

February 11, 2020

Premier Energies Limited (formerly Premier Solar Systems (P) Ltd.): Ratings Withdrawn

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	15.00	15.00	[ICRA]BBB(Stable); Withdrawn
Long Term - Non Fund Based	66.76	66.76	[ICRA]BBB(Stable); Withdrawn
Short Term - Non Fund Based	40.66	40.66	[ICRA]A3+; Withdrawn
Long Term / Short Term - Unallocated	0.08	0.08	[ICRA]BBB(Stable)/[ICRA]A3+; Withdrawn
Total	122.50	122.50	

Rating action

ICRA has withdrawn the long-term rating of [ICRA]BBB(Stable) (pronounced ICRA triple B with Stable outlook) and short-term rating of [ICRA]A3+ (pronounced ICRA A three plus) assigned to the Rs. 122.50 crore¹ bank facilities of Premier Energies Limited (formerly Premier Solar Systems (P) Ltd.) (PEL)².

Rationale

The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on no-objection certificate provided by its banker.

Key rating drivers

Key Rating drivers has not been captured as the rated instrument is being withdrawn

Liquidity Position:

Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	NA
Consolidation / Standalone	Standalone

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

About the company:

Premier Solar Systems (P) Ltd.(PSSPL) is a manufacturer of wide range of solar products such as mono / multi crystalline solar PV modules, solar lanterns, solar streetlights, solar water pumps and a host of other customized solar products. Premier Solar Systems (P) Ltd. was renamed as Premier Energies Limited in September 2019. The company has 375 MW fully automated manufacturing unit and 125 MW semi-automatic manufacturing unit near Hyderabad. The company also has a 60 MW solar cell line which is operational from December 2016. PSSPL also undertakes system integration services wherein it offers to build and operate off-grid and on-grid solar power projects using solar modules. The company operates a 2 MW solar power plant in Jharkhand state and sells power to Jharkhand State Electricity Board at a tariff of Rs 17.96 per unit valid for 25 years since 2012.

Key financial indicators (Audited):

	FY2018	FY2019
Operating Income (Rs. crore)	480.5	520.3
PAT (Rs. crore)	25.0	23.0
OPBDIT/OI (%)	6.1%	10.9%
RoCE (%)	26.4%	27.8%
Total Outside Liabilities/Tangible Net Worth (times)	2.1*	2.3
Total Debt/OPBDIT (times)	3.3	1.0
Interest Coverage (times)	3.2	3.2
DSCR	3.0	2.4

Source: Annual Reports; *adjusted

Status of non-cooperation with previous CRA: CRISIL in its rationale dated September 16, 2016 has suspended its ratings CRISIL B(Stable)/A4 on the bank facilities of PSSPL. The suspension of ratings is in the absence of adequate information from the company to review the ratings.

Any other information: None

Rating history for last three years:

Current Rating (FY2020)					Chronology of Rating History for the Past 3 Years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs.crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	
					22-Feb- 2019	6-Dec- 2017	2-Sept- 2016	
1 Fund Based/ CC	Long Term	15.00	-	[ICRA]BBB(Stable); Withdrawn	[ICRA]BBB(Stable)	[ICRA]BBB-(Stable)	[ICRA]BB(Stable)	
2 Non-Fund Based	Long Term	66.76	-	[ICRA]BBB(Stable); Withdrawn	[ICRA]BBB(Stable)	[ICRA]BBB-(Stable)	-	
3 Non-Fund Based	Short Term	40.66	-	[ICRA]A3+; Withdrawn	[ICRA]A3+	[ICRA]A3	[ICRA]A4	
4 Unallocated Limits	Long Term/Short term	0.08	-	[ICRA]BBB(Stable)/ [ICRA]A3+; Withdrawn	[ICRA]BBB(Stable)/ [ICRA]A3+	[ICRA]BBB-(Stable)/ [ICRA]A3	-	

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	15.00	[ICRA]BBB(Stable) Withdrawn
NA	Letter of Credit	NA	NA	NA	39.00	[ICRA]A3+ Withdrawn
NA	Bank Guarantee	NA	NA	NA	66.76	[ICRA]BBB(Stable) Withdrawn
NA	Forward contract	NA	NA	NA	1.66	[ICRA]A3+ Withdrawn
NA	Unallocated Limits	NA	NA	NA	0.08	[ICRA]BBB(Stable)/[ICRA]A3+ Withdrawn

Source: PEL

Annexure-2: List of entities considered for consolidated analysis

Not applicable

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