

November 12, 2024

The Manager
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

Scrip No. 534618

Sub.: Transcript of Investors/Analyst Earnings Conference Call held on November 07, 2024.

Dear Sir/Madam

Further to our communication dated November 04, 2024, and November 07, 2024, please find enclosed the transcript of the Earning Conference Call held on Thursday, November 07, 2024, at 11:30 a.m. to discuss the Un-audited Financial Results for the quarter and half year ended September 30, 2024.

This intimation is also available on the website of the Company at www.waareertl.com.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

For **Waaree Renewable Technologies Limited**

Heema Shah
Company Secretary
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Waaree Renewable Technologies Limited

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“Waaree Renewable Technologies Limited Q2 FY '25
Earnings Conference Call”

November 07, 2024



MANAGEMENT: **MR. DILIP PANJWANI – CHIEF FINANCIAL OFFICER -
WAAREE RENEWABLE TECHNOLOGIES LIMITED**
**MR. MANMOHAN SHARMA – ASSISTANT VICE
PRESIDENT, FINANCIAL CONTROLLER - WAAREE
RENEWABLE TECHNOLOGIES LIMITED**
**MR. ROHIT WADE – GENERAL MANAGER, INVESTOR
RELATIONS - WAAREE RENEWABLE TECHNOLOGIES
LIMITED**

MODERATOR: **MR. VIRAL SANKLECHA – ORIENT CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY '25 Earnings Conference Call of Waaree Renewable Technologies Limited.

As a reminder, all participants' 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 “*”, then “0” on your touch tone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Viral Sanklecha from Orient Capital. Thank you and over to you, sir.

Viral Sanklecha: Thank you, Siddhanth. Thank you. Good morning, ladies and gentlemen. I welcome you all to the earnings conference call of Waaree Renewable Technologies Limited to discuss the Q2 and H1 FY '25 business performance.

Today on the call we have from the Management Mr. Dilip Panjwani – Chief Financial Officer; Mr. Manmohan Sharma – AVP (Financial Controller); and Mr. Rohit Wade – General Manager, Investor Relations.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details kindly refer to the investor presentation and other filings that can be found on the company's website.

Without further ado, I would like to hand over the call to the management for their opening remarks, and then we will open the floor for Q&A. Thank you and over to you, Dilip sir.

Dilip Panjwani: Thank you, Viral. Good morning, everyone. I would like to welcome you all to the earnings conference call of Waaree Renewable Technologies Limited to discuss business performance of 2nd Quarter and first half year ended for financial year 2025. I hope you all have got an opportunity to go through our financial results and investor presentation, which has been uploaded on the Stock Exchange as well as on the company's website. I wish to express my heartfelt gratitude to all those who dedicated their time to joining the call and have consistently been part of our journey.

I have, along with me, Mr. Manmohan Sharma – Financial Controller; and Mr. Rohit Wade – General Manager, Investor Relations, and other members of the management team as well on the call.

It's an exciting time for India, which is now the fifth largest economy in the world, as recognized by International Monetary Fund in its 2024 World Economic Outlook. The IMF had reaffirmed India's growth forecast for 2024 at 7% in July. The improved prospects for private consumption, particularly in rural areas, were key factor in this forecast. The IMF expects a slight moderation of growth to 6.5% next year.

Our energy sector is an inspiring example of this momentum, driven by a strong commitment to sustainable and self-reliant growth. In line with the government's focus on energy transition, the renewable energy sector has seen unprecedented support and development. As of August 2024, India's installed generation capacity has reached an impressive 451 gigawatts, with renewable energy installations, including large hydro projects, contributing a significant 44% of this overall capacity. This achievement underlines our shift towards clean energy with solar power playing a central role.

Over the past decade, renewable energy installations in India have increased fivefold reaching nearly 200 gigawatts as of August 2024, compared to around 63 gigawatts in March 2012. This remarkable expansion has been supported by forward-thinking policies, both at central and state levels, which have incentivized and driven renewable energy adoptions across the country. Solar capacity alone has grown substantially, now contributing approximately 89 gigawatts to our grid as of March 2024. Looking forward, the momentum is only expected to accelerate by fiscal year 2029.

Renewable energy capacity, excluding large hydro, is projected to exceed 320 gigawatts, facilitated by a range of supportive government initiatives. The roadmap includes attractive tariffs, innovative tenders and development of solar parks and green energy corridors, all of which are essential for building interconnected resilient energy infrastructure. By 2029, renewable energy is expected to account for about 50% of India's total installed capacity, estimated to reach 660 gigawatts to 670 gigawatts.

Our company is at the forefront of this transformative shift. We are leveraging our expertise to contribute to this growing green energy landscape aligned with India's self-reliant vision from advancing solar installations to exploring new innovative projects we are dedicated to strengthening India's clean energy sector and reducing our carbon footprint. As we move forward, our commitment to driving a sustainable and prosperous energy future for India remains unwavering.

Now, I would like to take you through our business performance for this quarter and first half of financial year 2024-'25. Starting with our order book position, we have an unexecuted order book of 1.7 gigawatts peak. We have successfully executed EPC orders of 705 megawatt peak in the first half of FY '25. In this quarter, we are delighted to report the highest ever quarterly revenues of Rs. 524.47 crores, representing a growth of nearly 3.5x year-on-year as compared to Rs. 150 crores in 2nd Quarter of FY '24.

EBITDA for 2nd Quarter FY '25 stood at Rs. 71.57 crores, representing a growth of 133.27% year-on-year as compared to Rs. 30.68 crores in 2nd Quarter of FY '24. PAT for 2nd Quarter FY '24-'25 stood at Rs. 53.52 crores, representing a growth of 160% year-on-year as compared to Rs. 20.54 crores. The first half of FY '25 revenues stood at Rs. 760.82 crores as against revenue of Rs. 279 crores in comparative period during the first half of FY '24, representing a growth of 172.7% year-on-year. EBITDA for first half of FY '25 grew by 155% year-on-year from Rs. 44 crores in first half of FY '24 to Rs. 112.65 crores. PAT for the first half of FY '25 grew by

175.29% year-on-year from Rs. 29.67 crores in the first half of financial year '24 to Rs. 81.68 crores.

Thank you all for joining us today, and we look forward to any of your questions. Thank you. Over to the moderator.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. Our first question is from the line of Sagar Tanna from Alchemy Ventures. Please go ahead.

Sagar Tanna: Congratulations on a great set of numbers. I may have missed out the opening comments, can you tell us what is the current order book?

Dilip Panjwani: The current order book is 1.7 gigawatts peak unexecuted, that is lying as of 30th September, 2024.

Sagar Tanna: And in terms of crores of rupees, how much would this amount to?

Dilip Panjwani: This would roughly now translate to around Rs. 2,700-odd crores, between Rs. 2,500 crores to Rs. 2,700-odd crores.

Sagar Tanna: And what is the pipeline, sir, in the second half? Because a lot of bidding happens in the second half, how do you see the second half in terms of the pipeline?

Dilip Panjwani: See, it is not driven by any seasonality that we picture out between first half and second-half, because these tenders are coming out from mostly PSU segments. But as you rightly said that the pace is increasing now, and our pipeline which you asked is now 17.8 gigawatts .

Sagar Tanna: And do you see any constraints in terms of taking further orders?

Dilip Panjwani: Constraints in terms of what you are foreseeing so that we can adequately address the same.

Sagar Tanna: Sir, constraints could be anything; material, resources, manpower, do you see any constraints of bidding for further orders?

Dilip Panjwani: So, Sagar, we look at this business in two ways. we always articulate that we have built a very robust platform which can scale up very quickly. And we have adequate manpower to scale up very good pace from here. In terms of limitations, in terms of supply chain, etc., which you are referring to in the second part of your question, we are until now not foreseeing any significant bottlenecks towards that end as of now. So, going forward, whenever something happens, we will keep you posted. But both in terms of platform scalability, we are very excited. We want to reiterate that we are positioned to accelerate energy transition in India right now.

Moderator: Thank you. Our next question is from the line of Akshay from CD Integrated Services Limited. Please go ahead.

Akshay: Sir, congratulations on the great set of numbers. I mainly have two questions, sir. And the first question is, despite the highest ever quarterly revenue at Rs. 524 crores, our EBITDA margins have reduced to the five quarters' low. So, can you give us some colors on that as to how EBITDA margin can step-up over the next four to five quarters?

Dilip Panjwani: What is your second question?

Akshay: Sir, how EBITDA margin trajectory we can expect over the next four to five quarters, because despite the Rs. 524 crores revenue highest --

Dilip Panjwani: Next question, Akshay.

Akshay: So, next question is on our EPC cost. So, in our financial statement we have the line item of EPC cost. So, what percentage of the EPC cost is from the outsourcing? I mean to say that what is sourcing from our company itself and what is the outsourcing of the materials, like we also have the manufacturing plants of solar cells and solar panels and all these things. So, these are the two questions, sir.

Dilip Panjwani: Akshay, commonly most of them may have this question, so I would like to address the EBITDA margin aspect in the first place. We have consistently reported a very higher level of EBITDA margins in the past, but we have consistently maintained that our EBITDA margins at a sustainable level should be double-digit, almost near to 15% levels. That's what we have consistently maintained. So, we are in line with our thought process.

I can estimate until our present order book where we will maintain these kinds of EBITDA levels, the new order book as and when it comes, we will keep stakeholders' posted. So, as you said that this 1.7 gigawatts is right now good for next 9 to 12 months, so you can predict that for this order book the EBITDA margins will be maintained. But when the mix changes in the new order book, we will keep these stakeholders posted. So, that's the take on EBITDA margins as of now.

We are still happy with this EBITDA margins, reason being the volume has significantly increased. And being a platform, we are not seeing any other metrics go up in terms of capital requirement or anything else. So, consistently EBITDA is going up and PAT is going up on the financial parameter side. So, I hope that addresses your EBITDA question.

Coming back to outsourcing front, Waaree Renewable Technologies anywhere does not manufacture anything. We outsource in terms of equipment everything from outside. But in terms of EPC execution, we do it in-house. Little bit of civil work here and there, I cannot quantify in terms of percentage, but that could be a very low percentage of work that we outsource to outside parties.

In terms of equipment, of course, our group company does manufacture modules. But if the client insists as a pass-through through our balance sheet on the module side, on an arms length basis, at a completely unrelated party, because it's a related party, absolutely at an arms length

basis we buy from Waaree Energies. So, the rest of the equipment, which is like high-lead equipments like transformers or inverters, cables, etc., are anyway procured from outside as of now.

Akshay: And sir, last one short question is, how do we see our order book for the next one to two years? Like at the end of the first quarter we had 2.2 gigawatts around the order book and currently we have 1.7 gigawatts. So, how it can shape over the next one to two years?

Dilip Panjwani: See, since about three quarters to four quarters we have been consistently mentioning this. This sector offers significant opportunities. And where does these opportunities arise from is government's commitment to energy transition to renewable energy space. And there the government has certain targets. One of the targets, of course very well-known is 500 gigawatts of renewable energy by 2030. Besides that, government also has up to 2070 they have a vision that they want to go net neutrality in terms of renewable energy. By 2030 or by 2029 itself government wants more than 50% of energy to be driven by renewable space, where we are present.

And apart from that, since last year the government has committed that they will increase the business of renewable energy in terms of procurement of power up to almost 40 gigawatts to 50 gigawatts per annum. So, that's our quick and easily addressable market. Then there is some other market like Kusum Yojana and rooftop projects that are going to come up. So, we are very excited and that's how we have been consistently engaging with our customers. Our now, as I said, pipeline has increased to 17.8 gigawatts, so we are very hopeful that this sector offers significant opportunities over next couple of years, which was your question.

Moderator: Thank you. Our next question is from the line of Alisha Mahawla from Envision Capital. Please go ahead.

Alisha Mahawla: Sir, I just wanted to know what the previous participant was asking. Our earlier aspiration was to execute 1.5 gigawatts to 2 gigawatts for this year, and we should probably be in the range of doing that. With the order book of 1.7 gigawatts that we are currently sitting at, and 17.8 gigawatts of pipeline, how much are we expecting this pipeline to come for bidding in H2? Otherwise, the growth for next year on the current base may sort of be flat. So, any thoughts or color on that?

Dilip Panjwani: Yeah, sure. Alisha, when we started this current financial year, we started with roughly 2.3 gigawatts to 2.4 gigawatts, and we are now down to. But how did we arrive at 2.3 gigawatts, 2.4 gigawatts is also in March we secured very big orders. And that's how the nature of this industry is that there is a time gap to fruition of the business, and that's roughly six to eight months. And we are in active discussion with our clients and we are hopeful of converting them due to orders as well. And the market is quite big, 17 gigawatts alone we are chasing, the whole market is more than that, double than that in fact.

Because when I said in the previous question that the government is incentivizing up to 40 gigawatts to 50 gigawatts of renewable space, that is only in the renewable space. But add to

that the new tenders that are coming in the market are more towards RTC, hybrid, plus battery-energy storage systems, pump storage systems, floating solar is yet to come up in a big way, and rooftop market is yet to get explored. That is roughly around 30 gigawatts to 40 gigawatts by some estimates. So, the outlook is definitely brighter.

And the 17 gigawatts, which was your question, I said it takes time, six to eight months, these are big orders. But we have also organized internally in terms of lower megawatts orders into the separate vertical. So, our focus is going to increase towards that as well going forward.

Alisha Mahawla: So, how much of this 17 gigawatts will be up for bidding in H2? Or all of this we can hope will be bided in H2 and then we will have some hit rate in this?

Dilip Panjwani: See, there is always a hit rate, definitely. Our hit rate in the past has been around 25%-odd, but depending upon which is numerator, and which is denominator, 25%, 30% has been our hit rate. The entire one is for the second half anyway, but you things keep changing or new order keeps getting added, lapse orders keep getting go out, but the entire one is for second half itself.

Alisha Mahawla: And this current unexecuted order book of 1.7 gigawatts, will we be able to execute a large part of this in H2?

Dilip Panjwani: Yes. Since it is 9 to 12 months, you can apply some proportion, six months or less. So, you can do 6 divided 12, but we are hopeful of around 1.2 gigawatts to 1.3 gigawatts.

Alisha Mahawla: To be executed in H2?

Dilip Panjwani: Yes.

Alisha Mahawla: And are we seeing any slowdown, because you said that the sector largely depends on government initiative, while they have a long-term commitment to it. In the last few quarters, have we seen any slowdown in orders or are we expecting that this year could maybe be flattish and again a pick up from next year? Any on-ground color that we can give?

Dilip Panjwani: We haven't observed any significant slowdown in this sector in terms of investments from the government or from other parties as well.

Alisha Mahawla: And any comment on the competitive intensity, because we have heard a lot of smaller players have also entered this space. So, is that impacting our order wins or profitability in orders that we are winning?

Dilip Panjwani: See, competition in a sector which has significant tail, will always emerge, which is good for industry because it brings out efficiencies and productivity is in place. But there are certain barriers as well. You want to bid, you need to qualify. The newer players will always find it difficult to qualify in that space. The second is, project from getting gigawatts scale, we are changing now gigawatts scale projects. So, when a customer wants to outsource his EPC, he will also see the experience and the deliverability of that particular product to himself. Because these are not small projects, these are almost like Rs. 3 crores to Rs. 3.5 crores per megawatts projects

now. When you go to 1 gigawatts that will turn out to be almost like Rs. 3,500 crores to Rs. 4,000 crores for them as an investment. And plus, these are now coming with complexity of battery storage, because these are RTC and these are hybrid projects as well. So, competition is good, this will keep us on good footing and improve efficiencies, but we are not too much worried about competition as of now.

Alisha Mahawla: And how much of our order book is utility versus IPP?

Dilip Panjwani: Bulk of it is utility.

Alisha Mahawla: And just one last question, are we already getting orders of witnessing any uptake on the rooftop solar?

Dilip Panjwani: Yes, we are witnessing rooftop solar as well.

Alisha Mahawla: Is that part of the order book already?

Dilip Panjwani: Part of the order book as well.

Moderator: Thank you. Our next question is from the line of Shivani from Monarch Network Capital. Please go ahead.

Shivani: Congratulations on good sets of numbers. This question is in continuation to the earlier question. So, I wanted to understand more from the industry perspective, are we on the track of 40 gigawatts, 50 gigawatts addition for FY '25? Because as per market sentiments, I have read that it will be anywhere in between 25 gigawatts in terms of capacity addition, so could you throw some light on that?

Dilip Panjwani: See, this always remains a matter of debate. When we were proposing that the government will add 20 gigawatts to 30 gigawatts, the actual executions were 10 gigawatts. Then suddenly government commitment opened up and government said we will be in the range of 40 gigawatts to 50 gigawatts. And if you look at the tender data, that has actually kept up the pace. So, 5 gigawatts here and there will not matter much, but actually tenders are coming up in a significant way. So, we have not until now witnessed that 40 gigawatts to 50 gigawatts is going down to 20 gigawatts or something like that. But 20 gigawatts is also itself a big market. But definitely I want to reiterate, having said that, that we are witnessing trajectory towards 40 gigawatts levels.

Shivani: My next question is on order mix; how much is from PSU CNI and residential? And what's the margin across these orders?

Dilip Panjwani: See, at a broader level I can guide you that our current order book is between 15% to 20% in PSU side, and the rest is towards either utility scale or rooftop or other projects. But we do not have a detailed breakup as you are asking. I hope that answers the PSU and the balance split.

Shivani: And also, could you comment on the mix between BOS and turnkey orders, and what is the margin profile for both of these orders?

- Dilip Panjwani:** See, as far as the bulk of our orders are concerned, they are balance of systems only. The turnkey orders are few, clients prefer to go on module on their own. Once the module is out, it is mostly the balance of system orders. And margin profile in fact is better in balance of system, but we always go by a mix of margin, and we track up to EBITDA level which we have already discussed in the first part of the session.
- Shivani:** And my last question is, are there any plans for international EPC, like any update on that?
- Dilip Panjwani:** In our presentation we have already articulated that aspirationally we want to do international also. That's a large market for us, especially Middle East and on the African side. But we have not yet forayed in as such with a firm commitment of capital as yet. But whenever an opportunity arises, rest assured, we will keep these stakeholders updated. Aspirationally and directionally we are headed towards that. But as of now our 100% of order is from domestic sources.
- Moderator:** Thank you. Our next question is from the line of Prince Choudhary from PINC Wealth. Please go ahead.
- Prince Choudhary:** I have couple of questions, first from the industry point of view. I want to understand, since the raw material cost is around 70%, 74%, so I want to understand how is the domestic supply chain? Is there any issue related to that?
- Dilip Panjwani:** See, the domestic supply is currently geared towards meeting the supplies. Since 1st April ALMM has started and modules get covered under that, the rest of the equipments are not covered under ALMM or any domestic content requirement. The rest balance of the supplies are also procured domestically and we have historically procured from domestic sources only. And we have addressed this in the past also in the first session of the call that we have not visited any supply chain issues or any meeting difficulties towards other part of the equipment. So, on the both front, module supply front and on the other supplies, as of now we are not witnessing any significant things in terms of import versus domestic or something, but domestic is geared towards supplying all the requirements.
- Prince Choudhary:** Sir, you mean to say, the domestic supplies will be catered to all the industry participants, is my understanding correct?
- Dilip Panjwani:** Yes.
- Prince Choudhary:** And if you can explain about the bidding process, like how long it takes to bid, and then when we are getting the orders?
- Dilip Panjwani:** See, bidding of tender, from the date of publishing to date of signing of the LOIs, it takes roughly about four to five months.
- Prince Choudhary:** And since you have the order of 1.7 gigawatts for 9 to 12 months, how you are going to finance the project, whether it is internal accruals or debt or anything?

- Dilip Panjwani:** We need to decipher the business model where Waaree Renewables is placed. We are not spending anything on these projects, it is the clients who are spending. I just need to sufficiently be capitalized to the extent of my working capital requirement, because it is a cycle. As soon as I procure materials, the client pays Waaree Renewables. And my investment is not there in the project, it is the clients' investment. So, I do not have to be bothered about, I just need to be taking care of my working account requirements, if required.
- Moderator:** Thank you. Our next question is from the line of Sarang Joglekar from Vimana Capital. Please go ahead.
- Sarang Joglekar:** So, just building upon the previous question, how much advance do you receive on the EPC orders? And is there any difference between PSUs and private sector?
- Dilip Panjwani:** Well, there is definitely difference between, your second question, there is definitely difference between PSU and private segment. PSU's mandatory requirement is contract performance bank guarantees, which sometimes is there in private sector contracts and sometimes it's not there. From a percentage perspective, advanced ranges hover between 5% to 15%, but thumb rule is 10%. And performance bank guarantees we have observed has been around 10% to 15%, thumb rule again 10%. But it has been coming down also in certain projects.
- Sarang Joglekar:** Also on market side, so green hydrogen is one more growth driver for solar EPC, right? So, just wanted to understand how big of an opportunity that is and have the orders demand from that market started to come in?
- Dilip Panjwani:** Hydrogen is a great opportunity that we are looking at because we have group capabilities in terms of hydrogen. But from a demand perspective, we are expecting it to scale up. But as of now a significant demand on that front has not been scaled up in terms of orders.
- Moderator:** Thank you. Our next question is from the line of Rohan Vora from Envision Capital. Please go ahead.
- Rohan Vora:** Sir, just slightly a medium to long term question. So, you earlier mentioned that the current margin guidance is for the order book that we have in hand. And then as and when we win new orders, you will guide us on how the margin would move. What is your view on that? How do you see the margins moving in the upcoming pipeline? Has competitive intensity impacted the margins? And just some color on that. Thank you.
- Dilip Panjwani:** See, I have already addressed that part as well, but I will reiterate. If you look at, historically, we have been at more than 20% or around 20% margin level. Give and take, in certain quarters we were at 20%, certain quarters we were at 18%, last year we were at 23%. So, at that time itself we foresaw what is coming and we have been guiding that sustainable and going forward margin that must be seen is at 15% odd levels, but still double digit. And our target internally is also to keep moving in that direction. We have been very conscious of what kind of projects we undertake. We do not want to undertake projects for the sake of taking up the projects, and that's how historically the company has operated. So, we foresee that we will still be in double digit

margins going forward. That's how we want to undertake projects. But as and when competitive intensity further increases or puts pressure on the margins, we will keep you posted. But I can only tell you how internally the working of the company has been throughout.

Moderator: And sir, just a bit of color on the gigawatts scale projects that we are building, and we are working on. So, how is the atmosphere around that, if you can give some color on that?

Dilip Panjwani: So, traditionally, our company works from 1 megawatts level till any size. But the gigawatts level more we are pronouncing because that's how the projects are coming into the market space now, and clients are willing to trust us for gigawatts scale. That's an endorsement for the company. And in our pipeline also we are seeing that there are quite significant big level projects, 500 megawatts, 1 gigawatts, or higher than 1 gigawatts as well. So, that's what we articulated, that's how we are discussing with clients now.

Rohan Vora: And the competitive intensity in that gigawatts scale, how is that?

Dilip Panjwani: There are fewer players, but there are players. There are three to four players in that segment, four to five players, but there are players in that segment.

Moderator: Thank you. Our next question is from the line of Khadija Mantri from Capri Global Capital. Please go ahead.

Khadija Mantri: Sir, my question was regarding the increase in trade receivables, so from March 2024 to September '24, so is it some project specific receivables that we are expecting, and then they may come down at the end of the financial year?

Dilip Panjwani: See, the trade receivables are as of that date, yes, true. But the quality of trade receivables is that there is a certain portion which is not even due. Then there are defect liability period margins that we have to keep with client in the nature of 5% to 10%, that must be around Rs. 80 crores to Rs. 85 crores in that receivables. So, if you account all those, the trade receivables are not at that great percentage. And in fact, they have significant chunk maybe in the region of Rs. 150 crores we have already collected in the month of October itself.

Khadija Mantri: And what is the typical working capital cycle?

Dilip Panjwani: Working of the cycle is actually within 21 days we get payment. Technically, our working capital cycle is, actually we have a negative working capital. It means we do not need capital to do this business. How, I will explain you. When we give these BGs we get 10% money in advance, and certain payments in the range of 40% to 50% is covered by MDCs or delivery at site, like almost up to 70%, between these two components, delivery at site and Material Dispatch Certificate. So, once the material is dispatched, we get payments, or the delivery at site material we get payment. And that payment becomes due between 21 to 30 days. And we pay to our creditors around 40 to 45 days. So, that gets covered. Then the service payments and design payments add to all those things. And as soon as you submit designs, various engineering designs, be it civil design, you get paid. That is balance around 20% of the payment. Then balance last 5% to 10%

gets blocked in your defect liability or workmanship kind of margins that you have to keep with clients for between 9 to 18 months, depending upon the type of client etc. So, what we get held up is only that last portion. But while doing business, our investment is not very significant. If it is there, it is for very minimal period.

Khadija Mantri: And also in the current order book, is it possible for you to share the O&M part or it is not very significant?

Dilip Panjwani: So, O&M is at 587 megawatts. Also, what happens is that when we undertake EPC clients, they give us, majority of them, not all of them, give us between three to five years of O&M. So, mostly once the projects gets completed next year we will see an uptick in O&M as well. And the company also keeps actively bidding for O&M customers outside. So, we are hopeful that this should also see a 2x to 3x growth next year onwards.

Khadija Mantri: And also one question, in the press release it was mentioned that EPC work invoiced to clients, so which is not a part of revenue, so how much time does it take once you invoice the work to clients and the revenue pick, what is the gap typically?

Dilip Panjwani: See, this we have added for stakeholder transparency that this is a constant thing that's happening. The accounting standard says that you have to book revenues on percentage completion method. So, whatever has been booked as revenue is the work that is completed, whatever we have been invoiced to the customers, we would have in fact received money also against that. So, whatever is invoiced to clients, once we spend that money or we complete the work, this would get booked as revenue as well. But that generally happens in a space of 30 to 45 days timeframe. And in fact, if you notice, on the invoicing front we have already crossed last year's revenues.

Khadija Mantri: Right, I noticed that. So, I just wanted to know what is the gap between the invoice period and then the same turning into revenue, you said it's 30 to 45 days?

Dilip Panjwani: Yeah.

Moderator: Thank you. Our next question is from the line of Vishal Choudhary from A-Z Trading Ventures. Please go ahead.

Vishal Choudhary: First of all, sir, congratulations on a good set of numbers. So, my many questions are already covered, but can you just let us know, in last two concalls as well you guys told that you are having a very large pipeline, somewhere around 17 gigawatts or 18 gigawatts, something like that. So, like we saw that in the last two quarters, Waaree was not able to win good, big order, so is it because that bidding did not happen or like results were not favorable?

Dilip Panjwani: Look, though I have addressed this, again I would like to reiterate, in a different manner I have already addressed this. Waaree believes in profitable contracts, we do not believe in the business for the sake of taking. That's one. Second thing, I also did mention that the cycle of conversion in this business for tenders is almost five to six months, and for non-tenders also the cycle is six

to seven, eight months, I referred that. So, it takes time to convert them to order. But when the order comes, the work immediately starts and we start booking revenue. So, that's the reason that we have not been able to announce any significant new order. But we are hopeful that our pipeline is pretty strong. The tailwinds are also equally strong in this sector. As I mentioned that new avenues are opening up on the battery side, storage side, solar side, so those are the things that are keeping us enthusiastic in this business.

Vishal Choudhary: So, is there any particular band of projects in terms of capacity you are chasing? We can see that there are some smaller companies which are also listed, they are winning a lot of like 10 megawatts, 20 megawatts which typically takes less than six months to execute. Or there are some bigger companies as well which deals in you can say gigawatts only. So, is there any particular band of project that you are particularly bidding for or do you have a preference?

Dilip Panjwani: So, technically, typically we do not go below 600-kilowatt level. I actually mentioned our focus is 1 megawatts onwards. I also mentioned that we have internally reorganized a division which will focus between 1 megawatts to 50 megawatts that we have recently organized, so it will take a little bit of quarters or a couple of quarters' time to see fruition. But if you look at our order announcements, the smaller projects we have already announced, in the past 130 megawatts order we have announced in July also. So, those are also coming in. And our focus on rooftop is also increasing now because rooftop also presents a significant 30 gigawatts to 40 gigawatts opportunity over the next three to five years.

Vishal Choudhary: Sir, can you give some may be closer to farm number, like what out of this 1.7 gigawatts you can cover in the next five months? Like the earlier range you gave was very, very big, right, it is nine to 12 months, earlier also it was nine to 12 months, but it did not materialize in the last two, three quarters. So, like can we expect --

Dilip Panjwani: 9 to 12 months when we refer, it is the execution period of the existing orders. So, as and when order keeps getting added, that period keeps increasing. So, there's no delta between what we have mentioned in the past and now.

Vishal Choudhary: That's fine, sir. But if you will add the new order wins, minus the executed, so that number is somehow you can say not matched. So, that is why I am asking, like in the next five months is there any range, closer range, not very bigger one, like previously you told that maybe 700 megawatts, 800 megawatts to 1.2 gigawatts. So, can you maybe just give me some range?

Dilip Panjwani: Your question relates to pending execution that is pending for 1.7 gigawatts?

Vishal Choudhary: Yeah, pending in the current financial year.

Dilip Panjwani: Yeah. So, we did mention 1.2 around gigawatts is what we should be executing in the next six months.

Moderator: Thank you. Our next question is from the line of Sahil Gaura from M&S Associates. Please go ahead.

Sahil Gaura: Firstly, congratulations for the good set of numbers. I just had a couple of questions. Sir, can you tell me what are the potential short term and long-term implications of Mr. Trump returning to the Presidency on the business?

Dilip Panjwani: Look, as far as US elections is concerned, I do not think Waaree Renewable per se will have any significant impact. The reason being, in the previous session of our Q&A, we had said that we are a more domestically focused company right now and it's more driven by Indian investments right now. Our focus internationally also, when I mentioned that aspirationally we would like to reach out, if at all, it is Middle East and Africa, we have not said US as such. So, whether any party wins in US, as far as impact on Waaree Renewable is concerned, we are not witnessing any impact on Waaree Renewable Technologies.

Sahil Gaura: And my next question is, could you break down the order book across the three business segments, EPC, O&M and power production? And also, if you could provide details on the portion attributed to private players versus government contracts.

Dilip Panjwani: So, private versus government, I have already addressed, it is between 80:20 kind of, 80% private and 20% government, 15% to 20% rather is government rest is all private. And second is, your order book we have said that 1.7 gigawatts is an unexecuted portion, that is a mix of everything. And then on O&M we have got 587-odd megawatts of assets portfolio under our management. IPP we have got 40 megawatts which gives us annual revenues of around Rs. 16.5 crores to Rs. 17 crores, that's the portfolio of the company as of now.

Moderator: Thank you. Ladies and gentlemen, that was our last question for the day. And I would now like to hand the conference over to Mr. Viral Sanklecha for closing comments.

Viral Sanklecha: Thank you. I would like to thank the management for taking out the time for this conference call today, and also thanks to all the participants. If you have any queries, please feel free to contact us, we are Orient Capital, investor relations advisors to Waaree Renewable Technologies Limited. Thank you and have a great day.

Dilip Panjwani: Thank you.

Moderator: On behalf of Waaree Renewable Technologies Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.