



IPO NOTE

PREMIER ENERGIES LIMITED

Rating:
Subscribe



ISSUE OFFER

Issue Opens on	AUG 27, 2024
Issue Close on	AUG 29, 2024
Total IPO size (cr)	₹2,830.40
Fresh issue (cr)	₹1,291.40
Offer For Sale (cr)	₹1,539.00
Price Band (INR)	427-450
Market Lot	33
Face Value (INR)	₹1
Retail Allocation	35%
Listing At	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
422,065,168	450,762,945

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	30-08-2024
Refunds/Unblocking ASBA Fund	02-09-2024
Credit of equity shares to DP A/c	02-09-2024
Trading commences	03-09-2024

Premier Energies Limited is primarily an integrated solar cell and solar module manufacturer with 29 years of experience in the solar industry. Its Business operations include the manufacturing of solar photovoltaic and solar modules, the sale of customizable and ad hoc solar-related products, the execution of EPC projects, the provision of O&M services, and independent power production through its 2 MW solar power plant in Jharkhand.

OBJECTS OF THE ISSUE

- Investment in the Subsidiary, Premier Energies Global Environment Private Limited.
- General corporate purposes.

OUTLOOK & VALUATION

Premier Energies, a seasoned solar cell and module manufacturer, demonstrates a strong track record in the solar manufacturing sector. Its diversified customer base and robust order book, combined with a recent surge in profitability, position the company favorably for continued growth.

While the company has faced challenges such as underutilized capacity and historical losses, its strong financial performance in FY24 indicates a positive trajectory. However, the intense competition within the solar manufacturing industry remains a key risk.

The IPO's valuation of 64.93x P/E appears fully priced, reflecting the company's recent financial success. Despite the premium valuation, considering the other factors, we recommend a Subscribe rating for this IPO.



KEY MANAGERIAL PERSONNEL

01

Surender Pal Singh Saluja

Chairman and Whole-Time Director and one of the Promoters of the Company. He has been associated with the Company since its incorporation. He is responsible for providing strategic advice to the Board, and developing and executing the Company's business strategies. He has a bachelor's in engineering (mechanical) degree from Karnatak University, Dharwad, Karnataka.

03

Nand Kishore Khandelwal

Group Chief Financial Officer of the Company. He is responsible for the finance function, strategic planning, and information technology in the company. He has been associated with the Company since September 1, 2023. He is an associate member of the Institute of Chartered Accountants of India.

02

Chiranjeev Singh Saluja

Managing Director of the Company and one of the Promoters of the Company. He has been associated with the Company since 1997. He is responsible for the overall operations of the Company and leading the Company's short and long-term strategy and setting strategic goals. He has completed his higher secondary education from the Hyderabad Public School and St. Mary's Junior College, Hyderabad.

04

Ravella Sreenivasa Rao

Vice President - Company Secretary, Legal, and Compliance Officer of the Company. He has been associated with the Company since March 24, 2022. He is responsible for secretarial, legal, and compliance-related functions in the Company. He is an associate of the Institute of Company Secretaries of India and an insolvency professional registered with the Insolvency and Bankruptcy Board of India.

COMPANY PROFILE

- The Company has five manufacturing facilities, all of which are situated on land that it owns, in Hyderabad, Telangana, India.
- The Company has taken steps such as ordering the necessary equipment and machines to increase its annual installed capacity for solar cells by commissioning a 1,000 MW TOPCon solar cell line in Unit II.
- Its key customers across its business offerings include several IPPs, OEMs, and off-grid operators such as NTPC, TATA Power Solar Systems Limited, Panasonic Life Solutions Private Limited (“Panasonic”), Continuum, Shakti Pumps, First Energy, Bluepine Energies Private Limited, Luminous and many others.
- It has focused on sustainability and has adopted several environmental, social, and governance (“ESG”) strategies and initiatives to, among others, lower its carbon footprint.

COMPETITIVE STRENGTHS

- It is an integrated solar cell and solar module manufacturer.
- long track record in the solar module manufacturing sector.
- Experienced in solar cell line production.
- It has a diversified customer base with customer relationships both within India and overseas with a robust order book.
- Experienced Promoter-led senior management team.

KEY STRATEGIES

- Expand its overseas presence and increase its exports, especially in the U.S. market.
- Develop and grow its rooftop solar offering.
- Capitalize on available market opportunities to grow its domestic business.
- Expanding and upgrading manufacturing capacities using the latest technology.

KEY CONCERNS

- Revenue from operations is dependent upon a limited number of customers.
- The company and most of its Subsidiaries have incurred losses at some point in the last three Fiscals and the three months ended June 30, 2024.
- Expansion of its annual installed capacity despite existing underutilization may adversely affect its business.
- The Company experienced a significant decline in actual production and annual installed capacity of solar modules in the past three Fiscals.
- The Company faces intense competition in its markets.
- Restrictions or import duties levied on raw materials it uses in its manufacturing operations may adversely affect its business.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In ML)	RoNW (%)
Premier Energies Limited	6.93	14.63	-	31,713.11	37.46
Peer Group					
Websol Energy System Limited	(29.99)	NA	NA	268.10	NA

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLION)	FY 2024	FY 2023	FY 2022
Equity Share Capital	263.46	263.46	263.46
Other equity	4,506.31	2,149.95	1,984.04
Net Worth	6,598.85	4,242.49	4,039.39
Total Borrowings	8,783.83	5,698.10	3,322.71
Revenue	31,437.93	14,285.34	7,428.71
EBITDA	5,053.18	1,128.81	537.38
Profit/loss of the Year	2,893.72	(77.60)	(156.91)
Net profit/loss of the year	2,313.60	(133.36)	(144.08)


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