OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 20 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 37 and 401, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the F&S Report prepared and issued by F&S, appointed by us on February 6, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://premierenergies.com/investor-relations/ipo-documents. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

OVERVIEW

Our Company is primarily an integrated solar cell and solar module manufacturer with 29 years of experience in the solar industry. Our business operations include:

(i) the manufacturing of solar photovoltaic ("**PV**") cells, in particular bifacial monocrystalline PERC cells using the M10 wafer size in a 182mm x 182mm format which may be assembled into solar modules;

(ii) the manufacturing of solar modules using different module technologies such as monocrystalline PERC and TOPCon, cell sizes and quantity, power output ranges and formats such as monofacial and bifacial. We also manufacture custom made modules for specific applications;

(iii) the sale of customizable and ad hoc solar-related products depending on customer requirements such as customized bespoke solar tiles;

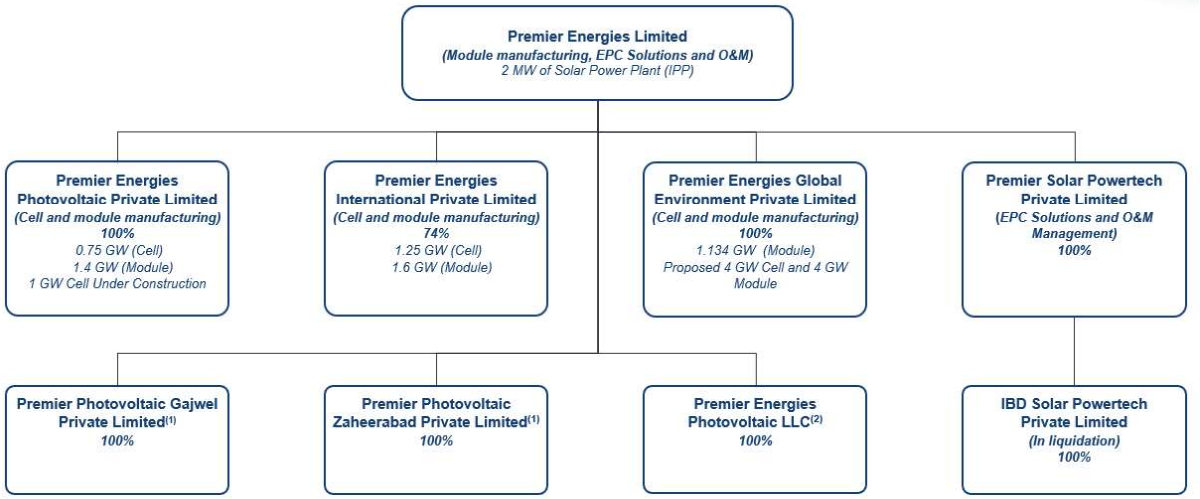
(iv) the execution of EPC projects which include end-to-end solar services for ground-mounted, rooftop, floating, canal bank, canal top and hybrid power generation systems;

(v) the provision of O&M services with respect to EPC projects executed by our Company; and

(vi) independent power production through our 2 MW solar power plant in Jharkhand, India.

For further details on our business operations, please refer to "***Our Business – Our Business Operations – Product Portfolio***", "***– EPC Solutions***", "***– O&M Solutions***" and "***– Independent Power Production***" commencing on pages 251 and 252.

As of June 30, 2024, our Group is structured as follows:



Notes:

(1) Non-operating.

(2) As of June 30, 2024, Premier Energies Photovoltaic LLC is yet to commence operations.

*(3) For further details, see "**Our Subsidiaries and Associates**" on page 292.*

As of the date of this Red Herring Prospectus, we have five manufacturing facilities, all of which are situated on land that we own, in Hyderabad, Telangana, India. Combined, our manufacturing facilities have an annual installed capacity of 2 GW for solar cells and 4.13 GW for solar modules as of the date of this Red Herring Prospectus. Our Unit II manufacturing facility is India's first LEED gold rated solar manufacturing facility as certified by the U.S. Green Building Council ("**USGBC**") v4 Building Design and Construction: New Construction and Major Renovations in August 2022.

We have taken steps such as ordering the necessary equipment and machines to increase our annual installed capacity for solar cells by commissioning a 1,000 MW TOPCon solar cell line in Unit II. We have procured financing for this additional cell line through IREDA, which has estimated project costs of ₹6,694 million. We expect the additional cell line to be ready within Fiscal 2025. With the market for solar modules expected to continue to grow in India on account of ambitious government targets and increasing demand for clean energy according to F&S, we intend to capitalize on this growth momentum by utilizing a portion of the proceeds from the Fresh Issue to further expand our current manufacturing capacities by commissioning an additional 4 GW TOPCon solar cell line and an additional 4 GW TOPCon solar module line. For further information, see "***Objects of the Offer***" on page 139.

For further details on our manufacturing facilities, please refer to "***Our Business – Our Business Operations – Manufacturing Facilities***" on page 252.

We established a 75 MW capacity solar cell manufacturing line in 2011 before manufacturing solar cells at scale through the introduction of a solar cell line with an annual installed capacity of 500 MW in Fiscal 2021 and 250 MW in Fiscal 2022. The experience we gained through this process is one of the contributing factors which led to our development of our bifacial monocrystalline PERC solar cell based on the M10 - 182mm x 182 mm format in 2022. On a monthly basis, we are able to manufacture up to 14 million M10 sized solar cells.

Our key customers across our 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, Hartek Solar Private Limited ("**Hartek**"), Green Infra Wind Energy Limited (a subsidiary of Sembcorp Green Infra Limited), Madhav Infra Projects Limited ("**Madhav**"), SolarSquare Energy Private Limited ("**SolarSquare**") and Axitec Energy India Private Limited ("**Axitec**"). As of July 31, 2024, we had an order book of ₹59,265.65 million of which ₹16,091.14 million was in relation to non-DCR solar modules, ₹22,140.60 million was in relation to DCR solar modules, ₹18,911.18 million was in relation to solar cells and ₹2,122.72 million was in relation to EPC projects. For further information on our order book, see "***Our Business – Strengths – We have a diversified customer base with customer relationships both within India and overseas with a robust order book***" on page 242.

We have a professional and experienced management team led by our Promoters who have significant experience in the solar industry. Surender Pal Singh Saluja, our Chairman and Whole-Time Director, founded our Company in 1995 and oversees the operations and finance functions of our Group. Our Managing Director, Chiranjeev Singh Saluja, was instrumental in the growth in our operations to 2 GW annual installed capacity for solar cells and 4.13 GW annual installed capacity for solar modules as of the date of this Red Herring Prospectus. We are also supported by our Key Managerial Personnel as well as our Senior Management. The experience of our management team has been critical in building our operations over the years.

In September 2021, we received investment of ₹1,770 million from South Asia Growth Fund II Holdings LLC and South Asia EBT Trust, affiliates of a global private equity management fund focused on investing in climate solutions.

Our financial performance over the last three Fiscals and the three months ended June 30, 2023 and 2024 in terms of our revenue from operations, EBITDA and profit / (loss) after tax are set forth in the table below. Our revenue from operations increased at a compounded annual growth rate ("**CAGR**") of 105.72% from Fiscal 2022 to Fiscal 2024 and is calculated as follows:

(CAGR is calculated as (Ending Value / Beginning Value) ^ (1 / Number of Years) – 1)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
			(₹ million, except percentages)		
Revenue from operations	7,428.71	14,285.34	31,437.93	6,110.23	16,573.67
EBITDA[(1)]	537.38	1,128.81	5,053.18	766.64	3,697.36
EBITDA Margin[(2)]	7.01%	7.71%	15.93%	12.44%	22.16%
Profit Before Tax	(156.91)	(77.60)	2,893.72	435.31	2,457.32
PBT Margin[(3)]	(2.05)%	(0.53)%	9.12%	7.06%	14.73%
Profit after tax	(144.08)	(133.36)	2,313.60	313.29	1,981.60
PAT Margin[(4)]	(1.88)%	(0.91)%	7.30%	5.08%	11.87%
ROE[(5)]	(4.66)%	(3.18)%	43.73%	7.33%*	26.54%*
ROCE[(6)]	3.63%	5.94%	25.65%	5.08%*	14.26%*

** Not annualized.*

Notes:

(1) EBITDA is calculated as restated profit for the year / period plus tax, finance cost, depreciation, and amortization, less share of profit / loss from associates.

(2) EBITDA Margin is calculated as EBITDA divided by total income. Total income is calculated as revenue from operations and other income.

(3) PBT Margin is calculated as restated profit before tax for the year / period divided by total income.

(4) PAT Margin is calculated as restated profit after tax for the year / period divided by total income.

(5) ROE is calculated as restated profit for the period / year (owners share) divided by average total equity (excluding non-controlling interest) whereas average total equity is the average of opening and closing total equity (excluding non-controlling interest) as disclosed in the Restated Consolidated Financial Information.

(6) ROCE is defined calculated as EBIT divided by average capital employed where (a) EBIT is EBITDA less depreciation and amortization and (b) average capital employed is the average of opening and closing values of total equity (excluding non-controlling interest and capital reserves), total debt (including lease liabilities and accrued interest), deferred tax liabilities (net of deferred tax asset) less intangible assets (including goodwill).

The tables below provide details of our segmented income as a percentage of our revenue from operations for Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2023 and 2024:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Income from sale of manufactured goods	**3,179.01**	**42.80**	**11,422.77**	**79.95**	**27,287.13**	**86.80**
- Sale of solar cells	336.01	4.53	1,856.26	12.98	7,066.36	22.48
- Sale of solar modules	2,843.00	38.27	9,566.51	66.97	20,220.77	64.32
Income from sale of traded goods	**2,379.02**	**32.02**	**1,669.72**	**11.70**	**2,579.29**	**8.21**
- Sale of solar modules	—	—	549.31	3.85	1,775.47	5.65

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
- Sale of solar cells	744.45	10.02	768.03	5.38	634.06	2.02
- Sale of solar accessories and silicon wafers	1,634.57	22.00	352.38	2.47	169.76	0.54
Revenue from power supply	**40.47**	**0.54**	**42.87**	**0.30**	**38.43**	**0.12**
Income from contracts	**1,830.21**	**24.64**	**1,138.44**	**7.97**	**1,487.12**	**4.73**
- Construction and project related activity	1,812.80	24.41	1,103.74	7.73	1,437.12	4.57
- Engineering and service fees	17.41	0.23	34.70	0.24	50.00	0.16
Other operating revenue	**—**	**—**	**11.54**	**0.08**	**45.96**	**0.14**
- Job work services	—	—	4.49	0.03	16.36	0.05
- Sale of scrap	—	—	7.05	0.05	29.60	0.09
Total	**7,428.71**	**100.00**	**14,285.34**	**100.00**	**31,437.93**	**100.00**

Particulars	Three months ended June 30, 2023		Three months ended June 30, 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*
Income from sale of manufactured goods	**4,948.42**	**80.98**	**14,480.32**	**87.36**
- Sale of solar cells	391.63	6.40	4,286.85	25.86
- Sale of solar modules	4,556.79	74.58	10,193.47	61.50
Income from sale of traded goods	**809.28**	**13.24**	**1,507.82**	**9.10**
- Sale of solar modules	270.00	4.42	1,378.59	8.32
- Sale of solar cells	490.75	8.03	0	0
- Sale of solar accessories and silicon wafers	48.53	0.79	129.23	0.78
Revenue from power supply	**10.89**	**0.18**	**10.07**	**0.06**
Income from contracts	**320.68**	**5.25**	**561.23**	**3.39**
- Construction and project related activity	320.68	5.25	543.45	3.28
- Engineering and service fees	0	0	17.78	0.11
Other operating revenue	**20.96**	**0.35**	**14.23**	**0.09**
- Job work services	13.78	0.23	0	0
- Sale of scrap	7.18	0.12	14.23	0.09
Total	**6,110.23**	**100.00**	**16,573.67**	**100.00**

The tables below provide details of our revenue from domestic and export (i.e. overseas) sales as a percentage of our revenue from operations for Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2023 and 2024 which shows that 0.92%, 0.52%, 13.99%, 6.26% and 0.10%of our revenue from operations were derived from export sales:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Revenue from domestic sales	7,360.59	99.08	14,210.38	99.48	27,040.60	86.01
Revenue from export sales	68.12	0.92	74.96	0.52	4,397.33	13.99
Total	**7,428.71**	**100.00**	**14,285.34**	**100.00**	**31,437.93**	**100.00**

Particulars	Three months ended June 30, 2023		Three months ended June 30, 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*
Revenue from domestic sales	5,727.51	93.74	16,556.90	99.90
Revenue from export sales	382.72	6.26	16.77	0.10
Total	**6,110.23**	**100.00**	**16,573.67**	**100.00**

The tables below sets forth our export sales in our top jurisdictions for Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2023 and 2024, respectively:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
United States	—	—	—	—	2,758.35	8.77
Hong Kong		—	—	—	1,472.25	4.68
Others[(1)]	68.12	0.92	74.96	0.52	166.73	0.53
Total export sales	**68.12**	**0.92**	**74.96**	**0.52**	**4,397.33**	**13.99**

Note:

(1) "Others" includes South Africa, Bangladesh, Norway, Nepal, France, Malaysia, Canada, Sri Lanka, Germany, Hungary, the United Arab Emirates, Uganda, Turkey, South Korea, China, Taiwan and Philippines.

Particulars	For the three months ended June 30, 2023		For the three months ended June 30, 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*
United States	358.41	5.87	0	0
Hong Kong	1.98	0.03	0	0
Others[(1)]	22.33	0.37	16.77	0.10
Total export sales	**382.72**	**6.26**	**16.77**	**0.10**

Note:

(1) "Others" includes South Africa, Bangladesh, Norway, Nepal, France, Malaysia, Canada, Sri Lanka, Germany, Hungary, the United Arab Emirates and Uganda.

The tables below set out revenue from our Company and Subsidiaries as a percentage of our revenue from operations for Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2023 and 2024:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Premier Energies Limited	7,478.42	100.67	7,212.56	50.49	10,502.54	33.41
Premier Energies Photovoltaic Private Limited	2,784.73	37.48	12,073.62	84.52	31,169.62	99.14
Premier Energies International Private Limited	—	—	—	—	4,390.55	13.97
Premier Energies Global Environment Private Limited	—	—	—	—	55.30	0.18
Premier Solar Powertech Private Limited	166.93	2.25	128.78	0.90	198.23	0.63

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Premier Photovoltaic Gajwel Private Limited	—	—	—	—	—	—
Premier Photovoltaic Zaheerabad Private Limited	—	—	—	—	—	—
Premier Energies Photovoltaic LLC	—	—	—	—	—	—
IBD Solar Powertech Private Limited	—	—	—	—	—	—
Eliminations	3,001.37	(40.40)	(5,129.62)	(35.91)	(14,878.31)	(47.33)
Total as per Restated Consolidated Financial Information	**7,428.71**	**100.00**	**14,285.34**	**100.00**	**31,437.93**	**100.00**

Particulars	Three months ended June 30, 2023		Three months ended June 30, 2024	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(₹ million)	*(%)*	*(₹ million)*	*(%)*
Premier Energies Limited	1,896.58	31.04	3,394.76	20.48
Premier Energies Photovoltaic Private Limited	5,667.07	92.75	15,147.55	91.40
Premier Energies International Private Limited	—	—	6,654.29	40.15
Premier Energies Global Environment Private Limited	—	—	41.69	0.25
Premier Solar Powertech Private Limited	20.77	0.34	1,391.16	8.39
Premier Photovoltaic Gajwel Private Limited	—	—	—	—
Premier Photovoltaic Zaheerabad Private Limited	—	—	—	—
Premier Energies Photovoltaic LLC	—	—	—	—
IBD Solar Powertech Private Limited	—	—	—	—
Eliminations	(1,474.19)	(24.13)	(10,055.78)	(60.67)
Total as per Restated Consolidated Financial Information	**6,110.23**	**100.00**	**16,573.67**	**100.00**

Note:

(1) Our manufacturing facilities are categorised as follows:

Entity	***Manufacturing Facility***
Premier Energies Limited	*Unit I*
Premier Energies Photovoltaic Private Limited	*Unit II*
Premier Energies International Private Limited	*Unit III and Unit IV*
Premier Energies Global Environment Private Limited	*Unit V*

The tables below set out restated profit / (loss) for the year / period from our Company, Subsidiaries and associates as a percentage of our total restated profit / (loss) for Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2023 and 2024:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of restated profit / (loss)	Amount	Percentage of restated profit / (loss)	Amount	Percentage of restated profit / (loss)
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Premier Energies Limited	176.21	(122.30)	138.34	(103.73)	70.08	3.03
Premier Energies Photovoltaic Private Limited	(297.58)	206.54	(292.70)	219.48	2,520.58	108.94
Premier Energies International Private Limited	(1.84)	1.28	(20.41)	15.30	390.78	16.89
Premier Energies Global Environment Private Limited	(5.23)	3.63	(1.50)	1.12	(6.28)	(0.27)

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	Percentage of restated profit / (loss)	Amount	Percentage of restated profit / (loss)	Amount	Percentage of restated profit / (loss)
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Premier Solar Powertech Private Limited	0.39	(0.27)	47.44	(35.57)	29.26	1.26
Premier Photovoltaic Gajwel Private Limited	(6.57)	4.56	7.41	(5.56)	(0.08)	0.00
Premier Photovoltaic Zaheerabad Private Limited	(1.04)	0.72	(0.36)	0.27	(0.23)	(0.01)
Premier Energies Photovoltaic LLC	—	—	—	—	—	—
IBD Solar Powertech Private Limited	(0.34)	0.00	(0.61)	0.46	0.39	0.02
Associates						
Brightstone Developers Private Limited	12.47	(8.66)	13.06	(9.79)	13.78	0.60
Mavyatho Ventures Private Limited	(0.72)	0.50	(0.87)	0.65	(0.55)	(0.02)
Eliminations and non-controlling interest	(19.83)	13.76	(23.16)	17.37	(704.13)	(30.43)
Total as per Restated Consolidated Financial Information	**(144.08)**	**100.00**	**(133.36)**	**100.00**	**2313.60**	**100.00**

Particulars	Three months ended June 30, 2023		Three months ended June 30, 2024	
	Amount	Percentage of restated profit / (loss)	Amount	Percentage of restated profit / (loss)
	(₹ million)	*(%)*	*(₹ million)*	*(%)*
Premier Energies Limited	18.67	5.96	(55.87)	(2.82)
Premier Energies Photovoltaic Private Limited	372.38	118.86	194.10	9.80
Premier Energies International Private Limited	(43.6)	(13.92)	1,557.45	78.60
Premier Energies Global Environment Private Limited	0.49	0.16	(186.11)	(9.39)
Premier Solar Powertech Private Limited	(4.49)	(1.43)	(13.89)	(0.70)
Premier Photovoltaic Gajwel Private Limited	(1.22)	(0.39)	(0.24)	(0.01)
Premier Photovoltaic Zaheerabad Private Limited	(0.10)	(0.03)	(0.10)	(0.01)
Premier Energies Photovoltaic LLC	-	-	-	-
IBD Solar Powertech Private Limited	0.39	0.12	(0.01)	0.00
Associates				
Brightstone Developers Private Limited	7.26	2.32	6.81	0.34
Mavyatho Ventures Private Limited	(0.23)	(0.07)	(0.19)	(0.01)
Eliminations and non-controlling interest	(36.26)	(11.57)	479.65	24.21
Total as per Restated Consolidated Financial Information	**313.29**	**100.00**	**1,981.60**	**100.00**

We have a focus on sustainability and have adopted several environment, social and governance ("**ESG**") strategies and initiatives to, among others, lower our carbon footprint. For example, we use a zero liquid discharge system to recycle 100% of the water used in our manufacturing processes – 91% of such water is recovered for reuse while 9% is lost through evaporation. We also have a 6.61 MW of solar panels installed on the roofs of our manufacturing facilities which provides 10% of the power consumption requirements for the manufacturing facilities as of June 30, 2024. For more details, please see "***Our Business – Our Business Operations – Environment, Social and Governance***" on page 266. Through this and other endeavors, we have been recognized with awards such as winner in the category of Leading Renewable Energy Manufacturers and Excellence in Sustainability in the 2023 Renewable Energy India Awards, Best Sustainability Practices – Silver Category award by the Government of Telangana's Industrial and Commerce Department in the Industry Awards 2022, among others. For more details, see "***Our Business – Our Business Operations – Awards***" on page 263.

STRENGTHS

We benefit from the following strengths:

We are an integrated solar cell and solar module manufacturer

According to F&S, we are the second largest integrated solar cell and solar module manufacturer in India as well as its second largest solar cell manufacturer in terms of annual installed capacity as of March 31, 2024. As of the date of this 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. This translates to a difference between our Company and Mundra Solar's annual installed capacity of 2 GW for solar modules in Mundra Solar's favor and 0.13 GW for solar cells in our favor.

The table below shows how our solar cell and solar module annual installed capacity has increased over the past 25 years to reach our current annual installed capacity as of the date of this Red Herring Prospectus and also shows our long track record in the solar module manufacturing space:

Year	Milestone	Total Solar Cell Capacity	Total Solar Module Capacity
2011	Established a solar cell line with an annual capacity of 75 MW and a solar module line with an annual capacity of 100 MW in Unit I	75 MW	100 MW
2017	Expanded the installed capacity of the solar module line in Unit I by 370 MW	75 MW	470 MW
2021	Established a fully integrated 500 MW capacity solar cell line and a 750 MW capacity solar module line in Unit II	500 MW[(1)]	1,220 MW
2022	Expanded the installed capacity of the solar cell and module lines in Unit II by 250 MW and 150 MW, respectively	750 MW	1,370 MW
2023	• Established a solar cell line in Unit III with an annual capacity of 1,250 MW • Established a solar module line in Unit IV with an annual capacity of 1,600 MW • Expanded the installed capacity of the solar module line in Unit II by 500 MW	2,000 MW	3,260 MW[(2)]
2024	• Established a solar module line in Unit V with an annual capacity of 100 MW • Expanded the installed capacity of the solar module line in Unit V by 1,034 MW	2,000 MW	4,134 MW[(3)]

Notes:

(1) Retired the 75 MW capacity solar cell manufacturing line in Unit I in 2018.

(2) Reduced the installed capacity of the solar module line in Unit I by 210 MW.

(3) Reduced the installed capacity of the solar module line in Unit 1 by 260MW. Further, Unit I total plant and machinery was decommissioned in April 2024.

The table below shows our capital expenditure in relation to the expansion of our solar cell and solar module annual installed capacity for the past three Fiscals and up to June 30, 2024:

Manufacturing Unit	Subsidiary	Product	Annual Installed Capacity	Date of Commissioning	IREDA Appraised Project Cost (₹ million)	Actual Capital Expenditure (₹ million)
Unit II	Premier Energies Photovoltaic Private Limited	Cell	500 MW	May 26, 2021	2,250.00	4,118.85
Unit II	Premier Energies Photovoltaic Private Limited	Cell	250 MW	June 22, 2022	1,420.00	
Unit II	Premier Energies	Module	750 MW	July 2, 2021	1,258.30	1,276.25

Manufacturing Unit	Subsidiary	Product	Annual Installed Capacity	Date of Commissioning	IREDA Appraised Project Cost (₹ million)	Actual Capital Expenditure (₹ million)
	Photovoltaic Private Limited					
Unit III	Premier Energies International Private Limited	Cell	1,250 MW	October 4, 2023	4,995.50	4,481.98
Unit IV	Premier Energies International Private Limited	Module	1,600 MW	December 31, 2023	2,004.50	2,019.47
Unit V	Premier Energies Global Environment Private Limited	Module	100 MW	March 12, 2024	—	38.29
Unit V	Premier Energies Global Environment Private Limited	Module	1,034 MW	June 30, 2024	1,750.00	1,077.25
Unit II	Premier Energies Photovoltaic Private Limited	Cell	1,000 MW	Expected within Fiscal 2025	6,694.00	Nil

At present, we manufacture our solar cells and solar modules across five manufacturing facilities, all of which are situated on land that we own, in Hyderabad, Telangana, India. We use industrial-grade automated tools throughout our manufacturing facilities. Currently in Units I, IV and V, we only manufacture solar modules while in Unit II, we manufacture both solar cells and solar modules and in Unit III, we only manufacture solar cells. We are on course to commission a TOPCon solar cell line in Unit II with an annual installed capacity of 1,000 MW within Fiscal 2025. See "***Our Business – Our Business Operations – Credit Ratings and Debt Raising***" on page 267.

Our backward integration and integrated structure helped us gain access to the market for DCR solar modules. According to F&S, DCR requires solar cells and modules to be manufactured in India. With government initiatives like the PM-KUSUM Scheme and the CPSU scheme in play, there is an emphasis on the utilization of DCR solar modules within the domestic solar market. Similarly, the recent Grid Connected Solar Rooftop Programme, a government scheme that aims to provide free electricity to 10 million households in India by providing households with a subsidy to install solar rooftop systems on the roof of their homes, also exclusively requires the utilization of DCR solar modules. These programs are essential as they provide a framework for the adoption and use of domestically-produced solar products. We believe we are well insulated from new entrants into the integrated solar cell and module manufacturing industry owing to high entry barriers such as high capital expenditure, technical expertise and long lead times of approximately 15 to 18 months in order to establish a manufacturing line and approximately six to nine months to operationalize and stabilize the manufacturing line and process. These high entry barriers, coupled with our status as an established and sizeable integrated player, holds us in good stead compared to new entrants for such government initiatives and tenders.

Our integrated status supports our overseas revenue streams especially from countries such as the United States owing to our products, particularly our solar cells, being manufactured in India, thereby providing such overseas customers with comfort with respect to the traceability of the components we use in our manufacturing process. Such traceability is especially important for countries such as the United States which have strict policies on the origination of raw materials and components. See "***Our Business – Our Business Operations – Raw Materials and Components***" on page 255. According to F&S, we were the largest Indian exporter of solar cells to the United

States, which is one of the largest markets for solar modules globally, for Fiscal 2024 with nearly 100% market share. We exported a total of 312.22 MW solar cells globally in Fiscal 2024.

Furthermore, our ability to produce both solar cells and solar modules affords us greater cost and quality control across our operations. For further details of our quality control processes, see "***Our Business – Our Business Operations – Quality Control, Testing and Certifications***" on page 261.

Our depth of experience in both solar cell and solar module manufacturing, our established market presence, track record of capacity enhancements, and vertical integration have not only resulted in us achieving our present market position, but also poise us to seize growth opportunities in the solar energy industry within India and overseas.

We have a long track record in the solar module manufacturing sector

We commenced solar module manufacturing in 1999 and have grown this to 4.13 GW annual installed capacity as of the date of this Red Herring Prospectus. This includes the 1,600 MW annual installed capacity module line commissioned in Unit IV in December 2023 which is equipped with TOPCon technology and the 1,034 MW annual installed capacity module line commissioned in Unit V in June 2024 which is capable of assembling modules with solar cells which employ either TOPCon or HJT technology.

Further, all our solar module production lines are automated. This is important as this reduces the incidence of human error and possible degradation in the quality of the modules we produce.

Through our long track record in the solar module manufacturing industry, we have been able to build up recognition for our brand and have established our credentials. Our strength in module production is evidenced by awards such as our modules being recognized as "top performers" in module reliability from PV Evolution Labs ("**PVEL**") in PVEL's PV Module Reliability Scorecard in 2023 and 2024. Such recognition has aided us in becoming a supplier of modules to IPPs like Continuum, First Energy and other EPC players. We are also an OEM provider for several business-to-consumer companies such as Panasonic, Luminous and Axitec, among others. Our relationships with international companies have provided us with significant experience in international best practices especially in the field of quality manufacturing.

We are experienced in solar cell line production

In 2022, we completely transitioned from the production of polycrystalline solar cells to monocrystalline PERC solar cells owing to higher efficiencies provided by the latter. A majority of our peer competitors have similarly made the same transition. Now, we have plans to transition towards the manufacturing of TOPCon solar cells given the even greater efficiencies afforded by such cells. According to F&S, TOPCon solar cells are capable of achieving efficiencies between 24.5% to 25.2% compared to between 23.2% to 23.7% for PERC cells. We believe the ability to adapt to new and ever-changing technologies, as evidenced by our transition from polycrystalline cells to monocrystalline cells and now to TOPCon cell technology, is one of our key strengths.

Solar cell production is a complex and technical process within the solar module production value chain as it requires multiple chemical and gas-based steps and encompasses intricate procedures such as texturing, diffusion, selective emitter laser, polishing and oxidation annealing to convert raw silicon wafers into solar cells. According to F&S, while the annual installed capacity for solar modules in India has increased from 7.6 GW in Fiscal 2020 to approximately 72 GW in Fiscal 2024, representing an increase of approximately 64.4 GW during this period, the annual installed capacity for solar cells has only increased by 7.1 GW, from 1.0 GW in Fiscal 2020 to 8.1 GW in Fiscal 2024. This is partially due to the high capital expenditure, technical know-how and lead times in set-up and process stabilization required in connection with solar cell manufacturing. For more details on the solar cell manufacturing process, see "***Our Business – Our Business Operations – Solar Cell Manufacturing – Manufacturing Process***" on page 258. We have accrued considerable technical expertise and experience in the intricacies of the solar cell production process and understand that the process involves a steep learning curve and that lead times are required in order to not only simply set up a solar cell line but to also stabilize the production process and only once that is done, can the optimization of solar cell efficiencies be pursued. We believe that expertise over the production process is crucial to ensure quality control, requiring extensive process knowledge, precise optimization and effort to achieve the desired cell efficiencies and yields.

Our experience in the cell manufacturing process means we can bypass the initial stabilization lead times for new lines, which we believe is a competitive advantage over newer market participants. We believe that we are well-positioned to capitalize on opportunities in the solar cell market through better technologies as we transition into