

Waaree Energies Ltd — 05 Feb 2026 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	A+ → AA- (Upgraded by 1 notch)
Outlook (Current vs Previous)	Stable vs Stable
Key Drivers of Change	<ol style="list-style-type: none"> Scale Expansion: Total Operating Income (TOI) surged to ₹18,057 Cr (9MFY26) from ₹11,446 Cr (FY24) driven by module capacity growing to 22.8 GW. Vertical Integration: Commercialization of 5.4 GW cell capacity (70-75% utilization) capturing higher value chain margins. Profitability Spike: EBITDA margins improved from 14.2% (FY24) to 24.0% (9MFY26) due to economies of scale and better product mix. Order Visibility: Massive order book of ~₹60,000 Cr (~25-26 GW) providing high revenue certainty for the medium term. Capital Structure: De-leveraged balance sheet post-IPO; overall gearing remains low at 0.4x despite heavy expansion.
Rated Instruments	<ul style="list-style-type: none"> Non-fund based (BG/LC): ₹5,881.02 Cr CARE AA-; Stable / A1+ Long-term Term Loan: ₹1,922.98 Cr CARE AA-; Stable Working Capital Limits: ₹1,500.00 Cr CARE AA-; Stable / A1+
Key Observations	<ul style="list-style-type: none"> Market Leadership: Largest domestic solar module manufacturer (22.8 GW capacity). Policy Tailwinds: Massive protection from BCD (40% on modules) and ALMM-II mandates for domestic cells. Capex Risk: Huge ₹12,000 Cr outlay for 10 GW integrated facility and ₹10,000 Cr for BESS/Storage phase. New Ventures: Entering high-risk, capital-intensive IPP (Power Producer) and Green Hydrogen segments. Raw Material Sensitivity: 50% of costs tied to wafers/cells; susceptibility to global polysilicon price volatility. Liquidity: Strong, with ₹9,645 Cr cash/investments (though ₹6,960 Cr is restricted/margin money).
Investor Impact	<ul style="list-style-type: none"> Growth: Exceptional revenue CAGR; shift from assembler to integrated player improves "moat." Margins: Significant upside from in-house cell manufacturing (ALMM-II compliance is a competitive edge). Leverage: Net Debt/EBITDA expected to stay <1.0x, reducing bankruptcy/solvency risk during capex. Dilution Risk: IPO proceeds (₹2,775 Cr) utilized for capex, reducing immediate need for further equity dilution.
Agency / Cross Analysis	<p>Same Agency: CARE has consistently rerated WEL upwards (BBB in 2022 → A- in 2023 → A+ in 2024 → AA- in 2026).</p> <ul style="list-style-type: none"> Alignment: The rating move perfectly mirrors the financial transition from a ₹1,200 Cr PAT company to a ₹2,700 Cr+ PAT company in under 2 years. Conclusion: Genuine Fundamental Improvement. The upgrade is backed by actual cash flows and successful ramp-up of backward integration rather than just "projections."
Final Inference	<p>Strong "Buy" Signal on Credit Profile: The transition to AA- reflects WEL's transformation into a self-sustaining integrated major. While the ₹22,000 Cr total capex plan is aggressive, the 24% operating margin and ₹60,000 Cr order book provide a massive cushion against execution delays.</p>