GENSOL

Registered Office
15th Floor, A Block,
Westgate Business Bay,
S G Road, Ahmedabad- 380051

: 079-61690000
: communications@gensol.in
CIN : L74210GJ2012PLC129176

Date: February 19, 2025

To,

The Corporate Relations Department	National Stock Exchange of India Limited
BSE Limited PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001	Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Company Scrip Code: 542851	Symbol: GENSOL

Dear Sir/Madam,

Sub.: Transcript of Earnings Call Q3/FY25

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Transcript of Q3/FY25 Earnings Conference Call held on Thursday, February 13, 2025.

You are kindly requested to take note of the same.

Thanking You,

Yours Faithfully,

For, Gensol Engineering Limited

Anmol Singh Jaggi

Digitally signed by Anmol Singh Jaggi
Date: 2025.02.19 21:41:01 +05'30'

Anmol Singh Jaggi
Managing Director
DIN: 01293305

GENSOL ENGINEERING LIMITED *

"Gensol Engineering Limited
Q3 FY25 Results Conference Call"
February 13, 2025

MANAGEMENT:	**MR. ANMOL SINGH JAGGI -- CHAIRMAN AND MANAGING DIRECTOR -- GENSOL ENGINEERING LIMITED** **MS. SHILPA URHEKAR – CHIEF EXECUTIVE OFFICER – SOLAR EPC (INDIA)** **MR. SHAILESH VAIDYA – CHIEF EXECUTIVE OFFICER – SCORPIUS TRACKERS** **MR. PRATIK GUPTA – CHIEF EXECUTIVE OFFICER – EV MANUFACTURING – GENSOL ENGINEERING LIMITED** **MR. AMIT KUMAR – CHIEF EXECUTIVE OFFICER – EV LEASING – GENSOL ENGINEERING LIMITED** **MR. ANKIT JAIN – CHIEF FINANCIAL OFFICER – GENSOL ENGINEERING LIMITED**
MODERATOR:	**MS. SAVLI MANGLE – ADFACTORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY '25 Conference Call of Gensol Engineering Limited. 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 need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Savli Mangle from Adfactors. Thank you, and over to you, ma'am.

Savli Mangle: Good afternoon, everyone and a very warm welcome to our Q3 and 9 months FY '25 Earnings Conference Call. To guide us through the results today, we have the senior management team of Gensol Engineering Limited, headed by Mr. Anmol Singh Jaggi, Chairman and Managing Director; Ms. Shilpa Urhekar, CEO, Solar EPC (India); Mr. Shailesh Vaidya, CEO, Scorpius Trackers; Mr. Pratik Gupta, CEO, EV Manufacturing; Mr. Amit Kumar, CEO, EV Leasing; and Mr. Ankit Jain, Chief Financial Officer.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors. We will commence the call with Anmol, taking us through the operational performance; and then Ankit taking us through the financial performance for the quarter and 9 months gone by, following which we will open the forum for Q&A.

With that said, I would hand it over to Mr. Anmol to share his comments. Thank you, and over to you, sir.

Anmol Singh Jaggi: Thank you, Savli, ma'am. Good afternoon everyone, and thank you for joining us on the quarter 3 FY '25 earnings call of Gensol Engineering Limited. It is always a pleasure to connect with our valued investor community who share our vision and have placed their faith in us. I will walk you through the latest developments at Gensol and also our key financial performance updates. And then, of course, we go to questions-and-answers.

Before we delve into specifics, I would like to begin by giving you a perspective on the renewable energy space. For India, this has been a year of watershed moments. We have witnessed solar power on an unprecedented scale. India has crossed 100-gigawatt mark for solar installed capacity. The government to its credit has played a crucial role in this transformation.

The commitments of the government are backed by concrete policies and substantial investments. Key initiatives were rolled out to make India the preferred choice for solar power. Policies related to domestic EV manufacturing, green hydrogen, grid infrastructure development, renewable purchase obligation and production-linked incentives have played a pivotal role in contributing to this remarkable RE growth.

In the recent budget, the allocation of INR27,000 crores to Ministry of New and Renewable Energy, which is a 54% jump from the previous year is substantial. India's energy transition vision has been bold and one that Gensol is proud to be a part of. We have earned our strides as a company by building a proven track record in solar energy. And now we are positioned to capitalize on the demand for clean energy, expanding strategically into green hydrogen, BESS and e-mobility with EV manufacturing and leasing.

Our Solar EPC business has particularly seen strong momentum in this quarter. This is in line with our commitment and vision of being a leading independent EPC player in India. We have secured a series of large-scale projects from prominent public sector undertakings.

Two of these projects, 275 megawatt and 245 megawatts valued at approximately INR1,062 crores and INR968 crores, respectively, will be coming up at the RE Solar Park in Khavda, Gujarat. We have also secured a substantial contract worth INR 898 crores from NTPC for a 225-megawatt project, which will be in Gujarat again. These order wins have boosted our solar EPC order book to a healthy INR 7,000 crores as of 31st December.

In our last earnings call, I had spoken about another important segment that is ripe with opportunity, the battery energy storage market in India. Governments and businesses are recognizing the imperative for efficient energy storage solution to meet peak power demand and create a truly reliable renewable energy mix.

We have already secured - 2 energy storage orders from GUVNL, which are slated to be executed during FY '26. We are also evaluating the market and will keenly participate in upcoming tenders that align with our growth goals. Beyond solar and energy storage, the green hydrogen segment is yet another promising frontier in the clean energy space.

Coming to our EV leasing business. EV leasing business is brimming with dynamism and is poised to revolutionize the very fabric of transportation. The global shift towards electric vehicles is no longer a futuristic prediction. It is a present reality and is accelerating fast. In India, this commitment is particularly pronounced with a strong emphasis on promoting EV adoption through Make in India.

With this dynamic landscape, our EV leasing vertical continues to grow and diversify with assets under management reaching approximately INR 850 crores as of December 2024. This growth reflects not only the increasing demand for EV leasing solutions, but also our strategic focus on expanding our fleet and catering to a wide range of customer needs.

In another strategic move, we partnered with Refex Green Mobility to transfer 2,997 electric 4-wheels to them. As a part of the agreement between Refex eVeelz and Gensol Engineering, INR 315 crores of loan obligation will transfer to Refex eVeelz and which will significantly deleverage our balance sheet.

Our EV manufacturing arm has also gained considerable traction this quarter. We made our debut at the Bharat Mobility Global Expo 2025, one of the largest mobility shows in India. Our showcase was rather impressive. We unveiled 2 new electric variants, the EZIO aiming to transform urban mobility and the EZIBOT, which is the cargo variant. This compact 2-door 2-seater vehicle represents a confluence of modernity, intelligent design, space efficiency and cutting-edge technology.

And the market's response has been overwhelming with 30,000 pre-orders from fleet operators. It seems we have struck a cord and this surely strengthens our resolve to continue to pushing the boundaries of electric mobility.

On this note, I would like to invite Ankit Jain, our CFO, to share our consolidated financial performance for the third quarter and nine months, and then we go for Q&A.

Ankit Jain: Thank you, Anmol. Coming to our financial performance, we have witnessed growth in key financial parameters across the board. Our total revenue grew by 42% to INR 1,056 crores in 9 months ended FY '25. The EBITDA increased significantly by 89% to INR 246 crores in these 9 months and the margins expanded by 582 bps from 17.5% to 23.3%, representing a remarkable year-on-year growth.

PAT grew by 34% on a year-on-year basis to INR 67 crores in these 9 months. On the quarterly basis, our revenue grew by 30% to INR 345 crores in this quarter versus last year. Similarly, the EBITDA grew by 19% to INR 63 crores, and our PAT stood at a healthy INR 18 crores in quarter 3 FY '25.

Thank you, and I would like to open the floor for questions-and-answers.

Moderator: Thank you, sir. The first question comes from the line of Garvit Goyal from Nvest Analytics.

Garvit Goyal: Our guidance for this year was around INR 2,000 crores. But looking at first 9 months, we are very much behind the guidance. So, what is your take on it? Because in earlier year also, you were guiding for INR 1,200 crores top line for FY '24, and we achieved only INR 960 crores. So why we are not able to execute the numbers that we are guiding to the investors, sir? So that is my first question.

Anmol Singh Jaggi: Sure. Thank you, Garvit. And it is unfortunate that we have had some slowdown. By the way it is extremely fast, we've still grown 42% year-on-year, which is there in 9 months. But I think what has led to a slightly slow growth for the quarter 3 was the reason that we would have had extended rainfall in certain parts of the countries where we were having our projects, so we were not able to execute on ground. And secondly, in some of the large projects that we are executing, the land from the customers have not been able to transfer to us in this quarter.

So given the reason around rains, which partially impacted us in the month of October and the fact that we were not able to get the land from our customers in time, land is the responsibility of our customers, and we were not able to get land from them in time, which led to the delay of execution of this order book. So, all of this is going to spill over to the coming quarters.

And hence, you will see that we will do a catch-up. I'm not saying that we will be able to catch up entirely in the quarter in which we are, but we will continue to maintain a very, very good higher than industry average kind of a growth. I'm very proud that Gensol is achieving a 42% 9-month growth, and we will continue to be in that range.

Garvit Goyal: So how the Q4 is looking like and where do you see looking at the fact that whatever land parcels you quote now. So, based on that, where do you see FY '24 to end with like in the terms of top line?

Anmol Singh Jaggi: Yes. So I will not go into too many specifics, but like I mentioned that our aim is that we will continue to maintain the growth rate. So, we have done a very good growth rate in the first 9 months, and that will continue to get maintained and we will be around that range. And all of the land parcels that we have not been able to receive from our customers, I think in this quarter or earlier part of next quarter, we will receive from our customers. And then execution will start on those projects.

Garvit Goyal: So, you are saying first 9 months Y-o-Y growth, that will be the kind of number for Q4 also, right, Y-o-Y?

Anmol Singh Jaggi: Yes.

Garvit Goyal: Okay. And secondly, on the margin side, there has been a significant dip in the margin for this quarter, both Q-on-Q and Y-on-Y. So, what is the specific reason for that? Like what kind of margins do you expect for this quarter and the years ahead?

Anmol Singh Jaggi: So, as you know, we have always been saying that we have 2 different kinds of projects. One is our turnkey projects where our margins are higher. And then we have a balance of system project where the margins are lower. And this particular quarter, quarter 3, because we couldn't get land from our turnkey customers, majority of the execution came from balance of system customers.

And in balance of system customers, the margin is slightly lower. In this quarter, we expect that turnkey will play a bigger role. And in the coming quarters, the turnkey will play even a bigger role. And just to give you a guidance, our -- 80% of our INR 7,000 crores order book comes from turnkey and only 20% comes from balance of system. So, we have very strong turnkey order book, which will mean that we will be able to do good margins.

Moderator: The next question comes from the line of Soha Thappa from Ventura Capital.

Soha Thappa: So, sir, as an investor who has invested his hard-earned money into the company, I really like the idea of what Gensol is doing and capable of doing in the future. But these Q3 numbers are completely blow to our faces, to be honest. So, my first question is any solar EPC project which are going to be completed this year? And can you provide us the completion date for the recent solar EPC contract that you won, which was worth INR 986 crores?

Anmol Singh Jaggi: Sorry, I couldn't get the last question, completion part.

Soha Thappa: Can you provide us the completion date for the recent solar EPC contract that you won, which was worth INR 968 crores.

Anmol Singh Jaggi: The 3 projects that we have recently won?

Soha Thappa: Yes.

Anmol Singh Jaggi: The 3 projects that we have recently won, the projects were for 275-megawatt, 245 megawatt and 225 megawatts, all of which we have won in this quarter, which is approximately close to about INR3,000 crores of order book. Their completion timeline is 18 months. So, we have signed these contracts in various times in this quarter. Some I think we have signed in November; some we have signed in December, and I think one we have signed in January. So, from our signing date, it is 18 months.

Soha Thappa: Okay, sir. So, my second question was there was an article in a business tender stating that the renewable energy worth of 40 gigawatts failed to find bidders by the state government. Can you please explain why in such a competitive world, this thing is happening?

Anmol Singh Jaggi: That is not an issue for EPC contractors like us. It is more issue for the developers. And this issue does not bother us as EPC contractors. Our customers and majorly our order book is skewed towards all, I think I would like to check with Ankit also, but I think maybe 80% of our order book is A-rated customers.

So, 80% of our order book is A-rated customers where this is not a problem at all. They have all secured their power purchase agreements and they have all secured their financial closures. So, we do not expect this problem to come to our set of customers because like I mentioned, 80%, 90% of our customers are actually A-rated.

Soha Thappa: Yes, sir. I got that. What I wanted to say was the gist of the article was the cost of the renewable energy will go down furthermore in the future. So, I wanted to know is that impactful for the company in any way?

Anmol Singh Jaggi: Actually, the order book that we have already closed, we know with a good amount of confidence the margins that we are going to make on those orders that we have already secured. When we are bidding for new, we are already -- whether the price might be low or whether the price might be high, we are bidding with our own set of margins, and we are ensuring that we don't actually take any order at very low margin or anything like that. So, we are very conscious of our margins, and that's how we take orders.

Moderator: The next question comes from the line of Santosh Varma from Viansh Ventures.

Santosh Varma: Yes. So, I have a question regarding the transfer which you talked about from the vehicles which you're going to transfer, 2,997 electric vehicles and INR315 crores, what is the process? How they are going to transfer the vehicles and how the loan is going to take care? Can you explain the process for that?

Anmol Singh Jaggi: Yes. So, these vehicles are today owned by Gensol Engineering Limited, and these vehicles are being bought by Refex. And when these vehicles are being bought, Refex is financing these vehicles. So, we are going to do a sale of these vehicles and Refex is going to purchase these vehicles.

And when Refex purchases these vehicles, Refex will pay us that amount, and we will pay back the same amount to the lenders, and that's how we will get deleveraged. So that's the process. Refex is currently undergoing financial closure for this, and we expect it to be done soon. The management of Refex is highly proactive and is working efficiently to close the transaction at the earliest.

Moderator: The next question comes from the line of Lokesh Dubey, an individual investor.

Lokesh Dubey: So, I just wanted to touch with 2 questions. First one is what's the timeline on starting the production for Ezio? And I'm assuming our initial order is probably from BluSmart, considering what you have mentioned in past. And do we have enough adequate capital to actually start the production? And did we get the advances from BluSmart or something? Do we have kind of arrangement?

Anmol Singh Jaggi: So, we -- in our journey, so we already showed the vehicle at Bharat Mobility Show, and you would have seen the kind of very, very good response that we saw from all the customers, public who came to visit us and see the vehicle. It was absolutely a pleasure to see the very positive response. When it comes to when will we start the production of this Ezio, we have completed our base testing, and we are in the process of completing our advanced testing, and we expect our advanced testing to get completed soon.

Post that, we shall be going into the production for the vehicle. Anyways, we have said that even if we start production, it is going to be a very slow and steady start to the production. And maybe sometime in this year, we will start the production and then slow and steadily ramp it up. So even in our earlier calls, we have mentioned that we will be able to only do a slow and steady start to the production.

Lokesh Dubey: Okay. So -- but...

Anmol Singh Jaggi: Yes, in terms of orders, BluSmart is only a small component of the total number of preorders that we have received. And right now, we have not taken any financial commitment from any customer. In the next few months when we are fully ready to start producing, you will see that we will sign finalized orders. And when we sign the finalized orders, we will be taking advances from customers and begin production.

Lokesh Dubey: Yes. I indeed saw some news flowing around with BluSmart starting in Mumbai as well. So, I was hoping maybe that would be a trigger to get some orders from nearby -- from our manufacturing plants.

Lokesh Dubey: Okay. My second question and the last one is, I have noticed that most of our revenue is recognized in Q4, it's probably because of the rains and then how we function. So, is that kind of the pattern? I think you have partly answered that question, but does that -- would that help? Would that be a much larger quarter in terms of revenue recognition and we'll be able to at least try to meet the guidance that you had provided because we should have exceeded that number.

The reason being our previous 2 quarters were actually adjusted, and we added a certain amount because of that readjustment for the leased vehicles that we had. So, both of our revenues were actually bumped up. But they were initially, I think June was INR295 crores or something, but it's much larger now. So even in that condition, we are not able to get to INR2,000 crores.

So again, I think we have already talked over Twitter where we said that we should be probably a bit modest on our guidance because you're doing great growth, Anmol ji, that's not the point. But when we have an aggressive guidance and then after that, when we see results where even something is a little bit timid, it sort of affects our investors and our investments as well. So that would be a suggestion. But I just wanted to check whether our Q4 is supposed to have considerable revenue versus our previous 3 quarters?

Anmol Singh Jaggi: Yes. No, I get your point. And we, of course, as the management team, continuously try to meet whatever we share with our investors. It is unfortunate that we couldn't get land in time and hence, we were not able to kind of start out on the projects. But yes like every year, and it is not typical of just us, it is typical of the entire renewable energy industry that the quarter 4 is the heaviest quarter, which is there, and it will be a good quarter for us, too.

But I'm kind of refraining myself from sharing exact numbers what we would or sharing tentative numbers of what we will be able to do in this quarter. What I definitely want to share is that like every year, quarter 4 is always the best quarter.

Moderator: The next question comes from the line of Navmeet Singh, an individual investor.

Navmeet Singh: So actually, I have one question. So, if we look into the earlier guidance that we have given of INR2,000 crores for financial year.

Anmol Singh Jaggi: I'm not able to hear you, sir. If it's on speaker phone, can I request you to put it not on the speaker phone?

Navmeet Singh: Okay. So, looking into the previous guideline that we had around INR2,000 crores for the financial year. Now we are at 9 months somewhere around INR1,000 crores. So, the aggressive guideline we had -- I get it there had been certain headwinds on that. So, so all those headwinds are resolved for the quarter 4 or we are still having any turbulence over there?

Anmol Singh Jaggi: So yes, we speak every day, our customers and we are collaborating to ensure that their projects get delivered in time. And customers also want to ensure that their projects get completed in time. I think on the land piece, we are seeing some good development, which is happening from the customer end.

We cannot say that we have received all the land, and we have all the area to start construction. But every day, there is good progress being made from our customer end, and we are also making good progress. And hence, we will see better -- like I mentioned to you, quarter 4 will always be one of the best quarters.

Navmeet Singh: Understood. Just one follow-up question on that. So, as you have said that around 80% of our order book is on turnkey basis, which has a better margin. So, looking into the quarter 3 margins, it is timid margin. So, for quarter 4, do we see similar kind of because we don't have the -- all the land parcel yet. So, do we see a similar range of margin for quarter 4 as well? Or are we expecting better margin as compared to earlier quarters?

Anmol Singh Jaggi: I would say it will be better than the previous quarter. But yes, it will be better because this quarter, we will have some more turnkey projects that we will be executing. So, it will be slightly better than previous quarter.

Moderator: The next question comes from the line of Pratik Bagadia, an individual investor.

Pratik Bagadia: I have 2 questions. First is I wanted to know that our current promoter pledged part is roughly around 81.7%, if I'm not wrong, by end of December 2024. Can you throw some light as to by when can we expect it to come down to 0?

Anmol Singh Jaggi: So, the promoter pledge is in way of 2 things. One is the share pledge that we have given to Power Finance Corporation and IREDA against the EV lease debt that we have taken. And as you know, we have already signed and we have already deleveraged on the EV lease debt by about INR300 crores, that INR300 crores of deleverage will also mean that another INR300 crores of share pledge will get removed from us.

So that is going to be a good significant share pledge removal once the Refex transaction gets concluded. Meanwhile, we will also try to do similar kind of transaction like Refex in the coming quarters, which will mean that, one, we will get deleveraged more; and two, the promoter pledge will continue to fall.

So I don't want to give out on when it will go to 0, but the Refex transaction will mean about INR300 crores of share pledge being released, INR300 crores of worth of shares being released and another post this transaction, when we do another similar kind of transaction, that time, it will mean that we will be able to substantially reduce the promoter pledge.

So, I'm not committing on a specific timeline of when it will go to 0, but Refex will mean that it will fall down by a substantial number. And then once we do the second or third similar kind of transaction, it will go down very, very significantly.

Pratik Bagadia: Fair enough. So, the second thing I wanted to ask is on the electric mobility side. So, by when can we expect revenues to start coming in?

Anmol Singh Jaggi: Yes. So, in this financial year for sure. And like we have said that even if we start production, when we start production, we are going to do a slow and steady ramp-up. We are going to maybe make 100 cars in the first batch, use those 100 cars, then give it to our customers. And then based on their feedback, maybe produce another 200 set of cars.

So, it will be a slow and steady ramped-up production phase, which is going to be there. I would request our investors to appreciate that we are a first-time OEM, and we will not go all in with the plant fully blazing out with cars ASAP. It is prudent to do a slow and steady ramp-up of production.

So, are we expecting production to start in this year? 100%. But is it going to contribute significantly to our revenues in this year? I don't think so. It will significantly contribute to the coming year, but production will surely start in this year. In this year, what I mean is FY '26, not FY '25. Not in the next 45 days in the next -- in the coming year.

Pratik Bagadia: Okay. I got your point. So, a follow-up question on that. I just wanted to understand from a marketing point of view as to where we are positioning our product for the market. So, I understand it is going to be a commercial vehicle, but where exactly are we trying to position it from a branding point of view?

Anmol Singh Jaggi: Yes. So, this is a very high-class vehicle. And based on the extremely positive feedback that we received at Bharat Mobility Show, people are seeing that this can actually be very competitive in terms of comfort and convenience for the customer. And while I have always been maintaining that on ride-hail platforms, 90% of trips are actually single passenger trips, those single passenger trips can be made very, very efficient with Ezio.

And you will see that the adoption will happen in the ride-hail market, and they will be able to actually put it out as a very strong alternative to a sedan car. I'm not saying that we have the length of a sedan car, but we have the comfort of a sedan car, which is there. So, we might be only 2 seaters, but the individual customer is more concerned about their comfort. And on that comfort, we are going to score a 10 on 10.

Pratik Bagadia: Okay. So basically, comfort is going to be our USP in that terms?

Anmol Singh Jaggi: Absolutely. So, it is much better for the roads. It is much better for our customers. It is going to be very good for the driver partners who are going to be driving it and for the ride-hail companies who are going to own it.

Pratik Bagadia: Okay. So, are we seeing any international attention or traction when it comes to this part? Any preorders...

Anmol Singh Jaggi: We have not focused on that. I think all our energy is going into ensuring that we start the production at the earliest. So, a lot of energy is flowing into there. Our aim is that we get to production ASAP, but we also wanted to test market, and we also wanted to prove to the world that Ezio is a great vehicle. And that's why we did the Bharat Mobility Show, and I'm so happy that our customers reposed a lot of confidence in us.

So good that we have some customer validation, and that just enthuses our team further to ensure that we start production very soon. So, from that perspective, I think we got a flavor of what the market wants and the market acceptability. Now that we have it, all our attention is to get to production faster. International markets, maybe next year or something like that. Today, our focus is to get to production.

Pratik Bagadia: Okay. So just to clarify my understanding, is my understanding correct that our pricing strategy is clearly going to be between a 3-wheeler and 4-wheeler?

Anmol Singh Jaggi: You will hear on the pricing strategy also very soon. We have not yet disclosed our prices. We will disclose our prices soon. What we have shown to the world is that Ezio is a great vehicle, and a lot of people have liked Ezio. But the pricing strategy, we are still discussing and closing on the pricing strategy, and we will not be able to share the pricing strategy on the call right now.

Pratik Bagadia: Fair enough. No problem. And just a last question on the working capital. Are we in a comfortable situation when it comes to whatever capital we need for our solar EPC as well as in the electric mobility side?

Anmol Singh Jaggi: We have some, and we are raising some more working capital. So, working capital is the bread and butter of our solar EPC business. And like I mentioned, we have some. But we are also doing is very effectively deleveraging all the term debt that we have. So, all the vehicle debt we are trying to retire, and we will need a letter of credits and bank guarantees, which are non fund-based limits.

So, we are in active conversations with financial institutions to give us more and more letter of credits and bank guarantees. We do have a sufficient quantity, but to increase the business further, we will need some more, and our finance team is actively working on it.

Moderator: The next question comes from the line of Kapil Banga, an individual investor.

Kapil Banga: So, the execution has been really -- has been well below the expectations. Last 12 months, the share price has like almost halved. Every time in last 2 quarters, if I remember correctly, results come out and stock falls another 10% to 15% immediately after result. So that's the execution without -- good order book, presence across renewable energy, battery energy storage, solar, EVs, etcetera, is all good without numbers actually showing up, this trend may not get arrested anytime soon. I also -- I'm a small investor, earns salary and invest here.

The return so far has been really underwhelming. I hope this improves going forward. Now my question is on the liquidity side first. What is the current unencumbered cash balance with the company? And what is the non-fund-based utilization percentage?

Anmol Singh Jaggi: Sure. So, first, on the share price falling, I think we have zero control over it. Perhaps the entire market is affected due to temporary market correction, FI selling, et cetera, et cetera, which is there. It is beyond our scope. What we know is how to build solar power plants, what we know is how to build EV cars, and we continue to focus on that. And on the results also, - we are happy that we have shown a 40% plus growth, which is there on both our revenues and our profit. So, we are happy with it.

Of course, can it be better? It can definitely be better. But -- we don't monitor the share price on a day-to-day basis. So, we have zero control over it. On how much cash balance and as of 31st December, our cash balance and working capital mix, I'd like to go to Ankit to share his thoughts or maybe I'll do it. So, we have -- I think 250 -- or Ankit, could you share your thoughts on this year? I don't remember the exact numbers.

Ankit Jain: Right. So, the total liquidity in the books is about INR250 crores. And on the working capital, about INR350 crores to INR400 crores access to the limits is what we have.

Kapil Banga: The INR250 crores is free cash balance or total cash balance?

Ankit Jain: Half of that is free.

Moderator: The next question comes from the line of Rakesh Banerjee, an individual investor.

Rakesh Banerjee: Yes. First of all, congratulation, Anmol, for launching this beautiful car. I think being the first-time OEM player, it's not easy. So, my best wishes. That's the first part. Second part is, in the social media, we have found you to talk about making Gensol a net debt-free company in the 6 months' time.

So, my question is like what your plan is, like given the situation, the working capital requirements because we do have huge projects to execute. How do you want to -- I mean, what is your thought on this? How do you want to plan to make Gensol a net debt-free company in the next 6 months?

Anmol Singh Jaggi: So, see, like we mentioned, bulk of our debt comes from the EV vehicles, which is there. And we have already done one transaction with Refex, which will delever us by more than INR300 crores. After the Refex transaction gets concluded, we will be doing similar kind of transactions to actually make the EV book maybe close to 0. And you will see that we will have then only working capital, which is there. Most of the solar working capital that we had, which was about close to INR300 crores earlier was in the form of fund-based limits.

With the efficient management and work being done by the team, we are seeing that how we can convert all of these fund-based limits to non fund-based limits, which means very efficient utilization of letter of credits. And you will see that -- you have already seen that in , the first half of the year, we had reduced debt by Ankit what, INR150 crores plus. In the first -- till September, we had organically reduced debt by about INR150 crores. We have had strong cash flows.

So, we will continue to reduce debt organically as well as through the large EV sale transactions that we are concluding. The first one, which is already in place with Refex and many more, which will follow, and which will take our EV debt to 0. And then from there, we will see the working capitals from fund-based limits translating into completely nonfund-based limits and that will help us to -- it might not actually touch 0, but it will be very, very small in comparison to what our asset size, balance sheet size and revenue size will be. Our management's very core focus is to deleverage.

Rakesh Banerjee: Fantastic. And the second question is right now, as mentioned by my previous participants that your current pledge is around 81%. And the way the share price has been falling, it is not very unusual that you have to increase the pledge. So, on that context, I just wanted to know that we have done that deal with the Refex. But when does Refex will be transferring those funds to our balance sheet? I mean when do we get funds...

Anmol Singh Jaggi: No. See the -- like I mentioned, the Refex management is proactive in working to ensure that the sale concludes as soon as possible, but it's a large number. And I would say that there is a good probability of it concluding in this quarter, but maybe it concludes in the coming quarter.

So, definitely between this and next quarter, the Refex deal will conclude. We are working hard that it concludes in this quarter, but we are not 100% sure that it will conclude in this quarter. It could conclude in the next quarter also, but let's hope for the best and try to see that we can conclude in this quarter itself.

Rakesh Banerjee: Okay. And my last question is, we know that we have 3 verticals in the business. I just wanted to know; you have given enough clear picture about how you are ramping up the EV production. I wanted to know that how about the EV leasing business. When do you expect this specific vertical to become profitable and will start adding to the bottom line of the company?

Anmol Singh Jaggi: Let me just reconfirm. I think this quarter, we were turned profitable. Last quarter also, we were profitable on the EV leasing business. And this quarter also, we have turned profitable on the EV leasing business. So that the vertical has already turned profitable for us.

Moderator: The next question comes from the line of Soha Thappa from Ventura Capital.

Soha Thappa: Can I know any solar projects which are going to be completed this year? It can be both turnkey or balance of payment?

Anmol Singh Jaggi: Sorry, I couldn't hear you, ma'am.

Soha Thappa: Sir, can I know are there any solar projects which are going to be completed this year? It can be both turnkey or balance of payment projects?

Anmol Singh Jaggi: Yes. We will, of course, we are working every day. And definitely, a few projects will be completed in this quarter. So, the projects that we have started 2, 3 quarters back, they will surely be completed in this quarter. So yes, some projects will definitely be completed in this quarter.

Soha Thappa: Sir, can I know the names of the projects?

Anmol Singh Jaggi: From the names of the project, I think we will surely conclude. There is a large project that we had from a textile company that we will surely conclude. There is a large project that we are doing in the Eastern part of the country. In fact, it's 1 customer, but 4 projects which are there.

We expect that we will conclude all of those 4 projects in this quarter. So yes, at least these 4, 5 projects, I'm 100% -- I'm decently sure that we will be able to conclude in this quarter, yes. So, these are some of the names for -- these are some of the guidelines for which projects we will be completing in this quarter.

Soha Thappa: Okay. My last question is, can I know the total capex used in these 3 quarters?

Anmol Singh Jaggi: Sorry, total?

Soha Thappa: Total capex used in these 3 quarters.

Anmol Singh Jaggi: On the EPC side, we do not have any capex. We have capex on the EV manufacturing and EV leasing. Ankit, you would want to share -- EV manufacturing would have done something, and on EV leasing, you would have done.

Ankit Jain: So, the only thing that we do in EV leasing is utilization of loans to buy cars. And you would have done maybe INR10 crores to INR15 crores of car buying on the EV leasing side. And on the EV manufacturing, I think about maybe last quarter, we would have done INR15 crores of capitalization. So very small between the 2 businesses.

Soha Thappa**:** Okay. So, one last question. Can I know the total debt in net block as of today?

Ankit Jain: Total gross debt is INR1,150 crores. And if you back out the Refex deal debt, which is about INR320 crores, that's going to transfer to Refex, so you get to about INR850 crores. So INR850 crores against the equity of INR600 crores is the gross debt, which is about 1.5x. And if you were to think of it in terms of net debt, then that number is INR600 crores, which is 1:1 ratio to equity.

Moderator: The next question comes from the line of Rathina Rajakumar from Vivriti Capital.

Rathina Rajakumar: Can I know the status of when the equity raise is happening, sir, in terms of the preferential allotment? I think it had happened in the beginning of the year. What is the status now? And what will be the future plan?

Anmol Singh Jaggi: So, we have done one warrants round for INR540 crores out of which we have received INR140 crores and INR400 crores is remaining to be received before the end of the last date, I think, for wiring of that money is 31st December 2025. So yes, that is when it has to be wired in. So, we expect that money to come -- that INR400 crores balance money to come in equity between now and 31st of December. And yes, so that's the status on the warrant round that we had done in early part of this financial year.

Moderator: The next question comes from the line of Sedin George, an individual investor.

Sedin George: So, I would -- like I was a bit confused when I saw the deferred tax of INR2 crores. So, should we expect kind of lower revenues in the next quarter as well? That was what I wanted. Yes.

Anmol Singh Jaggi: You said something about deferred tax.

Sedin George: Yes. So, there is INR2 crores deferred tax this quarter. So is it because the company wasn't expecting a lot of revenues in the next quarter as well because else you would be paying...

Anmol Singh Jaggi: I'll let Ankit take this question, but I don't think deferred tax has anything to do with our revenues. Deferred tax, what my understanding, gets created because of the EV vehicle purchase and the income tax rate, which is different from the corporate which is the accelerated depreciation, which is provided on the EV vehicle, that creates a deferred tax asset.

It has got nothing to do with what revenues we would want to do, or we would have done. It is basically only a factor of the EV vehicles, the amount of EV vehicles we had. But Ankit, you would want to...

Ankit Jain: Yes. I think what you are referring to is, on the consolidated numbers, we have created a deferred tax asset of about INR2 crores. And that is because of one of our subsidiaries had carry forward losses, which is essentially the Let'sEV entity, which does EV leasing. And in the past, like we discussed earlier, it was in losses.

So, the carry forward loss essentially leads to a deferred tax asset, which is a good guy on the books. So, in this financial year, you see an asset created out of that. But again, these are all timing differences, and they reverse out over a period of time, not related to performance, as such.

Sedin George: Okay. And I also have a question about the Ezio, the EV ride business. So, I read in reports that...

Anmol Singh Jaggi: Could you repeat your question?

Sedin George: Yes, it is...

Anmol Singh Jaggi: Could you restate your question?

Sedin George: About EV manufacturing.

Anmol Singh Jaggi: Okay.

Sedin George: Yes. So, I read in reports that Gensol is planning for some 6,000 to 7,000 vehicles next year, whereas the capacity is around 12,000. So, since it's a capital-intensive business, and we have to be paying a lot of interest for the capital that we are using, so would it be sensible to take the capacity to maximum? Like, is it because that we are not depending on a lot of OEMs from others -- outside or is it because that Gensol is doing all the R&D itself that it's taking this time for manufacturing to happen?

Anmol Singh Jaggi: So, first, our total production capacity is 30,000 vehicles, it's not 12,000 vehicles. Our total production capacity is 30,000. And like I mentioned earlier, we would be going slowly and steadily. We are, first time, manufacturing a car, and we are not going to go full blazing in the production of the vehicle.

We have to go -- slow and steady will win the race in this game, and we want to go that way. What we want to do is produce a few vehicles, give it to our customers, take their feedback, then produce a few more, then give it to the vehicles and then produce more. So that's how we are going to run the business around the EV manufacturing side.

We are not going to hit -- and we've always been maintaining -- it's not the first time that we are saying, we have always been maintaining that we will be going slow and steady on the production in the first year of production.

Sedin George: Okay. Sorry about that number. Actually, I read that it was 12,000 numbers to get in a breakeven state. So that was my bad actually...

Anmol Singh Jaggi: Yes, yes, that is -- that number is correct.

Sedin George: Okay. And I have a follow-up question, like what exactly is Gensol planning with Ezio? Like, is it going to be a pan-India product where -- because if it has to be available everywhere, then you will have to have showroom, service centers and all, all around India, right? Or is it just going to be more of a metro commercial transport sort of thing, a taxi vehicle, something like that?

Anmol Singh Jaggi: Yes. So, we have always been mentioning that this is a very smart urban mobility product. And this product will first cater to the top metros of the country, and we believe that the top metros should be able to absorb all the 30,000 vehicles that we are going to produce. So, till the time we do not come up with another plant or anything, I think just the top 5, 6 cities of India will be more than sufficient to take care of the 30,000-vehicle production capacity we have.

So -- but let's slowly and gradually move towards there. Our first aim is -- we have shown the vehicle to the world; the world is happy with what the vehicle is. We have a lot of positive customer feedback, a lot of positive feedback from everybody, including people who are going to sit in these vehicles as customers of ride-hailing platforms.

So, we have good positive feedback. With this good positive feedback, we would go into slow and steady ramp-up of our production. And once we do that, then you are going to see us expanding to multiple metro cities. I think going pan-India is some time away.

Moderator: The next question comes from the line of Ravindra Kumar, an individual investor.

Ravindra Kumar: Sir, my question is that the preferential round that we have done, where will the money be utilized?

Anmol Singh Jaggi: Sure. I think when we had done the preferential round, we had already committed to the use of proceeds of that. I'll let Ankit share the use of proceeds because I'm not able to -- I don't exactly remember the numbers, but it was more towards EV manufacturing. It was some towards inorganic and it was majority towards working capital.

So, if I remember, from INR540 crores approximately, more than half of it was towards working capital, about 25% of it towards EV manufacturing, a small piece we had kept for inorganic acquisition. I think that was the broad kind of use of funds, which was there.

Ravindra Kumar: And sir, my next question is, since the revenue is being pushed to further quarters, Q4 and maybe Q1, Q2 of next year, so can we expect some good -- like more than 40%, 50% growth rate for the next financial year in solar EPC business?

Anmol Singh Jaggi: I think what I would say that what you should expect from us is that we have a large order book, and that large order book needs to be completed in a certain time frame.

The time frame is -- for some order, it's 6 months, the time frame for some order is 12 months, the time frame for some order is 18 months and for some order is 24 months. So, we have time frames of various -- we have these various time frames, which are there. And this INR7,000 crores at the worst have to be executed over the next 18, 24 months. So, you will see a lot of execution which will happen.

Ravindra Kumar: Okay. So, this INR7,000 crores, the entire number is for solar EPC only, right?

Anmol Singh Jaggi: Yes, yes. No, I think INR1,000 is -- no, this is entirely solar EPC.

Ravindra Kumar: Okay. So, one last question, please. Sir, in the EV leasing business, our bottom line is at par only. So, I'm not able to think about the longer-term potential of this business. I have heard you saying that Gensol will be built on 3 pillars. One is solar EPC, EV manufacturing and EV leasing.

The other 2, I get it. But I do not understand how we can grow EV leasing because I think this is a tighter-margin business in such a way that maybe it's longer term, maybe after 3 years, after 5 years, it can contribute significantly to our bottom line as well. So, can you throw some light on that?

Anmol Singh Jaggi: So, in the short term, as you know, we are actually scaling down the EV leasing business because we are doing this INR300 crores plus transaction with Refex, and we want to do multiple such transactions to scale down the EV leasing business. So that is what you will see. But as our -- as Ezio starts to get into production, there will be a number of customers who will lead leasing and financing solutions.

And like I've always mentioned that all large OEMs or all large automobile manufacturers actually have a leasing financing arm, which helps their customers. So, I've always taken example of Mahindra having Mahindra & Mahindra Finance; Hero having Hero FinCorp; Bajaj, Bajaj Finance started from that journey. So, there will be a need for a financing arm to be placed with our automobile manufacturing arm. But in the short term, you will see us doing a reduction of our EV lease assets.

And the first transaction with Reflex is a big step towards that. And we will -- and maybe we will do a couple of more similar transactions. And from there on, when Ezio gets into production and EZIBOT gets into production, we might have to again start ramping up our EV leasing to support our customers who want to buy Ezio and EZIBOT.

Moderator: The next question comes from the line of Shraman Siyal an individual investor.

Shraman Siyal: Yes. So, this is regarding the EV leasing business that you are talking about. So, we wanted to know what is the scope of operations? And what is the vision going forward? As you said that you are scaling down the company -- scaling down the EV leasing part. But then what was the reason for then launching this in FY '24, the EV leasing start-up, Let'sEV? That is my first question.

Anmol Singh Jaggi: Our whole aim was to time it. It would have been the best if it would have got timed with the production starting from EV for -- of Ezio. So, it would have been the most ideal if it would have started at that time. So, from that perspective, yes, because our validation and testing of Ezio has taken longer time, so maybe the EV leasing business started earlier, and the EV production is starting slightly late.

And we thought that -- and in the interim, we tried to raise significant amount of capital, and we did lease out more than INR850 crores of assets to various customers. So, it has proven to the world that we can do this. So now when Ezio will get into production and if our customers will need leasing solutions, we have proven to the world that we can also create financing solutions for our customers, which is an extremely critical component for automobile manufacturing.

As you would know, that more than 90% of automobiles are actually sold with some kind of credit. So, this is a good start. We have proven to the world our capabilities on not just producing vehicles, but also on financing vehicles. And this will help us become a very successful company. A pure auto OEM without financing solutions will be hard and tough. And the combination of these two will make us successful.

Shraman Siyal: Okay. Have you raised any round for this EV leasing business, Let'sEV?

Anmol Singh Jaggi: Yes, we had done a small amount of round -- a small capital raise, I think INR50 crores, INR60 crores of capital raise in the EV leasing business.

Shraman Siyal: At what valuation, may I ask?

Anmol Singh Jaggi: I don't remember the exact valuation at which we had raised, but it was -- we had done this in about some months back.

Shraman Siyal: Then what is the proceed being used for? Because you're saying only INR10 crores to INR15 crores -- Mr. Ankit Jain has told only INR10 crores to INR15 crores worth of vehicles have been bought this year, right, for EV leasing. Then what was the amount being raised for?

Amnol Jaggi: Yes. So, we have the cash balance available with us in the business. And we have raised -- and it was a very small equity capital that we had raised in Let'sEV. It was just INR50 crores, INR60 crores. So, a very small amount of capital which was raised. We have added vehicles to -- we have added some amount of vehicles into the mix and the rest is available as cash.

Shraman Siyal: Okay. No regulatory disclosure was done about this, about the -- your raising of capital. Or is it done and we are not aware?

Ankit Jain: I think maybe the minimum threshold limit or something like that.

Shraman Siyal: Okay, fine. But the order book of Let'sEV is about INR300 crores, right, that was told to us?

Anmol Jaggi: Yes, yes. So that is already leased out and those vehicles are already on the ground and those vehicles are already operational.

Shraman Siyal: Then what's the revenue of FY '24 in that -- current year in Let'sEV business?

Ankit Jain: In leasing business?

Shraman Siyal: Yes, EV leasing or Let'sEV.

Ankit Jain: INR280 crores to INR300 crores is our overall EV leasing revenue.

Shraman Siyal: But that doesn't overlap with Let'sEV, correct? Because I think that started this year.

Anmol Singh Jaggi: Some portion of it is directly in Gensol Engineering. That was before the EV leasing subsidiary came into picture. For a subsidiary, we have declared our 6-month revenue of subsidiary was maybe...

Ankit Jain: No, like I said, INR300-odd crores for the EV leasing

Shraman Siyal: No. How much is it for -- specifically, how much is it for Let'sEV?

Ankit Jain: See, those numbers, we don't like to disclose because it's not a segment. Maybe what we can do is we can share with you in a separate statement.

Shraman Siyal: Not a segment in the sense? I didn't get you.

Anmol Singh Jaggi: We have EV leasing as a segment. EV leasing as a segment has EV leasing done from Gensol directly and EV leasing, Let'sEV combined, both of them put together, the revenue for this year is INR280 crores to INR300 crores -- between INR280 crores to INR300 crores.

Shraman Siyal: Correct. My question again is what is the breakdown between the 2?

Anmol Singh Jaggi: Yes. So, like Ankit mentioned, when we declare the complete subsidiary results, we will be sharing the complete information on how much revenue was booked in Let'sEV and how much revenue was booked in Gensol..

Shraman Siyal: No isn't it wrong like from a corporate governance perspective, having the same EV leasing finance business, like having a specific EV leasing finance business, but still doing EV leasing from another like the parent company? Then what's the point of having the EV leasing finance...

Anmol Singh Jaggi: The EV leasing business started in Gensol Engineering Limited. After we realized the need for having a separate subsidiary, a separate subsidiary was created. And post the subsidiary getting created, all the EV leasing business has only happened through Let'sEV. So, we have not taken any further EV leasing in Gensol Engineering Limited. All the EV leasing business has only happened through Let'sEV, which is the subsidiary of Gensol Engineering Limited.

It is only the revenue from what we had earlier bought the vehicles and already leased; they contribute to the revenue in Gensol Engineering Limited. Post the creation of the subsidiary, not even one additional car has been taken or not even one new order has been taken in Gensol Engineering Limited, and all the orders of EV leasing have only been taken in the subsidiary company.

Moderator: Ladies and gentlemen, that brings us to the end of the question-and-answer session. I would now like to hand the conference over to Mr. Anmol for the closing comments.

Anmol Singh Jaggi: Thank you. In closing, I would like to extend my sincere gratitude to each one of our respective investors for joining our call. Gensol Engineering continues to reinforce its leadership in the renewable energy and e-mobility sectors by having a strong execution track record, robust order book and very good partnerships.

As we navigate this transformative phase, our focus remains on scaling our capabilities, delivering value to our stakeholders and driving India's clean energy transition forward. We are confident that our innovation-driven approach and strategy and commitment to sustainability will propel Gensol to new heights.

We thank again all our team and all our shareholders to join us for the earnings call and thank you to the organizers.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Gensol Engineering Limited, that concludes this conference. You may now disconnect your lines.