



Solarworld Energy Solutions Limited Q1 FY'26
Earnings Conference Call

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Moderator: Ladies and gentlemen, good day and welcome to the Solarworld Energy Solutions Limited Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you make a decision during the conference call, please signal an operator by pressing '*' and then '0' on your touch-tone phone.

I now hand the conference over to Mr. Nikunj Seth. Thank you and over to you.

Nikunj Seth: Thank you, Mike. Good evening, everyone. Welcome to Q1 FY'26 Earnings Call of Solarworld Energy Solutions Limited.

Today, to discuss the results with us, we have from the Management, Mr. Kartik Teltia – the Managing Director; Mr. Rishabh Jain – Whole-Time Director; Mr. Mukut Goyal – Chief Financial Officer, and Ms. Varsha Bharti – Company Secretary and Compliance Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements that may involve known and unknown risks, uncertainties, and other factors and must therefore be viewed in conjunction with the risks that the company faces. Future results, performance, or achievements may differ significantly from what is expressed and implied by such forward-looking statements.

Now I request Mr. Kartik Teltia to take us through the Company's Business Outlook and Financial Highlights, subsequent to which we will open the floor for Q&A. Now I hand over the conference to Mr. Kartik sir. Over to you.

Kartik Teltia: Thank you, Nikunj. Good evening, everyone. I hope all of you are well. On behalf of Solarworld Energy Solutions, I extend a very warm welcome to all the participants on our first earnings call to discuss the business performance for the 1st Quarter.

I would like to begin by expressing my sincere gratitude to all our investors, partners, and stakeholders for the overwhelming response that we got to our initial public offering. September 30th marks a defining milestone in our journey as Solarworld successfully transitioned into a listed entity. The successful completion of our IPO is a significant step forward in our pursuit to build a fully integrated solar EPC solutions company with backward integration spanning modules, solar cell, junction box, and lithium-ion cell to battery pack manufacturing.

Before we move to the business highlights, let me take a moment to briefly introduce our company to you.

Solarworld Energy Solutions is an integrated engineering, procurement, and construction service provider of solar projects across India. Established in 2013, the company has built a strong

reputation for delivering end-to-end solar solutions encompassing design, installation, commissioning, and post-implementation maintenance. We cater to a wide range of clients including public sector undertakings and commercial and industrial customers, C&I customers, delivering efficient, reliable, and cost-effective solar energy solutions across diverse geographies. Additionally, we provide comprehensive operation and maintenance service to ensure optimal plant performance and longevity. Nearly 95% of our EPC projects are complemented by long-term O&M contracts ranging from 3 to 5 years. As of July 31, 2025, Solarworld had successfully executed 46 solar projects aggregating to about 253 MW AC and around 340 MW DC and is currently executing projects totaling about 765 MW AC and 994 MW DC under the solar EPC and around 6.50 MWh in battery energy storage systems. Our client portfolio features reputed names such as SJVN Green Energy Ltd., NTPC Renewable Energy Ltd., NTPC Ltd., RUVNL, GUVNL, Haldiram Snacks, Moon Beverages, underscoring our execution excellence and credibility in the market. We have marked very significant progress in achieving our vision of being a leading EPC company in India, supported by a robust backward integration system driving cost and quality excellence. To strengthen our backward integration and reduce import dependency, Solarworld has partnered with ZNSHINE PV-Tech Company Ltd., a Bloomberg NEF Tier 1 solar module manufacturer for domestic manufacturing collaboration. Our Roorkee facility in Uttarakhand commenced operations in August 2025 with a 1.2 gigawatt TOPCon solar module line which is now operational. This facility will be further supported by a 1.2 gigawatt solar manufacturing line which will support the latest G12R solar cells at Pandhurna in Madhya Pradesh. The project is expected to be operational between December 2026 and March 2027.

Looking at the rapid expansion of the BESS projects in the country and our view of providing end-to-end EPC solutions in the country, we are also establishing a 3.4 gigawatt battery energy storage system line at Roorkee. This line is expected to be operational by January 2026 which is in the next couple of months. These strategic expansions mark our transformation into a fully integrated solar and energy storage solutions provider.

Coming to the industry overview:

India's renewable energy sector is at a defining inflection point, driven by strong policy support, ambitious national targets and rapidly improving economics of solar technology.

As on March 2025, India's installed solar capacity stood at approximately 82 gigawatts representing nearly 19% of the country's total power capacity. The government has set a target of achieving 280 gigawatts of solar capacity by 2030, accounting for more than 60% of India's planned renewable energy mix. This scale of expansion creates a multi-year growth of opportunity across the solar value chain from project development and EPC to module manufacturing and energy storage. Several structural enablers are fueling this momentum. ALMM and mandate the use of Indian-made solar panels in these projects. In parallel, programs like PM KUSUM are accelerating adoption of solar power in the agricultural sector. And the

government's focus on battery energy storage systems, targeting almost 200 gigawatt hours by 2030, is opening new avenues for hybrid solar plus storage solutions. Together, these initiatives are expected to drive annual solar installations multifold, making India one of the fastest-growing solar markets globally. This robust industry growth aligns directly with Solarworld's long-term strategy. As one of the few players in India with end-to-end integration across the solar EPC value chain, Solarworld is today uniquely positioned to capture opportunities arising from their foundation. Our presence in EPC, O&M, module manufacturing, and BESS, supported by partnerships with tier 1 technology providers, allows us to address multiple segments of the market, from large utility-scale projects to industrial and commercial installations.

As the sector continues to scale, we expect rising demand for high efficiency domestically manufactured solar modules and integrated energy storage systems, both of which form the cornerstone of our growth plan. The Company's ongoing capacity expansion, including the Roorkee and Pandhurna facilities, positions Solarworld to benefit from the growing preference for Indian-made technology under the government's Atma Nirbhar Bharat initiative. In essence, the rapid growth of the solar industry is not just a macro opportunity. It is an accelerator for Solarworld's own expansion. With a strong policy environment, increasing demand for renewable capacity, and our fully integrated operating model, SolarWorld is ideally placed to participate in and meaningfully contribute to India's clean energy transformation.

Coming to the financial performance:

On the financial front, the Company has continued to demonstrate consistent growth driven by strong project execution and manufacturing capacity expansion. Revenue for FY'2025 stood at Rs 5,447 million as against Rs 5,010 million in FY2024, registering a healthy year-on-year growth. EBITDA for FY2025 was at Rs 1,092 million, representing an EBITDA margin of about 20.1%, while profit after tax stood at Rs 770 million. For the quarter ended June 30, 2025, the Company reported a total income of Rs 805 million, inclusive of other income, and a PAT of about Rs 129 million. We continue to maintain a robust order book and expect sustained revenue momentum in the coming quarters, backed by a strong pipeline of EPC and manufacturing projects.

Coming to our business highlights:

During the quarter, we made substantial progress in strengthening our manufacturing footprint. As on date, our 1.2 GW G12R solar module manufacturing line is now fully operational, enhancing our capacity to deliver high-efficiency modules to both domestic and export markets. The 3.4 GW lithium-ion cell-to-battery pack line, equipped with advanced automation and AI-driven quality control systems, has been fully procured and is scheduled for installation and commissioning by January 2026. In addition, our 1.2 GW cell manufacturing facility is progressing on schedule, with commercial operations targeted between January and March 2027.

Beyond capacity expansion, we continue to focus on technological innovation, product performance enhancement, and process automation. Our R&D efforts are directed towards developing higher-efficiency modules and integrated renewable energy solutions tailored to the evolving needs of industrial and utility-scale clients. At the same time, we remain committed to our ESG framework, embedding sustainability in every aspect of our operations, from responsible sourcing and waste management to the adoption of clean energy across our manufacturing units.

As we move into the next phase of growth, our priorities are clear. Execute our expansion projects with precision, deepen our domestic and international partnerships, and deliver consistent value to our shareholders. With strong fundamentals, disciplined execution, and a growing presence across the solar value chain, Solarworld is well-positioned to play a meaningful role in India's renewable energy roadmap, while maintaining a firm focus on operational excellence and financial prudence.

Now, I would like to hand over the call to Mr. Mukut Goyal, who is our Chief Financial Officer, to take you through the financial performance for the quarter.

Mukut Goyal:

Thank you, sir. Hello, everyone. Good evening. I welcome you all to this call. As we present our 1st Quarterly result as a listed company, I am pleased to report that Solar World Energy Solutions has delivered a stable and promising financial performance, reflecting operational resilience and strong execution across business segments. For the quarter ended Q1 FY'26, our total income stood at Rs. 805.46 million, including other income of Rs. 123.09 million, representing a year-on-year growth of 241.8%. Our EBITDA margin stood at 12.9%, supported by better capacity utilization, supply chain optimization, and favorable input cost management.

Our profit after tax for the period was Rs. 129.1 million, translating into a net margin of 18.9%. These results reinforce our focus on profitable growth and operational discipline. Looking ahead, our financial strategy will continue to emphasize capital efficiency and consistent cash flow generation. With clear visibility on capacity addition and a healthy order pipeline, we are confident of maintaining strong revenue momentum and expanding profitability in the coming quarters. Our approach remains guided by prudent financial management, operational excellence, and long-term shareholder value creation.

Now we may open the floor for Q&A session.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri:

Hello, good evening sir. Thank you so much for taking my question. Firstly, congratulations on your listing and stellar results, sir. So, sir, I just wanted to ask, currently I think our order book is around Rs. 2,500 crores. So, what's the execution period and what's the breakup in terms of EPC and O&M, sir?

- Kartik Teltia:** Sir, so, as you rightly said, our order book is close to about Rs. 2,500 crores. The execution period typically tends to be between 12 months to 18 months for our project. So, this Rs. 2,500 crores mostly comprises of, maybe 95% comprises of EPC projects and our BESS projects, two projects that we have with RUVNL and GUVNL. We expect to execute about 60% of this capacity in the current financial year.
- Darshil Jhaveri:** Okay, 60% in the current financial year. That's great to know, sir. So, that would mean our revenue this year could be roughly Rs. 1,500 crores? Is that, like, a right estimate, sir?
- Kartik Teltia:** Sir, we are targeting 60% of this order book, current year.
- Darshil Jhaveri:** Okay, that's great to know, sir. And so after this, now that our capacity for manufacturing has come online, so what, how would that impact our margins right now, sir?
- Kartik Teltia:** So, see, what happens is, Solarworld as a Company, our strategy is to remain EPC first. Entire manufacturing lines that are being set up are to support this EPC business. So, we intend to utilize maybe 70%-80% of this capacity internally. So, from a topline perspective, it should not add much, because the material is being utilized in-house. But from a margin perspective, if you consider Insolation Energy or Waaree or similar companies that are listed in the market today, I think they earn about 10% to 11% margins on solar panels. And when as an EPC, I go and buy the solar panels, I have to leave this margin with them, because they also sell to us with similar margins. As soon as we start manufacturing them in-house, this margin should translate into a higher margin for our EPC business. And solar panels tend to be about 40% of our EPC revenue.
- Darshil Jhaveri:** Sorry, sir. I am not exactly from the industry. So, pardon me if my questions are a bit basic. From the Rs. 100 EPC cost, 40% is roughly our solar panel. And in general, that Rs.40, the margin of the panel would be around 10% to 11%, so roughly Rs. 4 to Rs. 5. So, with that, our margin, so currently, I think we've done 20% in FY'25 in terms of margins. So, it could roughly translate into like a 3%-4% even jump, if that's a fair assumption, sir?
- Kartik Teltia:** So, I would say your calculation is almost on point. But in terms of margins, in EPC we generally see margin between 10% to 11%. That is the industry standard. Some years can turn out to be pretty good. But in general, we see 10% to 11% margin.
- Darshil Jhaveri:** Okay. So, I just want to know then what is a sustainable consolidated margin, if you can, because in, I think, FY'24 we did 13.5%.
- Kartik Teltia:** So, last year, my PAT margins were close to, I think about 15% to 16%. Last year was a typically very, very good year for us. But in general, the industry sees a PAT margin of about 10% to 11% on EPC projects. With backward integration, we do expect our margins to go up because the margins we are leaving on the table for solar panel manufacturers will now accrue to Solarworld going forward.

Darshil Jhaveri: Okay. So, if I could, you know, summarize this, like, so this year we can expect PAT margins to be in the similar of last year's?

Kartik Teltia: Hopefully, Sir.

Darshil Jhaveri: Okay, fair enough, sir. And I just wanted to know, a bit on long term we have multiple CAPEXs coming online. I think most of our CAPEXs are going to come online by end of next year, like by March '27 or December '26. So, how would our then profile look like? What would be our vision, sir? So, I think 60%, we are going to execute this year. So, what are we seeing in terms of order inflow for us that's going to happen? What is the bid pipeline? Or, if I could give any color in terms of revenue guidance or order book guidance that we see coming for the next two years or something. So, where do we see ourselves, sir?

Kartik Teltia: So, in terms of vision, firstly, to answer, we intend to be amongst the top 2 or 3 EPC companies in India. That is our vision. We are not transforming into a manufacturing company. Our vision is to remain EPC, which is supported by very highly efficient manufacturing facilities to the extent that our EPC business requires. In terms of manufacturing facilities which are coming online, our solar panel line is now fully functional. Our lithium-ion cell to battery pack line, which is our BESS line, that should be operational in January 2026. In addition to that, we are also setting up, it's a very small investment, but we are setting up a junction box manufacturing line, which is also a subcomponent of the solar panel that will help up in improving our cost efficiencies in the solar panel line. We expect that also to come, become operational before March 2026. So, by the end of this financial year, three manufacturing lines should be operational. Our cell line will become operational only between December and March '26, but we are on track to achieve those timelines. In terms of revenue guidance, I can tell you that the market is expanding very, very rapidly. Even at the, so I would say the market currently is expanding at maybe 20% to 30% annually and we could even see much higher growth rates in the market. Solarworld is very well capitalized and is very well positioned to capture that growth. So, we expect very strong couple of years going forward. In terms of order book, as on date we have close to about Rs. 2,500 crores of order book. Order pipeline, orders that are coming out for bid in the market are very, very strong. We are continuously bidding for them. We typically build our order books in December-January. That is why you will see that our revenue growth historically has been very high in the last two quarters. First two quarters is when we do the design and place orders for equipment. So, you will see a robust order book being built over the next couple of months, I think.

Darshil Jhaveri: Okay. Fair enough. So, just my last question from my answer, so in terms of seasonality you were saying that H1 is a bit slightly lower and H2 will be higher. So, it would be around what we could quantify like 40-60 or how would it be, sir?

Kartik Teltia: I can tell you the number for last year.

Darshil Jhaveri: Yes, that would work.

- Kartik Teltia:** I think last year, if you look at my Q1, my Q1 was only at Rs. 23 crores and I completed the year at Rs. 550 crores. So, you can judge from that, that first couple of quarters tend to be quite weak for us and last two quarters tend to be quite strong.
- Darshil Jhaveri:** Okay. Fair enough. If I can, can I just ask one more question, sir?
- Kartik Teltia:** Yes.
- Darshil Jhaveri:** So, with the BESS line, like what are the prospects of it? How would that flow in? We have a few orders for BESS right now, right? So, going forward in FY'27, the additional revenue from BESS, how would that be like? Will it also hit the topline or it will be more towards the bottomline, sir?
- Kartik Teltia:** So, see BESS, I would tell you that if you look at the current scenario in the country, BESS has become a very, very, very fast growing segment in the solar industry. So, solar with BESS, I think a couple of days we had a bid at which prices quoted were as low as Rs. 2.86 per unit for solar with BESS of around 2 to 4 hours, which I think has hit that inflection point where solar with BESS is now the cheapest source of power to get electricity around the clock. So, with that mindset, I think you will see explosion in the BESS market. And with our manufacturing facility, a couple of orders in hand, if we can build credentials on time, we should have taken a lead in executing BESS projects in the country. As an EPC, I have an advantage already because BESS also includes a part where you have to do the transmission line, you have to do the switch yards, you have to do the civil work. We are already very efficient in that. With our backward integrated BESS line and solar EPC capability, we can now offer a complete turnkey solution to our customers. So, we are hoping to take a lead in this market.
- Darshil Jhaveri:** Okay. Fair enough, sir. That's it from my side. I'll get back in the queue to let other people ask questions. Thank you so much, sir.
- Kartik Teltia:** Thank you so much, sir.
- Moderator:** Thank you. We have the next question from the line of Kushal K from InVed Research. Please go ahead.
- Kushal K.:** Hi. Thanks for taking my question. Firstly, sir, congratulations on good set of numbers as well as listing. Sir, my question was specifically on BESS. Could you just tell us BESS economics in terms of manufacturing? What are we doing currently? Is this like an assembly plant which we are putting or are we also entering into cell manufacturing within that BESS? And when it converts to BESS plus solar EPC margins, how does it play out? How does it work for us? That's my first question.
- Kartik Teltia:** So, sir, this is an assembly line. We will import the lithium ion cells from China and we will assemble it into a battery pack and then into a containerized solution for large BESS projects. In

addition, we will be able to do smaller BESS projects for C&I customers, where it can act as a UPS or a replacement for generators. So, those are the two target segments for our BESS factory. In terms of economics, BESS is a new product that has come to the market. So, obviously, for a new project, the margins tend to be higher, but that is given you are able to execute it efficiently. So, if we are able to capture a significant part of this market, it should definitely add a lot to our margins.

Kushal K.: Got it. Understood. Wanted to understand economics in the sense that what is the per megawatt cost of BESS which we are charging our customers and what kind of margins are we making for EPC of BESS?

Kartik Teltia: So, we have a couple of projects for BESS which we have not started executing yet. We expect to start executing them shortly. In terms of margins, BESS, the cost of the lithium-ion cell in itself has been falling quite rapidly. So, any projects that we take on a fixed price basis tend to go up quite significantly in terms of margins. To give you an example, our latest project, we had picked up at 2,21,000 per megawatt hour. In the latest bid which happened last to last week, the price has come down to 1,77,000 per megawatt hour. So, you can judge that in 6 to 7 months, the megawatt hour capacity cost that we are able to generate is much higher compared to the latest tenders. So, fixed price contracts definitely give you an upside in newer technology.

Kushal K.: Understood. Great. Got it. I also wanted to understand this BESS versus wind. So, I have been hearing this out that solar plus BESS is the cheapest. But can it compete some other sources like wind or does it pose a threat on wind as of now because India needs FDRE and RTC and in all that does BESS really hamper wind projects also or are we able to take market share from wind projects or is, currently it is just 2 to 4 hours. So, we can't really compete with wind?

Kartik Teltia: Sir, to be honest, to answer this question, I would say all the sources of power are complementary to each other. Each source of power has its own advantages. Coming to solar with BESS, as I mentioned, the latest tender which happened a few days back, the levelized cost of electricity that developers are willing to offer, and I am not a developer, I also saw that tender online, is about Rs. 2.86 paisa in which, to give you an example, if the developer undertakes this PPA, he has undertaken to generate 100 megawatts of power and supply it at any time that the grid chooses for 2 hours. It could be during the day, during the night. So, basically, the intermittency of solar power has gone down and still the cost has remained at Rs. 2.86 paisa. So, I am not sure if wind or pump storage or nuclear or coal power really competes with a levelized tariff of about Rs. 2.86 paisa delivered.

Kushal K.: Fair enough, sir. Thank you so much for answering this question.

Kartik Teltia: Thank you so much.

Kushal K.: All the best.

- Kartik Teltia:** Thank you, sir.
- Moderator:** Thank you. We have the next question from the line of Keshav H from BHH Securities. Please go ahead.
- Keshav H:** Hi. Thank you so much for giving me an opportunity. I would want to congratulate you on a great listing.
- Kartik Teltia:** Thank you so much, sir.
- Keshav H:** I had attended the analyst meet as well. I had met you face to face. So, I am a proud shareholder as well. So, my question is. My question is, sir, we did a revenue of, we did a profit of Rs. 87 crores on a revenue of Rs. 558 crores for the last year. Am I right?
- Kartik Teltia:** Sir, Rs. 77 crores.
- Keshav H:** Okay. Got it. Now, the margins are 14% for last year. So, how are you guiding for 10%-11% for this year?
- Kartik Teltia:** Sir, in the last analyst meet also which we did during the roadshows. I explained that some years tend to be pretty good for us. Margin, in general, margins remain between 10%-11%. Some years, you take up a project which is very, very difficult and tends to give you higher margins than normal. And if you are able to couple that with operational excellence, your margins tend to go higher. But it's not something that you will see EPC companies achieving on a sustainable basis. Typically, margins in our industry tend to remain between 10%-11%. With our backward integration coming up, our margins should improve.
- Keshav H:** So, can you give us some color of what you told us that broadly you are doing Rs. 1,500 crores this year topline and 10%-11% of margins is what you've guided for current year. For '26-'27, can you give us some color of topline and what could be the margins because you'll have three backward integrations in place by March 2026 and the battery integration will happen by December 2026 to March 2027. So, can you give us some color of '26-'27?
- Kartik Teltia:** I can just tell you, hopefully, our numbers will be much stronger than this year with the backward integration coming up. But I can guide you that the market is increasing very rapidly and we are poised to capture a significant portion of that. So, you should see a couple of very strong years from us.
- Keshav H:** Because as per my back of the envelope calculations, I had calculated a Rs. 200 crore PAT for current year and Rs. 320 crores for next year based on what is the order book and how you are executing. So, I just want to see you being very conservative on the margin front.
- Kartik Teltia:** Sir, it is better to be conservative and to deliver better performance to you, I hope.

- Keshav H:** Okay, got it. Thank you so much.
- Moderator:** Thank you. We have the next question from the line of Bhavik Shah from Arihant Capital. Please go ahead.
- Bhavik Shah:** So, my first question was, if I look at other solar EPC companies, generally, like as you mentioned in this call earlier, you mentioned that first half is generally muted for you guys. But if I look at other comparable companies, they are quite decent in terms of H1 as well. So, can I just know and for my knowledge that why is this different?
- Kartik Teltia:** So, it's a very simple calculation. If you look at maybe Waaree Renewable Technologies, they have a much larger turnover than us. And I think what they do is they pick up orders all through the year. If you look at our order book, most of our orders, we are picking up in November-December-Jan. So, we build our order book only in the last, maybe third, end of the third quarter. And that is why in the first half, we are busy with getting our designs approved and then placing orders. And due to the lead time for equipment, you see a lot of heavy turnover coming in the third and the fourth quarter for us. So, it's a question of when you are picking up your orders and how you are executing. If you look at a typical order cycle, our orders tend to be between 12 months to 18 months. So, I would say for 4 months to 5 months are where we do the design, optimization, negotiation for equipment and placement for orders. A couple of months are required generally for our vendors to supply that equipment. And that is when you start seeing a lot of the cost coming up because of which the POCM method, percentage of completion method kicks in and we record our revenue in the third and fourth quarter.
- Bhavik Shah:** Okay. So, like if I understand it, say a year ago, you might have order in hand, some order in hand. So, when you already have some order in hand, you are into execution of that order. So, just for my understanding that why even in Q1 or Q2, we may see some order is getting completed in first half. But the numbers, what I feel is are quite low.
- Kartik Teltia:** So, if you look at my order book, you will see that I have a couple of major orders right now. So, my NTPC green order, which is close to about Rs. 900 crores. I got that order only in February 2025. So, we start, we get the LOA, we start designing, we get approval from NTPC, then we place orders for the equipment. And that is when I think four or five months pass and that is when we start getting deliveries. If you look at a typical EPC order, supply tends to be about 80%. Execution is the balance. Execution is about 10% to 15% and 5% is O&M. So, while we are doing some activities on the ground, the majority of the revenue is only recognized when the materials start getting delivered. And that is why a couple of quarters tend to become very, very heavy. But going forward, as we take up more projects, you should see a very normalized kind of revenue coming over the four quarters. And with manufacturing kicking in, that should further help with the seasonality.
- Bhavik Shah:** Okay. And my next question is, in the notes, in note number 7, if I look at. So, it's mentioned that an order of Rs. 459 crores odd from SJVN has been suspended.

Kartik Teltia: Yes, sir.

Bhavik Shah: When I attended the roadshow, so nothing was mentioned in that front. No color was shown during the roadshow. So, I just want to understand this suspension order and why it was not mentioned during the roadshow.

Kartik Teltia: Sir, SJVN Green Energy Limited had given us two orders in Gujarat. One was for 100 megawatt and one was for 260 megawatt, out of which we have already completed about 50% to 60% of that order. SJVN Green, as part of this order, was required to give us land to execute. The land was delayed from their end and they have extended the suspension. We are hoping to get that land in November and execute these projects by March 2026. So, in terms of execution, we have been executing the project on time. There is no delay from Solarworld. Solarworld has, while in the note you will see the entire revenue from that project is mentioned, out of that Rs. 460 crores, Rs. 250 odd crores of revenue has already been recognized in Solarworld's book. So, we are not behind on that project and I think SJVN has also majorly completed the land and by March 2026, you should see major part of that project executed. I just want to add one more thing. Project suspensions generally tend to be a normal part of our order cycles. So, these suspensions help us because sometimes when the customer cannot fulfill their requirements, this gives us an extension on time without any dispute. So, we prefer them to write a suspension letter to us than just keeping it open because then we have to apply for an extension of time.

Bhavik Shah: Okay. And my last question is, as you mentioned that one order from NTPC which you had received in the month of Feb of around Rs. 900 Cr. So, the value time chain that how the execution happens and what are the values in it, I just wanted to understand the whole flow of it. Like example, you receive in the month of Feb and then you do the designing and then the real execution happens. So, I just wanted to know the time value chain.

Kartik Teltia: Sir, so, this order had an execution timeline of about 18 months. As per the execution timeline, we should complete this project by November 2026. Internally, we are targeting a timeline of close to March-April 2026 to execute this project. So, if you look at an EPC company, it is always good for us if we finish a project and move on to the next one because our fixed capital is our ability to design and execute which is dependent on people. So, as soon as we finish a project and move on to the next one, our margins improve and our capacity to execute projects improve. So, when we got this project in February 2025, we have to wait for an LOA after which we submit an estimated timeline for completion of this project. Immediately after that, we have to do our soil test and other surveys to design the entire project. Once the basic design is approved, we start submitting drawings for all the equipment that will be supplied. As each equipment is approved, we start placing orders for those equipment. Some equipment have a long lead time. For example, inverters typically tend to take about 4-5 months. Transformers currently because they are in shortage are taking about 6 months. Rest of the materials like your cables, structures tend to have about 2-3 months of lead time. And then execution, we have

already started execution on the site. So, we are expecting to complete a substantial part of this project by March 2026.

Bhavik Shah: Okay. And generally, how much is the time up to the design part? Like how much time does it take to get the designs cleared?

Kartik Teltia: Sir, so typically, I would not say that all drawings take a lot of time. Like some drawings get approved pretty quickly because these are standard equipment or standard layouts. But it does take some time to design our layouts and to select the equipment because design and selection of equipment is where we are able to exceed our margin expectations by optimizing our designs and customizing our design, we are able to save a lot of money on our execution cost and also material cost. So, I would say typically, PSUs have now become quite efficient in approving the design. But we do take some time to design them to optimize it for the customer requirements and to also optimize it for cost and operational excellence.

Bhavik Shah: Okay. All right. That's it from my side and all the best.

Moderator: Thank you. We have the next question from the line of Heer H from Shatrunjaya Investment Managers. Please go ahead.

Heer H: Hi. First of all, congratulations for the IPO and thank you for giving me this opportunity. So, my first question was regarding the working capital cycle. Like if we look at the revenue right now in Q1, it's around Rs. 68 crores odd. And as per the guidance or if we calculate the whole year revenue, it would be around Rs. 1,500 crores to Rs. 1,600 crores. So, my question was that how will we fund our working capital that would be required because it would be around 20x to 25x jump in the revenue that we see. So, how will we fund the working capital regarding the same?

Kartik Teltia: Sir, so we keep a very close eye on our working capital requirement. We have our banking limits which support us in doing this. But sir, your working capital is also very, very easily managed if you manage the flow of your material and payment from your customer. So, we pay a very close attention to that. So, as our revenue is growing, working capital tends to become a challenge. But we don't foresee any problems for achieving our target for the current year in terms of working capital. So, as you deliver your material to the customer, the customer does make a payment to you on time which funds your payment to your own supplier. In terms of Solarworld's reputation, we are able to get a lot of open credit from our suppliers. Most of our suppliers do provide us open credit without NC, which does help in supporting our working capital. Also, once we get a material dispatch clearance certificate from NTPC, they release about 75% of the payment. 70% of the payment for the material and 10% is provided to us immediately on delivery.

Heer H: Okay, got it. So, this question has arisen because as I was looking at the announcement, so it was said that there was a loan that was being taken by Solarworld amounting to Rs. 50 crores odd from Pioneer, which is a related party. So, is this loan regarding the working capital? And

if yes, would it be required again in the future? And how many such transactions can we expect in future?

Kartik Teltia: So, typically, last year, we did not have to rely on loans from our holding company to get through the financial position. We have taken this loan as a conservative basis. Looking at the strong growth that we are seeing this year and strong margins, I think we should be able to fund ourselves internally. We have not applied for any increase in banking limits also. So, this is a very temporary arrangement and we don't see that happening repeatedly.

Heer H: Okay, got it. And also regarding the CAPEX plans that we have regarding the BESS projects or the Cell projects, would it be funded internally or would there be any equity dilution or debt that would be taken?

Kartik Teltia: Sir, so module plant has already commissioned and CAPEX cycle is over for that. The BESS line we have funded internally through equity. We have not taken any debt for that. The junction box line again will be funded through equity and no debt is envisaged for that. For the solar cell line, we have earmarked Rs. 420 crores out of my IPO to fund the equity portion of it. In addition to that, the total project is estimated to be around Rs. 575 crores. So, for that subsidiary, we will take a debt of close to about Rs. 155 crores. But looking at the strong projections in terms of cell pricing, we don't expect to be a very long-term loan and strong cash flows should allow us to repay that fairly quickly.

Heer H: Okay, got it. That's it from my side. Thank you. Thank you so much for your input.

Moderator: Thank you. We have the next question from the line of Miyush Gandhi from Cognizant Capital. Please go ahead.

Miyush Gandhi: Hello, sir. Just a few little small clarifications. One, in the order book side, what amount of DC capacity does this order book represent?

Kartik Teltia: So, in terms of the NTPC order, the DC capacity is close to about 376 megawatts. Can I come back to you on this? Because I will have to just total that. And it should be close to about, for solar it should be close to about 800 megawatts. And for BESS, it should be around 650 megawatt hours.

Miyush Gandhi: Okay. No, the reason I was asking is I wonder, right now for a project, a solar project, what would be the total capital cost? Like, crores per megawatt. If there is a, say, like you said, 900 megawatt or 1,000 megawatt or a gigawatt kind of scale capacity, how much does it cost? And of whatever that is, capital expenditure, how much do we cater to?

Kartik Teltia: Yes, that's a very good question, sir. So, I will break this up into two parts. One is the module supply part. Module solar panels typically constitute about, in terms of DC capacity, constitute about Rs. 1.3 crores per megawatt currently. Execution in terms of other than land, the entire

supply, installation, structure, cables, transformers would cost you around Rs. 90 lakhs to Rs. 95 lakhs per megawatt.

Miyush Gandhi: All those also we do, all those part of the execution also we do in house?

Kartik Teltia: Sir, I am only telling you things that I do. So, we do supply solar panels. Then the remaining, the EPC part, other than solar panels, is typically between 90 lakh to 101.05 crores depending on whether you're using a tracker or not. Then comes your transmission line. Now, transmission line cost would typically depend on the length of the transmission line that has been given to you. So, that will vary on voltage, length of the line, kind of ROW issues that are there. So, we do that also, but that varies. But typically, the project cost within the solar park is typically 1.3 plus (NOT AUDIBLE at 49.20), maybe 95 lakhs.

Miyush Gandhi: And for the transmission, we do the transmission connectivity to the substation, right, till that level?

Kartik Teltia: Sir, so I will take the transmission line from my plant to the substation and connect it there. But connectivity, the solar park developer will generally get. We don't get the connectivity.

Miyush Gandhi: Okay. Fair enough. And you mentioned the backward integration that we are doing in terms of the cell module, BESS, do you see, as we grow like 2-3 years down the line, maybe 3-5 years down the line, do we kind of invest further in capacities or how do you look at it? Like today, if you are doing one gigawatt a year, less than 1 gigawatt a year. So, like we go to 2 gigawatt, we go to 3 gigawatt as we grow. So, do we set up more capacities or you feel that, okay, we are fine with this and then we move? How do you envisage that?

Kartik Teltia: Sir, so the vision of the company is to be an EPC company. We are not looking, and we are very good at that. So, I would say we are among the top companies in India that can execute a solar project. The vision is not to pivot to a manufacturing company. The idea is, if we can consume about 60%-70% from that manufacturing line, then we set it up and we strengthen our EPC business. The vision is always to strengthen your EPC business. Now, going down 3 to 4 years, like module, everybody can see surplus capacities coming in.

Miyush Gandhi: Exactly.

Kartik Teltia: We feel at some point that that module capacity is now at a level where people are starting to sell below cost. And I hope that situation doesn't come, but I am just taking an example. If that situation comes, Solarworld has no need to invest further. We can keep this line. We can use it internally if this line needs to be upgraded or we need to set up a new line, then maybe we will not set up that line and we will keep doing our EPC. At present, these manufacturing facilities act as a pivot to take us to the next level. Maybe we can double or triple over the next few years because there will be a cell shortage. It gives a very, very good value proposition to our customers that we are a one-stop shop for everything, even things that are in shortage, even

things that are very, very high technological like BESS right now for which not many players are there. So, it gives a very good value proposition. But I would not commit myself to saying that 4-5 years down the line, I need to be 10 gigawatt module or 10 gigawatt of cell. That will be defined by the requirements of my EPC business and the value proposition that I want to give to my customers.

Miyush Gandhi:

Yes, so actually dilemma lies, right? At one end, we are focusing on EPC, but at the same time, we are spending a lot of money on capacity. And while you articulated it very well, my only point of view was that we have limited capital, right? Capital is always limited. So, would you want to spend that Rs. 100 on manufacturing backward integration or use that Rs. 100 as working capital and 3 gigawatt, 5 gigawatt? There is always this choice, right? Whether you would want to do more and more of EPC, spend the capital over there or use the money towards backward integration. And this question will always come because you are present in both the spaces. As a management, you will always be asked this question, whether you're spending here or here. So, I just wanted to understand from your perspective, how do you see this going forward?

Kartik Teltia:

So, I'll try to answer this slightly differently. So, if you look at my EPC business, my EPC business is restrained by two factors. One is the working capital that we have to take up the next few projects. And second is my capacity to execute. So, last couple of years, we've seen very, very good numbers where we have very healthy cash flows. And we strongly believe that our EPC business is not self-sustainable. We really need external support to go to the next level. So, that capital perspective to grow EPC is more or less established. Now our capacity to execute projects cannot come overnight. So, we are building that also. Maybe we will do 4 projects this year. Maybe we will do 6 projects next year and 8 next year. So, if you look at typically good EPC companies, no EPC companies double or triple every year. Because that ability to execute does not come overnight. And if you try to do that, some of your projects will get stretched, which will stretch your working capital and again your ability to execute. So, it has a domino effect. So, when I answer your question, I have in my mind that this is the capacity I will be able to execute the next few years. And do I have the working capital for that? And the answer is yes. I think my internal accruals and the capital base that we have built already is more than sufficient to fund that growth. If you look at our books today, I think we are net debt free. So, that is a very good position to be in. If you look at my cell line, which is my biggest CAPEX now, the total CAPEX is about Rs. 575 crores. Out of which I am funding that Rs. 420 crores from equity that I raised in the IPO. So, my net is going to be close to around Rs. 150 crores. So, I think my revenues are more than sufficient to pay off that debt fairly quickly. So, I don't see, in fact, we believe that for the next few years, we are very, very well capitalized to capture growth in the EPC that is coming.

Miyush Gandhi:

Fair enough. And on the BESS side, are there any constraints in sourcing the cell or it's not an issue? I am assuming most of it must be coming from China.

Kartik Teltia: So, there are two parts to this. So, there is confusion on where the constraints are. So, I think the Chinese government is placing some constraints on getting equipment that can be used to manufacture cells from lithium ore. So, your cathode and anode. Beyond that, there is an assembly process from cathode anode to your cell to battery pack, which I think the equipment restrictions are not there. Again, importing lithium cells from China, we have not seen any restrictions because for them, it is more or less an end product. So, they are not placing restrictions on that. At present, our understanding is that if you get the entire container from China, the duty tends to be around 22%.

Miyush Gandhi: It's a container of cells, right?

Kartik Teltia: No, containerized solution, which has your cell, your cooling system, your fire protection system, a complete solution. But if you get these components separately and you assemble it in India, I think the duty comes down significantly. So, that is also a very good value proposition in this industry right now. Government of India is promoting domestic manufacturing, which is supporting growth of BESS in India.

Miyush Gandhi: Any estimate, how much capacities are coming for BESS? Because I understand that Waaree is putting, there are a couple of others, 3 gigawatts, 3 gigawatts is like a standard capacity, which a lot of people are putting up. So, any estimate how much capacity is currently under construction in India for this assembly line?

Kartik Teltia: So, I would just say that the market is expanding at like a lightning speed. I think till date about 40-50 gigawatt orders have gone out for BESS. And typically these orders have about 15 months to 18 months of execution timeline. So, I would expect shortage in the market of people while they would have manufacturing lines of people who would have executed BESS projects in terms of delivering the containerized solution, designing the end product that is needed by the customer and going ahead and installing and running those projects. So, it's a good market to be in.

Miyush Gandhi: And we will focus on utility scale, we will focus on C&I customers, how are we planning to and sorry, I missed that initially, how big is our capacity in BESS?

Kartik Teltia: Sir, 3.4 gigawatts sir.

Miyush Gandhi: 3.4 gigawatt annual capacity, right?

Kartik Teltia: That's how annual capacity. 3.4 gigawatt hour annually.

Miyush Gandhi: And there is another metric, right? The output that depends on the design that has nothing to do with capacity. Is that the right understanding?

Kartik Teltia: Sir, so basically when we say 3.4-gigawatt hour, it means the ability of the facility is to process cells which can store 3.4 gigawatt hours of energy in them.

Miyush Gandhi: Understood. And on the second question, where are we planning to focus for this? Will it be like utility scale projects or more C&I replacement of these diesel genset? How are you looking at it?

Kartik Teltia: Sir, it is going to be a mix. My expectation is C&I customers' orders will tend to be smaller, but very high margin. For utility scale, it will be a mass market where you will get volume, but margins will typically be muted compared to C&I. So, I think large capacity will be utilized towards the utility, whereas some portion will be dedicated to C&I, which will give a good blended margin.

Miyush Gandhi: Fair enough. And no plans, the same facility, like cell to battery, so can the same batteries be assembled for other end uses also or it's specific to power?

Kartik Teltia: Sir, there are two types of cells. One is a prismatic cell and one is a cylindrical cell. Typically in EVs, you will see cylindrical cells. And large utility projects and C&I customers would typically use a prismatic cell. Cylindrical cells tend to be more expensive because they have higher density. And where space is not a constraint, we typically tend to use prismatic cells. So, our line should be dedicated towards large utility and C&I. We can do OEM for other manufacturers, but at present, the line has been set up with a view to supporting our EPC business.

Miyush Gandhi: Thank you. Thanks a lot for and best of luck for the future.

Kartik Teltia: Thank you, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

Kartik Teltia: Thank you. Thank you so much, everyone, for joining our conference today. And we also would like to thank you for the trust that you have placed in us. As we are on Friday today and we have Diwali on Monday, I would like to wish everybody a very, very Happy Diwali and hope you have a good holiday over the next week and then we can all get back to work.

Moderator: Thank you. On behalf of Solarworld Energy Solutions Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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