₹6,519 crore in FY25 and ₹3,658 crore in H1-FY26 against ₹3,144 crore in FY24 and ₹1,429 crore in FY23 at PEL consolidated level. Moreover, the company's operating margin has improved significantly from 15.2% in FY24 to 27.3% in FY25 and 30.3% in H1-FY26. The improvement in operating margins is primarily on account of healthy realisations on domestic cells and domestic content requirement (DCR) modules and streamlining of operational expenses by the company. The ratings are further supported by presence of strong order book of 9,114 MW valued at ~₹13,250 crore as of September 2025 end providing revenue visibility for the near-to-medium term.

The credit profile also draws strength from the robust demand prospects for domestic solar cell and module manufacturers, considering favourable policy measures and schemes initiated by the Government of India (GoI) such as imposition of basic customs duty (BCD), implementation of the Approved List of Models and Manufacturers (ALMM-I) requiring use of domestically manufactured modules in all solar projects from April 01, 2024, and mandatory use of DCR solar modules in solar installations under central government-aided schemes such as PM Surya Ghar Muft Bijli Yojana (PM-SGMBY) and PM Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) Yojana, among others. The company's healthy order book position is a testament of this. Going forward, with implementation of ALMM for solar cells (ALMM-II), demand prospects for the domestically manufactured solar cells are expected to remain strong as it mandates use of solar modules made from domestically manufactured solar cells for projects to be commissioned beyond June 01, 2026.

However, ratings are constrained on account of execution risks pertaining to setting up of 5.6 GW of TOPCon solar module and 7.0 GW of TOPCon solar cell manufacturing capacities under PEGL, which are expected to get commissioned in by March 2026 end and September 2026 end respectively. The execution progress and ramping up of operations thereafter would be key monitorables from a credit standpoint. Further, the company's profitability remains vulnerable to variation in raw material prices and foreign exchange rates given the reliance on imports for wafer procurements and the intense competition in the solar module manufacturing business. Additionally, the company is exposed to performance risk of modules, however, the same is mitigated by provisioning for warranty. The rating is further constrained considering the leveraged capital structure and interest rate risk, given the debt-funded capex for setting up the facility. This apart, PEL is exposed to risks pertaining to new lines of business, such as battery energy storage systems (BESS), aluminium manufacturing, solar invertor and transformer; however, the same constitutes for ~20% of the total capital to be deployed by the company.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in scale of operations along with sustenance of operating margins above 25% over the medium-to-long run.
- Successful commissioning and ramp-up of under-construction solar cell and module manufacturing capacities without any significant time or cost overrun.

#### Negative factors

- Deterioration in financial risk profile on account of lower than envisaged growth in scale and moderation in operating profitability margins below 15%.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

- Debt-funded capex resulting in net debt/ earnings before interest, taxation, depreciation, and amortisation (EBITDA) above 1.0x at PEL consolidated level on a sustained basis.
- Any adverse regulatory outcome which reduces the competitiveness of domestic solar cell/module manufacturers against international players.

#### **Analytical approach:** Consolidated

CARE Ratings Limited (CareEdge Ratings) has analysed PEL on the basis of consolidated financials of the entity. The list of subsidiaries getting consolidated is attached as Annexure-6.

#### **Outlook:** Stable

The stable outlook on the CARE A+ rating of PEL reflects CareEdge Ratings opinion the company will continue to operate at robust production levels. Further the outlook is supported by the buoyant demand for domestically manufactured solar cells and modules over the near-to-medium term.

#### **Detailed description of key rating drivers:**

##### **Key strengths**

###### **Established market position in the solar module manufacturing industry**

PEL is an established player in the solar module manufacturing industry with track record of over 25 years. The company is one of the leading solar cell and solar module manufacturers in India with ~3.2 GW cell and ~5.1 GW module manufacturing capacities as of September 2025 end. In addition to solar cell and module manufacturing, the Premier group also undertakes engineering, procurement and construction (EPC) activities for solar power plants, which contributes ~5% of total sales. PEL is also part of the ALMM-I for solar photovoltaic (PV) module and ALMM-II for solar PV cell manufacturing in India having enlisted capacity of ~3.7 GW per the ALMM-I list and ~1.9 GW per the ALMM-II list, released by the Ministry of New & Renewable Energy (MNRE).

###### **Growing manufacturing capacity with improvement in production and sales in last few years**

PEL has scaled up its production capacity significantly in the last two-three years as reflected by cell manufacturing capacity of ~3.2 GW and module capacity of ~5.1 GW at present against ~0.8 GW cell capacity and ~1.4 GW module capacity as of FY23 end. Consequently, the size and scale of the company's operation grew considering healthy capacity utilisation of plants. The company's sales also witnessed a significant uptick and the same is reflected by proportionate increase in TOI of ₹6,519 crore in FY25 and ₹3,658 crore in H1-FY26 against ₹3,144 crore in FY24 and 1,429 crore in FY23 at PEL Consolidated level. Moreover, the company's operating margin has improved significantly from 15.2% in FY24 to 27.3% in FY25 and 30.3% in H1-FY26. Going forward, CareEdge Ratings expects the TOI to remain above ₹7,000 crore for FY26 given the increased operational capacity and healthy order book position of the group.

###### **Healthy order book position and diversified customer profile**

The company has revenue visibility on account of strong order book position of the group. As on September 30, 2025, the Premier group, on a consolidated basis, holds an order book of 9,114 MW valued at ~₹13,250 crore. Of the current order book, ~60% by value pertains to solar cells, while the remaining 40% relates to solar modules. Moreover, the order is well diversified across leading independent power producers (IPPs) operating in India. Furthermore, the entire order book is domestic with no reliance on export markets.

###### **Satisfactory capital structure and debt coverage metrics**

The company's capital structure is satisfactory as reflected by overall gearing of 0.5x at PEL Consolidated as of September 2025 end. Going forward, the overall gearing is expected to remain range-bound between 0.8x and 0.9x as debt for under-construction capacity will come. The debt coverage metrics of the company are satisfactory with interest coverage ratio expected to be in excess of 8.0x over next few years. Moreover, going forward, CareEdge Ratings expects the net debt/EBITDA at PEL Consolidated level to remain below unity given expectation of healthy cash accruals by the company.

###### **Strong competitiveness of the domestic solar cell and module manufacturers against Chinese manufacturers**

The demand prospects for domestic solar cell and module manufacturers remain buoyant on account of various policy measures and schemes initiated by the GoI such as imposition of BCD of 40% and 25% on imported solar modules and solar cells, respectively, from April 01, 2022, and imposition of ALMM-I for domestic modules from April 01, 2024, which is expected to be a key growth driver for the domestic manufacturers by making them cost-competitive compared to Chinese players.

Furthermore, the Mandatory use of domestic content requirement (DCR) solar modules in solar installations under central government-aided schemes such as PM Surya Ghar Muft Bijli Yojana, and PM-KUSUM Yojana among others under which 40% raw material shall be domestically manufactured, strengthens the competitive position of homegrown solar cell players such as Premier group having ~3.2 GW of solar cell manufacturing capacity at present, in the domestic market. Additionally, Introduction of production-linked incentive (PLI) scheme to promote backward integrated plants are also expected to benefit domestic module manufacturers over the medium-to-long term.

Going forward, CareEdge Ratings expects the demand prospects for PEL to remain strong in the domestic market, given the favourable policy support by the Government. Furthermore, the implementation of ALMM-II is expected to strengthen the demand prospects for domestically manufactured solar cells as it mandates use of solar modules made from domestically manufactured solar cells for projects to be commissioned beyond June 01, 2026.

## **Key weaknesses**

### **Execution risk for 7.0 GW TOPCon cell and 5.6 GW TOPCon module lines under-implementation project**

The Premier group is setting up 7.0 GW TOPCon solar cell and 5.6 GW TOPCon solar module manufacturing facility with an estimated capex of ~₹4,300 crore, which is to be funded in the debt-equity mix of 1:1. The company has tied up long-term debt to meet the debt requirements of the project, whereas promoter contribution will be met through the proceeds of IPO of PEL and internal accruals of the Premier group. The module and cell facilities are expected to get commissioned in by March 2026 and September 2026, respectively. Therefore, the execution progress and ramping up of operations thereafter would be key monitorables from a credit standpoint.

### **Susceptibility of profitability to volatility in raw material prices and foreign exchange rates**

The company's operating margins remained satisfactory as reflected by EBITDA margin of 27.3% in FY25 and 30.3% in H1-FY26. However, this remains susceptible to risks of fluctuations in prices of raw material which include polysilicon, wafer, solar cells, aluminium panels, and glass. The key raw material includes solar cells which constitutes ~50% of the total raw material cost, has witnessed price fluctuations in the last two years. Though the company pass through rise in input cost to its customers as it undertakes order-backed procurement with price indexation to mitigate this risk, any sharp rise in input cost and the company's inability to pass it to its customers would adversely impact the company's profitability. Moreover, the company has hedging mechanism policy to mitigate impact of adverse movement in currency exchange rates. Going forward, CareEdge Ratings estimates the profitability margins to remain in double digits in FY26 and expects a similar trend over the near-to-medium term.

### **Performance risk of modules given the presence of long-term warranties**

The business remains exposed to risks pertaining to any devolvement of warranties provided on the solar modules. The modules are typically sold with a 10-year warranty for product manufacturing defects and a 25-year warranty relating to output performance. However, the warranty claims have remained very low in the past few years. Furthermore, PEL has been making adequate provisions for warranty, thereby mitigating itself from any kind of inadvertent claims that may arise in future.

### **Technology risk owing to the evolving technology for solar cells and modules**

PEL is exposed to technology risk since solar cells and modules are subject to technical advancements thereby exposing the products manufactured by the company to risk of obsolescence in terms of technology. However, per the management, the company plans to operate the plant in a modular fashion enabling it to switch from existing technology to latest technology with minimal capex requirement.

### **Intense competition in the solar module manufacturing business**

PEL faces intense competition in the solar module business from other domestic manufacturers and international players exposing it to demand-related risks. Around 80-85% solar modules used in India were imported till FY22 end, given the competitive advantage of imported modules against the indigenous modules. However, with the imposition of BCD on imported solar modules and cells (25%) and applicability of ALMM-1, the cost competitiveness of domestic module manufacturers has improved. While the government remains focussed on building domestic manufacturing capabilities, any adverse regulatory/policy level changes, which reduce the competitiveness of domestic manufacturers would be a key negative sensitivity.

### **Liquidity: Adequate**

The liquidity position of the company is adequate as the company has free cash and bank balance aggregating to ~₹946 crore and restricted cash and bank balance aggregating to ~₹397 crore on consolidated level as on September 30, 2025. Furthermore, the company has fund-based working capital limits aggregating to ~₹459 crore under its three subsidiaries, Premier Energies

Photovoltaic Private Limited (PEPPL), Premier Energies International Private Limited (PEIPL), and Premier Energies Global Environment Private Limited (PEGEPL), which is expected to aid in meeting working capital requirements of the group.

### **Environment, social, and governance (ESG) risks**

PEL is dedicated to fostering sustainable living by championing environmental preservation, promoting health and safety through adoption of green energy practices, empowering children through educational initiatives, and actively engaging communities in environmental stewardship programmes. Notably, 50% of PEL's board consists of independent directors, ensuring robust governance and diverse perspectives.

### **Applicable criteria**

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

[Short Term Instruments](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

PEL, incorporated on April 03, 1995, is the flagship company of Premier Energies Group. It is an integrated solar solutions company and manufactures solar cells and solar modules and also provides turnkey EPC services for setting up solar power plants. It offers a broad spectrum of photovoltaic products ranging from solar PV cells to solar PV modules. PEL group is managed by Mr. Chiranjeev Singh Saluja and Mr. Surender Pal Singh Saluja, having a cumulative experience of 60 years across various business verticals.

As on September 30, 2025, PEL has a cumulative manufacturing capacity of ~3.2 GW of solar cell and ~5.1 GW of solar modules on an annual basis. The manufacturing capacity is spread across PEL's subsidiaries, PEPPL (rated CARE A+; Stable), PEIPL (rated CARE A+; Stable) and PEGEPL (rated CARE A; Stable).

#### **Financial performance – PEL (Consolidated)**

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	3144	6519	3658
PBILDT	478	1781	1109
PAT	231	937	661
Overall gearing (times)	2.0	0.7	0.5
Interest coverage (times)	4.1	10.1	16.0

A: Audited, UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	30.00	CARE A+; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	90.00	CARE A+; Stable / CARE A1+

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	30.00	CARE A+; Stable / CARE A1+				
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	90.00	CARE A+; Stable / CARE A1+				

LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA**
**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Lender details**
To view lender-wise details of bank facilities please [click here](#)
**Annexure-6: List of entities consolidated**

Sr. No.	Name of the entity	Extent of consolidation	Reason for consolidation
1	Premier Energies Photovoltaic Private Limited	Full	Subsidiary
2	Premier Energies International Private Limited	Full	Subsidiary
3	Premier Energies Global Environment Private Limited	Full	Subsidiary
4	Premier Solar Powertech Private Limited	Full	Subsidiary
5	Premier Photovoltaic Gajwel Private Limited	Full	Subsidiary
6	Premier Photovoltaic Zaheerabad Private Limited	Full	Subsidiary
7	Premier-Green Alumnum Private Limited	Full	Subsidiary
8	Premier Energies Storage Solutions Private Limited	Full	Subsidiary
9	Premier Energies GWC Private Limited	Full	Subsidiary
10	Premier Energies Photovoltaic LLC	Full	Subsidiary
11	IBD Solar Powertech Private Limited	Full	Step-Down Subsidiary
12	Mavyatho Ventures Private Limited	Moderate	Associate
13	Brightstone Developers Private Limited	Moderate	Associate

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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