SOLARWORLD ENERGY SOLUTIONS LIMITED

(Formerly known as Solarworld Energy Solutions Pvt. Ltd.)

November 20, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001
Scrip Code: 544532

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Symbol: SOLARWORLD

Subject: Transcript of the Investor/Analyst Earnings Call held on Friday, November 13, 2026

Dear Sir/Madam,

This is in continuation to our letter dated November 13, 2026, wherein we had informed regarding the audio link of the earnings call with analysts/investors for the quarter and half year ended September 30, 2026 (**"Q2 Results"**).

In this regard, please find enclosed herewith the transcript of the said call. The transcript is also available on the Company's website i.e. www.worldsolar.in

Kindly take the above said information on record.

Thanking you.

Yours faithfully,

For Solarworld Energy Solutions Limited

Varsha Bharti
Digitally signed by Varsha Bharti
Date: 2026.11.20 15:05:28 +05'30'

Varsha Bharti
Company Secretary and Compliance Officer
Membership No.: A37545

Encl. A/a

"Solarworld Energy Solutions Limited

Q2 & H1 FY27 Earnings Conference Call"

November 13, 2026

MANAGEMENT: **MR. KARTIK TELTIA – CHAIRMAN AND MANAGING DIRECTOR – SOLARWORLD ENERGY SOLUTIONS LIMITED**
MR. MUKUT GOYAL – CHIEF FINANCIAL OFFICER – SOLARWORLD ENERGY SOLUTIONS LIMITED

MODERATOR: **MS. SAKSHI MEHTA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and H1 FY27 Earnings Conference Call of Solarworld Energy Solutions 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 call is being recorded.

I now hand the conference over to Ms. Sakshi Mehta from MUFG. Thank you, and over to you.

Sakshi Mehta: Thank you. Hello, everyone. Welcome to Q2 FY27 Earnings Call of Solarworld Energy Solutions Limited. From the management today, we have Mr. Kartik Teltia, Chairman and Managing Director, Mr. Mukut Goyal, Chief Financial Officer, and we must remind you that the discussion on today's call, may include certain forward-looking statements that may involve known and unknown risks, uncertainties and other factors, and must therefore be viewed in conjunction with the risk the company faces.

Future results, performance or achievements may differ significantly from what is expressed and implied by such forward-looking statements. Now, I hand over the call to the management for opening remarks. Thank you, and over to you, sir.

Kartik Teltia: Good evening, everyone, and thank you for joining us today. I am Kartik Teltia, Managing Director, Solarworld. On behalf of Solarworld, I extend a warm welcome to all the participants on our Q2 earnings call. I hope you have had the opportunity to review our financial results and investor presentation. The renewable energy sector in India is undergoing a meaningful transition.

The opportunity is no longer limited to installing solar capacity. It is increasingly about creating an ecosystem that can generate, store, and deliver power reliably. This is changing the nature of opportunities available to companies across the sector. At Solarworld, we have been preparing for this transaction, transition by expanding beyond our traditional EPC capabilities and building a presence across manufacturing and energy storage.

What is particularly important for us now is that these investments are beginning to take shape alongside a growing project portfolio. Our focus is shifting towards building these capabilities together and translating them into business performance. Our priority is to improve the quality of execution, manage project-level cost, and strengthen operating efficiencies as the business scales. We remain focused on ensuring that growth in activity is accompanied by a corresponding improvement in financial performance.

One of the strongest indicators of our business momentum is the evolution of our order book. As on October 31st, 2026, our consolidated order book stood at INR3,856 crores. Solar EPC and O&M accounted for INR2,718 crores, while BESS EPC contributed to about INR1,138 crores, representing almost 30% of the total order book. This is a meaningful development for the company. Energy storage is no longer just an area of strategic interest.

It is now a business segment supported by secured projects and an active execution pipeline. We have BESS orders aggregating 582 megawatt AC and about 1.3 megawatt-hour from -- sorry, 1.3 gigawatt-hour DC from customers including RRUVNL, GUVNL, and NTPC. This gives us

an opportunity to build execution experience in a segment that is becoming increasingly important to India's power infrastructure.

Our fully automated BESS manufacturing facility has been commissioned, marking an important milestone in strengthening our energy storage manufacturing capabilities. Equipped with advanced automation, KUKA robotics, the facility provides with an integrated platform to support our BESS EPC requirements and cater to external customers. Approximately 1 gigawatt of its manufacturing capacity is covered by orders in hand.

On the solar side, our 1.5 gigawatt module manufacturing facility in Roorkee is operational, ALMM listed, while our 5 gigawatt junction box manufacturing line has also commenced operations. These developments have strengthened the manufacturing base established over the past year. Our next step in this journey is the 2.4 gigawatt solar cell manufacturing facility being developed through a joint venture at Narmadapuram, Madhya Pradesh.

The project is targeted for commercial production in June 2027. The first tranche of equity contribution of approximately INR26.8 crores was made on October 30th, 2026, following the quarter end. Once operational, the facility is intended to strengthen our backward integration by creating a domestic sourcing capability important component of solar module manufacturing.

Taken together, these developments represent a change in the way we are building the business. We are moving towards a model in which project execution, manufacturing and energy storage can reinforce one another. Our EPC business provides access to projects and customers, manufacturing create opportunity for greater supply chain control and BESS expands our participation into the storage side of the energy transition.

The opportunity ahead is therefore not simple, not simply about increasing the number of projects we execute or the capacity we install. It is about the depth of our capabilities and creating stronger linkages between different parts of the business. As move -- as we move into the second half of the year, our attention will be on execution. We have a substantial portfolio of ongoing EPC projects, secured BESS orders to deliver, a manufacturing line ready for product launch, and the solar cell project progressing towards its targeted commissioning.

Each of these requires a different set of operational priorities, and we will remain focused on managing them with discipline. We are also conscious that scale must be supported by financial prudence. Project selection, cash flow management, working capital efficiency and capital allocation will remain important considerations as we expand. Our objective is to build a business where growth is supported by sustainable operating economics and not just higher volumes.

We believe Solarworld has reached an important stage in its development. The capabilities and infrastructure established over the last few years provide a broader foundation for the company. The task ahead is to convert this foundation into consistent execution, stronger manufacturing contribution and sustainable profitability.

With this, I would like to hand over the call to Mr. Mukut Goyal, our CFO, who will take you through the financial performance for the quarter and half-year ended September 30, 2026. Thank you, everyone.

Mukut Goyal: Thank you, sir. Hello, everyone. Good evening. I will now take you through the financial performance of the company for the second quarter and first half of FY27. For Q2 FY27, our revenue from operation stood at INR244 crores, compared to INR137.9 crores in the corresponding quarter last year, registering a year-on-year growth of approximately 77%. Our EBITDA for the quarter stood at INR15.2 crores compared to INR18.1 crores in Q2 FY26, with an EBITDA margin of 5.9%.

Profit after tax stood at INR4.2 crores as against INR9.3 crores in the corresponding period last year. For H1 FY27, revenue from operations stood at INR412 crores, registering a growth of approximately 100% over INR206 crores in H1 FY26. EBITDA for the first half stood at INR35.8 crores, with a margin of 8.3%, while profit after tax stood at INR13.7 crores. On the balance sheet front, as of September 30, '26, the company's net worth stood at INR862 crores with a debt debt-to-equity ratio of 0.46x.

Going forward, our focus will remain on disciplined financial management, improving operational efficiencies, strengthening cash flow generation, and maintaining capital efficiency as we scale our business. We remain committed to executing our order book effectively, while building a sustainable and financially resilient business. With this, I conclude my remarks on the financial performance. Thank you.

Moderator: Should we begin with the question-and-answer session, sir?

Kartik Teltia: Yes, we can begin.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We'll take our first question from the line of Atul Mehra from Motilal Oswal Mutual Fund. Please go ahead.

Atul Mehra: Yeah. Hi. Good evening, and thanks for the opportunity. So, firstly, can you guide us on the profitability roadmap ahead in the next 12 months, 2 years, 3 years, like how do you guys see the evolution from the profitability perspective?

Kartik Teltia: Yes, sir. Thank you, sir. Good evening. So, on the profitability, we have put up a slide on the presentation in terms of our margins likely to be impacted in the current year. As we say this, we are seeing a substantial improvement in the prices in the market. Copper has started to come down. Aluminum is coming down. We are very hopeful that our FY28 should be a bumper year for Solarworld. We believe that our margins will significantly improve.

There are a few reasons for that. First, the cost of raw materials are coming down and the orders that we have won in this quarter at are higher prices compared to previous orders. So, as costs come down the margins on the solar EPC orders will go up. Two, we has added, made substantial investment in capital assets, that is module, solar cell line and the BESS line. The BESS line is seeing a very significant uptick from both government and private developers.

We believe next year, BESS line should contribute almost half of our top-line and profitability. Third, our solar cell line is also expected to start operating from second quarter of next year, which will also add significant amount to the margins. So, we believe while FY27 margins will remain under strain, FY28 should be a bumper year for Solarworld.

Atul Mehra: So, in terms of, at the earlier calls at the time of IPO and so on, we had guided of INR200 crores, INR300 crores of profit. So, can you give us a revised guidance of net profit after tax for the next 12 months or next 2 years?

Kartik Teltia: Sir, so in the current year, we believe our top-line should be somewhere between INR1,600 crores to INR1,700 crores. And we are still targeting maybe like a 6% to 7% margin for the current year. For the next year, we should reach around INR3,000 crores in top-line.

Atul Mehra: Yeah. How does that translate to profit, PAT, PAT for the current year?

Kartik Teltia: PAT, PAT of about 5% to 6% current year.

Atul Mehra: So, about INR60 crores -- about what you maintain the top-line?

Kartik Teltia: INR80 crores to INR90 crores.

Atul Mehra: INR80 crores to INR90 crores of PAT for the current year.

Kartik Teltia: INR80 crores to INR90 crores – yes, for FY27. Next year we are targeting, our target is to reach a top-line of about INR3,000 crores, and our PAT should be in line of about INR200 crores to INR220 crores.

Atul Mehra: Got it. That is basically the current visibility that we have.

Kartik Teltia: Yes. We have orders of about INR3,800 crores in hand. We will execute almost another INR1,100 crores to INR1,200 crores of orders in the current year. INR2,600 crores of orders will get passed on to the next year, on which this is the profitability based on current pricing.

Atul Mehra: All right. Got it. So, second question is in terms of, given how sharp the share price decline has been from the IPO price, what is the management thinking from the perspective that obviously the current year profits are much lower than the earlier guidance, but the future looks bright? So, what is the management action from capital allocation perspective, when it comes to say a share buyback or any other corporate action that we can take to improve shareholder, in terms of wealth?

Because there has been a substantial shareholder loss by investing in in the company so far. So, definitely that has to be kind of from a capital allocation perspective, if you can intervene through the right in terms of buyback or any other intervention, to ensure that the shareholder wealth is restored. So, if you can talk a little bit more about how is the board and the management thinking about this particular aspect.

Kartik Teltia: Sir, thank you for that question. The board has taken the feedback very, very seriously. We were we are evaluating various options on how we can create value for our shareholders. So, there are some short-term actions that we are planning and evaluating in the board.

On the long-term, the value creation will obviously come from showing better results. So, we will come back to the shareholders probably in the current quarter on what short-term actions we will take to create shareholder value.

Atul Mehra: Got it. Thank you, and all the best. Thanks.

Kartik Teltia: Thank you, sir.

Moderator: Thank you. Next question is from the line of Rahul Chacko from Equentis. Please go ahead.

Rahul Chacko: Yeah. Thank you for the opportunity. My first question is on the lines of the gross margin itself. If you could just shed some light on the raw materials currently that are being used. Definitely, there's a slide that explains how these costs have currently ramped up in the last 1 year which has been affecting.

But if I calculate your cost of raw materials to your as a percentage of sales, this is showing a dip from 75% to around 59%, 60%. So where is the gross margin going, is what I'm trying to understand. If you could just help me out there?

Kartik Teltia: Sir, so If you look at how Solarworld operates, we are our revenue tends to be very, very heavy in the last two quarters. So when you look on a year-to-year basis and when you see the next two quarters, you will see this cost of material will start coming around the same percentage levels that you saw last year.

So, nothing really has changed because for revenue to grow and cost of material to go down, we have not gotten into the service sector and we have no other incomes other than that. In fact, I think by the end of the year when these projects are on the brink of execution, you will see that cost of material will be almost approximately equal to the revenue from the same percentage of revenue from operations.

Rahul Chacko: And is there any hedging or pass on that mechanism that is inbuilt in this model in case hikes happen?

Kartik Teltia: Sir, so we do hedge whatever forex we have outstanding in terms of LCs for raw material that are coming from outside India. In terms of copper, steel, and aluminium, there is not really much hedging we can do because we are not direct consumers of copper, steel or aluminium. We buy processed goods. Let's say, some of the biggest purchases are transformers.

So our power transformers are copper based. Our IDTs are all aluminium based. Solar structures this year we have mostly worked on tracker systems. These tracker systems were bought from GameChange, which is an American company, which is supplying through India and overseas. So, really to be honest, on the raw material there is not a lot of opportunity to hedge directly.

Rahul Chacko: And it is not even being passed on currently? Is my understanding correct in that?

Kartik Teltia: So, so, in Solarworld, most of our revenue comes from PSU companies like NTPC, SJVN, SECI, which are some of the largest developers in India. Most of our tenders are fixed price contracts. So, every couple of years when there is a super cycle in metals, we do see a dip in our margins, which is happening this year. But having said that, all the orders that we win this year, and as prices ease over the years, we do show better than normal margins in the following years.

Rahul Chacko: Okay. One final question was related to the BESS as well. What kind of margins are we looking to make out here on an EBITDA and PAT level if you could just shed some light on that?

Kartik Teltia: Sir, so BESS -- so I will give you a background on BESS also. Sir, 6 months back the lithium carbonate, battery grade lithium carbonate was selling at around 200,000 Yuan per ton, which has now substantially reduced and come down to about 90,000 Yuan per ton. So, the BESS raw material prices have been very, very volatile.

Our own forecast on what we can make on BESS projects has significantly improved over the last 2 to 3 months. We have two IPP projects in BESS, one from GUVNL, one from RVUNL. We are targeting a minimum IRR of around 16% for those projects. The NTPC project that we have on BESS should also be substantially profitable, close to about as we close them, should be around 10% PAT margin.

Rahul Chacko: And are these also fixed contracts?

Kartik Teltia: NTPC project is a fixed contract. The IPP projects are obviously the selling price is fixed that we got in terms of the revenue that we will get per month. Cost, obviously, as it is going down, our IRRs are going up.

Rahul Chacko: Sure, that's all from my end. Thank you.

Kartik Teltia: Thank you.

Moderator: Thank you. Next question is from the line of Udit Sehgal from Pinpointx Capital. Please go ahead.

Udit Sehgal: Yeah. Good evening, sir. Could you throw some light on the whole BESS ecosystem, what is the size of the opportunity, what is happening and how does Solarworld intend to capture it?

Kartik Teltia: Yeah. Sir, that's a very good question. So, in BESS currently there are three types of markets that are there. First is the residential BESS market. So as everybody is aware that in India very few cities have continuous power and most of the households do install a inverter system. So, now most of the residential inverter systems are moving from a lead acid based battery to lithium based battery because of the lower life cycle cost and more dependability.

So, that has become a very large market in India, which is being targeted by a few players. Second market is the C&I market. In the C&I market, there are also further two segments. People are looking to their generators with lithium backup for two to four hours. Second is the UPS market where also lead-acid batteries are getting increasingly replaced by lithium batteries.

Third is the utility-scale, which is by far the largest segment. And India, I think is one of the largest consumers of lithium batteries in this regard in the world. This market is going to be around 350 gigawatt-hour, I think over the next 5 to 6 years. So, that is a really big opportunity.

How Solarworld is placed in all this is in the first residential segment, Solarworld has recently launched its 1, 2 and 5-kilowatt hour battery packs. We are seeing very good inquiries B2B and B2C both on these products. Second is the C&I segment. We have already installed our first C&I project for a restaurant, which was a 125/261-kilowatt hour project.

And we are getting repeat inquiries and a lot of new inquiries. So, we feel this is going to be a major segment for us. In terms of utility-scale, we already have in-house orders of about 300 containers. We are further discussing 200 to 300 containers for private developers. Single container cost would be close to about INR3.2 crores. So, at 600, we are targeting maybe around 600 containers in the next year. So, this BESS, as I said, would form about 50% of our revenues. So, should be between INR1,500 crores to INR1,800 crores next year.

Moderator: Udit, does that answer your question?

Udit Sehgal: Yes, sir. And sir further in BESS like this is what we're doing on the EPC side and the container side, do we have any other plans to get into cell manufacturing or to further differentiate ourselves going ahead?

Kartik Teltia: Sir if you look at our presentation in the key highlights we have mentioned that there are two segments that we are getting into. First is that we are going to increasingly look at data center EPC which is a very high margin business. And we are already discussing with an overseas player for a joint venture for India.

So, we are hoping to do that by the end of this year and start targeting Indian customers in the data center business. Secondly, the management is already evaluating a 2 gigawatt-hour lithium-ion cell manufacturing facility in India. We had filed for the PLI scheme, but we have withdrawn that application because we feel it is going to become too overcrowded.

And as you can see, there are almost 23 bidders for that PLI. And we feel that even without the PLI, this is a very good opportunity to invest into. But having said that, we are very cautious of the fact that China is imposing a lot of restrictions on the export of this technology and equipment both. So, we are moving ahead in a cautious way and we hope to reach a conclusion maybe by end of this month or latest by 15th of December.

Udit Sehgal: Excellent. And sir, regarding our solar cell project, I mean, it's quite unique that a company of our size is going for such a big project and as you mentioned, there is some restrictions from the Chinese side. So, how do we differentiate ourselves on that side and how can we ensure timely execution of that project?

Kartik Teltia: Sir, so, the good thing with us was from the start we were not relying on most of the key equipment from China. So we were ordering equipment through a German manufacturer. So, some of our risk got mitigated from that perspective. Having said that, there are still a couple of equipment that need to come from China.

And we are also evaluating how to mitigate that risk. At present neither the suppliers or the buyers have any clarity on what is going to happen. The restrictions have not been imposed, but an pre-approval is currently required for export of any equipment. So, we are trying to expedite those equipment and get them out as quickly as possible.

Udit Sehgal: Okay. And what would be the gap we are thinking like what could be the margins we could make on the solar cell project like currently the margins are way, way high?

Kartik Teltia: So on the solar cell I am not projecting as high margin as you are seeing currently. If you read our slides what we have also mentioned is that there has been a significant slowdown in the EPC activity and that is primarily driven by how many solar projects are being installed in India.

So and I feel the slowdown is going to remain for another 12 months till the grid connectivity issues are resolved and a substantial number of BESS projects are installed, so that the duck curve in the electricity consumption, which is basically, very little consumption during the day and very high shortage in the evening is addressed. So, I would say with new capacity getting added and, EPC or solar project remaining a little slow in the next 12 months, I, I would expect the margins will not sustain at these levels. But I would still say, that margins will be upward of 15% to 20%.

Udit Sehgal: Okay, sir. Thank you and best of luck and we hope that the coming year would be much better.

Kartik Teltia: Thank you, sir. Thank you so much for your support, sir.

Moderator: Thank you. Next question is from the line of Keshav Harlalka from BHH Securities. Please go ahead.

Keshav Harlalka: Hello, sir.

Moderator: We can hear you. Please go ahead with your question, Keshav. Since there is no response, we'll move on to the next question from Kevin Gandhi from Capgrow Capital. Please go ahead.

Kevin Gandhi: Yeah. Hi, sir. Good evening. Thanks for taking my question.

Kartik Teltia: Hi, Kevin.

Kevin Gandhi: Yeah, hi, sir. So, just wanted to know that I guess few quarters earlier we had discussed that once we actually prepare this BESS IPP projects we're actually going to turn around to buyers. So, are we still on that plan or actually we would use that revenue for our own consumption?

Kartik Teltia: Sir, so as you said, it is true that Solar -- sir so Solarworld is an EPC company and we want to focus on remaining an EPC company. So when I say that IRRs are better getting better and better as cost is coming down. So whenever we offload these projects the premium that we will get will also be higher. The idea is still to offload these projects as and when we get an opportunity. At present, we are focusing on executing these projects, but we will definitely not hold them for the long-term.

Kevin Gandhi: Okay. And actually one more question on the backward integration on the solar module and solar cell. So just going on what the earlier like just wanted to understand that once this solar module and solar cell lines are operational like just wanted to know how much margin increase or how much cost savings are we actually estimating?

Kartik Teltia: Sir, so solar cell in terms of solar module I would say at present the business is not very profitable for anybody in India because you can see that there's about 200 gigawatt of capacity that has come in and India is likely to execute somewhere around 50 gigawatt. So that that kind of spreads the margins too thin, because the competition has gone up significantly.

In terms of solar cell, I think solar cells are currently available for around INR12, INR12.5. While I would believe the manufacturing cost is around INR6, INR6.5. So there's almost like an 100% margin or a 50% margin and a 100% mark-up available on the cells. But I feel that this will also progressively start coming down as more capacities come in. I would project a 15% -- 18% to 20% margin going forward in this business and that's a reasonable margin considering the cost that is incurred and the kind of complex operations that are done to convert a wafer into cell.

Kevin Gandhi: Okay, sir. Got it. Thank you.

Kartik Teltia: Thank you.

Moderator: Thank you. Next question is from the line of Parag Prakash Hemdev from PH Financials. Please go ahead.

Parag Prakash Hemdev: Hello, management team. Thank you for giving me an opportunity to speak. Sir, actually, I'm very confused by the disclosures and the actual performance made by the company?

Kartik Teltia: Yes, sir.

Parag Prakash Hemdev: I would like to highlight a few things, sir. Number one, in the annual report, okay, wherein on the Page Number 35, with respect to raw material and cost inflation risk, wherein the price escalation of copper, electric equipments, and other ancillaries were discussed about, wherein the company's comment was early procurement planning, contractual pass-through mechanism, where feasible and disciplined bid pricing.

Now, for my understanding the I would like to understand from the management that the gross margin as well as the EBITDA margin has fallen drastically. In case if you are procuring early, when we are, you know, bidding month when we were either bidding or may be after the bid win, if you're procuring. So such kind of volatility should not happen in the margins, A.

B, on the revenue front also last year, you had indicated sir INR1,500 crores wherein we had breached around INR1,376 crores. This year, you had indicated INR2,000 crores and now we have again changed the goalpost to INR1,600 crores, INR1,700 crores. And margin guidance was around 10.5%, which now we are speaking to 6 to 7%.

So, in case if there's a pass-through mechanism, so I'm unable to understand and now in today's call we are making a disclosure that it's a fixed pricing with most of the PSUs. So, why the why there is a change in the disclosure, what is made in the annual report and what is being discussed on the con-call? I fail to understand that. If you could please guide us on that, sir.

Kartik Teltia: Sir, it's a very fair question. So I would like to clarify a few things. So the orders that we are executing this year we had become the L1 bidder for NTPC in October 2025. The actual LOA was only issued to us somewhere between February and March. So, if you look at the disclosures of the company, you will see that the letter of award was only given after 4 to 5 months.

The delay was on the part of NTPC. When we submit a bid, we have to keep the bid live for a period of about 180 days. So, we can start buying the raw material and reducing our risk only after LOA is given because if the board of NTPC decides not to issue an LOA, then that raw material cannot -- we cannot use that raw material anywhere and we cannot get the drawings approved.

So, once the -- if you look at how the materials have moved, you will see that there was a very significant and very sudden movement in prices of raw materials including our exchange rate between October and January last year. So, that's -- in these particular contracts, it became very, very difficult for us to do a pre-procurement and to reduce our risk because LOAs were awarded at a later stage.

So, I will give you an overview of how our contract works. We bid for a contract, we become L1. After we become L1, the NTPC, SJVN, NHPC will take this contract to the board wherein their board will approve. After their board approves, an LOA is issued to us. Once the LOA is issued, we can start submitting our drawings for approval.

Once the drawing is approved, I can start procuring the raw material. What typically we have been doing in the past is for us, solar panels used to be very, very volatile. So, we used to first and foremost, we would get our structure and solar panels approved from the NTPC team and we would procure them first to hedge our risk. In the current year, we have not been able to do that because of the timing of the LOA and the change in the prices.

Parag Prakash Hemdev: Okay.

Kartik Teltia: Sir, are you able to hear me?

Parag Prakash Hemdev: Yeah. I'm able to hear you. I understand that, sir. I am...

Kartik Teltia: And second, sir on the pass-through, so these are public contracts. All government contracts don't have a pass-through. Our private contracts do have a pass-through, and we have renegotiated some of them to get better prices. But on the PSU contracts, we really can't get a pass-through because that's how the tenders are structured. These are public tenders available in the public domain.

Parag Prakash Hemdev: Correct. So, understanding from that, since the prices had escalated, and what we had guided in the Q1 was on the basis of the price which has already run up, and wherein we had maintained

the margin to 10.5%, which now we are reducing to 6% to 7%. So, that also acts as a surprise package for investors. So, we are not questioning the integrity, but just as a investor, we are quite curious to know, sir.

Kartik Teltia: Sir, I will tell you what happened is, sir we also cannot predict where the raw material prices will go. Sometimes when there are very sudden movements, what we do is we try to expedite our projects, so as to ensure that we are either able to complete before that or we are able to keep sufficient time.

So, let's say I get 14 months to execute a project, so I will try to complete the part where the prices have not increased significantly so that I have maybe six or seven months where I can wait out and the prices can come down before incurring an LD. So, in the current year, what has happened is our observation or our foresight was that this is a temporary increase in price because the war has happened and this war will subside and the prices will come down.

And we had tried to delay as much of our procurement as we could. You will see that we've done a turnover of about INR400 crores till H2. We could have done much higher because we have been delaying, and to be honest, on the BESS project we really did not move much because the prices were very, very high.

To be honest, my IRRs on BESS projects had fallen to maybe 8% or 9% which have almost doubled because we waited out 6 months and we finished parts that we could without incurring extra cost. So, while I am guiding 5% to 6%, we will try to improve this further in the H2 of this year because prices are moderating now and that should help in improving the margins on our projects.

Parag Prakash Hemdev: So, this year, I assume that there would be a margin pressure, but next year, since you are guiding, but what I mean to say, sir, we have guided earlier also and twice we have changed our goal post. So, how confident sir, as a management, we are to achieve our guidance of 28.

Kartik Teltia: Sir, as a management, I have to always be optimistic to take the company forward, but having said that, sir, it is -- some things are beyond my control. So, some of the prices that have moved are very, very significant. Some changes in prices we are always able to absorb and maintain our margins.

We as a company are very, very good at design and engineering. We come up with innovative designs to reduce our costs while keeping the same output and same kind of quality for our customers. But at some level, even we are unable to absorb the prices that are receiving. My expectation still is that from January there will be a significant decline in steel and copper prices.

Copper, I feel has already started falling and steel should also fall next year. With the kind of volatility, the world has seen in the past 12 months, I think even a very high growth rate would be a very difficult thing for the world to achieve. So, obviously the first thing to fall are metals whenever a slowdown happens. So, my expectation is still these prices will come down.

BESS has been a case where within a period of maybe 9 months, prices have doubled and then halved. So I would rest my case by saying that I am optimistic that the prices will come down,

but having said that, we have picked up around INR1,500 crores of orders this year, which are at higher prices, which should give very high margins if the prices come back to the normal levels.

Parag Prakash Hemdev: Okay, and if the prices are at the similar level or they escalate in a decent manner, so what kind of margins could be there at that front, sir?

Kartik Teltia: Sir, so on the -- so what is happening between the current year and the next year, there is a major shift. Firstly, on the BESS, most of my BESS projects, the enquiries that we are getting are from private customers, which are linked to the lithium cell prices. Now, we are projecting around almost INR1,500 to INR1,800 crores of revenue from BESS.

So, my margins on those BESS projects should not move much. So, I would say that would give a lot of stability compared to this year, if you compare the next year. Second big upside next year should be the solar cell line. Again, that is a high margin business compared to the EPC. So, EPC pure solar EPC next year should be maybe about 30% to 40% of my business. So, volatility in raw material prices will not impact much on Solarworld.

Parag Prakash Hemdev: Got your point, sir. Thank you so much, sir, for being so candid for having such a candid conversation. Thank you.

Kartik Teltia: Thank you, sir.

Moderator: Thank you. Next question is from the line of Amogh Bhatwadekar from Ventura Securities. Please go ahead.

Amogh Bhatwadekar: Yeah, good evening, sir.

Kartik Teltia: Good evening, sir.

Amogh Bhatwadekar: Yeah, can you hear me?

Kartik Teltia: Yes sir, I can hear you, sir.

Amogh Bhatwadekar: Yeah, so my question is you have mentioned in the presentation that you have submitted bids for around INR20,000 crores. Am I right?

Kartik Teltia: Yes, sir.

Amogh Bhatwadekar: So, yeah, so can you give break up, I mean in terms of PSU and private sector?

Kartik Teltia: Sir, I will ask my team to upload that on the website, sir.

Amogh Bhatwadekar: Yeah, or it is largely PSU?

Kartik Teltia: Sir, it is largely PSU and a big part of that is BESS order from NTPC REL.

Amogh Bhatwadekar: Okay, and what about sir, that particular order where we were L1, around INR400 crores?

Kartik Teltia: Sir, two orders where we are L1, sorry sir, please, can you come again?

Amogh Bhatwadekar: Yeah, you had mentioned in last this thing, in I guess, in annual report Somewhere I read that ...

Kartik Teltia: In our AGM.

Amogh Bhatwadekar: yeah, there you mentioned, no?

Kartik Teltia: Yes, sir. After that also, we have one more order from NTPC, and we have had two order wins. The total order value is about INR1,271 crores. We have still not received the LOA for this, but we were L1 in both these orders.

Amogh Bhatwadekar: Okay. So, are you expecting anytime soon?

Kartik Teltia: Sir, it should come maybe in November or early December. It purely depends on when the NTPC REL board will approve that and issue us the LOA.

Amogh Bhatwadekar: Okay, great. Thank you, sir.

Kartik Teltia: Yeah. Thank you, sir.

Moderator: Thank you. Thank you. Next question is from the line of Keshav Harlalka from BHH Securities. Please go ahead.

Keshav Harlalka: Hi. Thank you. Am I audible?

Kartik Teltia: Hello, sir. Yes, sir, you are audible.

Keshav Harlalka: Thank you so much for taking my call. Kartik, the numbers are not good and what you've guided is you'll do INR1600 crores for the full year, INR1600 crores to INR1700 crores as a revenue for this year and 5% to 6% PAT margin, which you're seeing likely to improve. So, as of half year, we are at INR13.69 crores and 5% of INR1600 crore is INR80 crores. Are you confident of doing balance INR80 minus INR14 crores, that is the balance is INR56 crores in -- INR66 crores. Are you confident of giving us these kind of numbers for the remaining half year?

Kartik Teltia: Sir, last year for H2 was around INR20 crores. Last H1 was INR20 crores. H2 was INR100 crores.

Keshav Harlalka: Okay.

Kartik Teltia: So, that's how the business is structured last two quarters, we are fairly confident we should be able to achieve this.

Keshav Harlalka: That's great. Now, I would want to appreciate that you guys are getting into lithium-ion batteries and that's a good step you have taken, plus you're getting into BESS where the margins are less volatile and you have a better stable. What are you guiding for next year? What kind of revenue and what kind of margin?

Kartik Teltia: Sir, so if you ask us our target over the next 2 to 3 years is to achieve a top line of about INR5,000 crores. Next year our target would be to hit around INR3,000 crores in revenue. In terms of breakup, we will target about INR1500 crores to INR1600 crore -- INR15-1800 crores of revenue from our BESS factory and BESS EPC and around INR12-1400 crores of revenue from our solar EPC.

Keshav Harlalka: Okay.

Kartik Teltia: So, when I say solar EPC, that would include my solar EPC, my module manufacturing line, and solar cell manufacturing line bundled into one. And when I say BESS EPC, it will include my BESS EPC work and the BESS factory.

Keshav Harlalka: Okay. Now my second question is going on the conversation I heard that there is a gap between say, for a PSU, we've submitted that we want to do your project at a certain cost and there is a gap between our submission and in the case of NTPC, the gap was 7 to 8 months and prices are volatile. So, how do we account for volatile prices and at the same time get the order and not compromise on margin? Have you thought about any strategy for doing that going forward?

Kartik Teltia: Sir, it's a fair question, but if you are working for the government, the tender specify that you have to keep your bid open for 120 to 180 days. So, there's not really a lot that we can do after we win the L1, otherwise our earnest money deposit will get encashed, and we also run the risk of getting blacklisted. So, there is not really much.

I would be honest to you, there's not really much we can do there. But having said that, we have been in this business for a very long time. These kind of volatilities, we have also not seen happening in the market in 3 months, 4 months' time. So, I think even our customers who are very fair to us don't even expect such movements to happen. I think it's an outlier that all the metal prices have moved this year. It can happen in the future, but I don't see it happening very frequently.

Keshav Harlalka: Okay.

Kartik Teltia: And I'm sure it's not just disrupting our business, this is disrupting all other industries also because this kind of volatility is not good for anybody.

Keshav Harlalka: Absolutely. And I appreciate that at the end of the quarter you give us a business update. The results take time to come with the audit and everything happening, but the business update is very encouraging. Thank you so much and keep it up, sir. That's all from my side.

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

Moderator: Thank you. Next question is from the line of Parveen Malhotra, an individual investor. Please go ahead.

Parveen Malhotra: Yeah. Hi, good evening, everyone.

Kartik Teltia: Good evening, sir.

Parveen Malhotra: Yeah, my question is regarding this JV which is happening in Madhya Pradesh for this solar cell manufacturing. So, I have two questions regarding this. One is like, what kind of technology we are using right now and how long do you feel it will be sustainable? And secondly like what kind of usage of this manufacturing facility you will make? I mean, in inside and outside, like what percentage will go to your internal projects, and what will be -- are you going to sell these things also? These are my two questions.

Kartik Teltia: Okay. Sir, so, this facility will be a TOPCon facility. In terms of, I think your question was more directed towards what will be the technological obsolescence of this product. So, in India, everybody is setting up TOPCon. China has put restrictions on the newer technologies, HJT and TOPCon as well included. But in India, once we make an investment, and everybody is making this investment simultaneously, so I don't expect a lot of companies to move to newer technologies.

Even in China, the technological development has kind of slowed right now, because, overall, the demand in China has been lower, and the solar industry has been suffering there. So, I would feel that we -- I personally don't see a lot of technological obsolescence risk for the next 5 to 7 years in this industry right now. Having said that, first. Second, in terms of internal consumption between the two JV partners, I think we would expect to internally consume about 70% to 80% of the capacity.

The balance capacity maybe 15% to 20%, we will look to sell to external customers. Solarworld already runs a 1.5 gigawatt of solar manufacturing plant. So, we will convert about 1.5 gigawatt from cell to solar panels internally. So, we could sell the solar panels, any surplus solar panels, or if we have any solar surplus cells, then we will also sell that into the market. But at present, I feel 60% to 70% will easily get utilized in-house.

Parveen Malhotra: Okay, that's great to know. Thanks for answering my question. And in extension to this, just, I wanted to know, because, you are right, I mean, within country, people are making capex, and there's not much threat of technology. But, what if it comes from, let us say US, Japan, they invent some more asset-light technology. So, then, do you see any threat of that thing, and first thing?

And, secondly, like, you are investing a substantial amount, like INR420 crores kind of thing in this manufacturing unit, which is also in the partnership. So, because you're an EPC company, and can't you keep it like asset-light model where you can utilize this INR500 crores amount in using your asset-light models and make it more, I mean, capital can be used in a more appropriate way? This is my query.

Kartik Teltia: Sir, so, on the first bit, technological changes in the world will definitely happen, but whether they would percolate into India or not, my comment was more directed towards that. Sir, see, when we do an investment, we have to look at the investment cycle and recovery of that investment before we can invest into newer technologies.

And while in India half the capacity still is sitting on M10R and they are updating themselves to G12Rs. I don't see people trying to leapfrog each other to getting into maybe a HJT or some

other technology. Reliance is doing that, but you would not have heard anybody else doing that right now. So, I think, for 4 to 5 years, I don't see people investing a lot into newer technology.

TOPCon is a fairly stable technology right now. HJT has not become that stable, according to me. There's a very limited capacity installed worldwide. So, any new technology that comes in, comes in at a higher cost. And to get it to India, and to install, and to stabilize, and to do it will definitely take some time. And India is a very cost sensitive market. So, I feel that newer technologies do take time to percolate.

Because what happens with the new technology is the area required will reduce. The output from a similar solar panel improves, so, your area required reduces. Land is not a constraint in India for some of the larger projects. So, to get a newer technology at a higher price sometimes becomes difficult. So, from that perspective, I don't feel technological obsolescence in India right now is a big question. I think the bigger question is whether we are able to get those plants and to install and commission them and operate them at a very high level of efficiency.

Parveen Malhotra: Right. Yeah, thanks for that. And you didn't answer my asset-light model question.

Kartik Teltia: Sir, so, on asset-light, we have been operating on asset-light model for a very long time. We took a conscious call to set up backward integration only to the extent that it will support our EPC business. So, we are still not looking to convert ourselves into a major manufacturer like a Waaree or a Vikram. We will not go ahead and expand these facilities into a 5 gigawatt or 10 gigawatt facility. We will remain constrained to the extent that it supports our EPC business, first.

Our motto is that we should be India's leading backward integrated EPC company and not a leading manufacturer. So, this this manufacturing helps us improving our margin, gives us continuity on quality and supply chain, and that is also a big help in promoting our EPC business.

Parveen Malhotra: Yeah, thank you very much. And what do you think about the TAM for this BESS model?

Kartik Teltia: Sorry, sir? Total Addressable Market, sir?

Parveen Malhotra: Yeah, true, yes.

Kartik Teltia: Sir, so India is expected to install somewhere between 350 to 400 gigawatt hour of BESS project over the next 5 to 6 years. This is just a utility scale.– 1 megawatt of container is maybe around INR70 lakh. So, you can kind of extrapolate from that this market has become substantially larger than the solar market itself. And then you have the C&I and residential market, which is also fairly large. So, I would say, the TAM is very, very large, and it's a good market to address.

Parveen Malhotra: And sir, you mentioned in your previous discussion that this BESS will be going to complement and supplement this genset market also. So, but as of now, cost wise we see, this is like more costly nowadays as compared to the genset market. So, I mean you are right absolutely. In future, it will definitely be replacing this market UPS and genset. But right now right now, how do you see this cost challenges?

Kartik Teltia: Sir, to be honest, we are discussing with a lot of C&I customers and all of them are investing into lithium batteries, be it for UPS or for power backup. So, to consider Northern India, and it's a very good time to have this call. Our AQI is around 700. As per the GRAP 3, we are not allowed to run our generators. So, it is not even about cost anymore. People have to transfer. They have to invest into battery energy storage to get power backup.

So, it's a fairly large market. When you consider that a battery energy system gives you power backup as well as acts for your UPS the cost economics do work out. Thirdly sir, compared to the start of this year, the BESS prices have fallen significantly. So, cost economics to some extent has also started working out.

Parveen Malhotra: Right. Okay sir, thank you very much. Thanks for answering all my questions. Thank you.

Kartik Teltia: Thank you. Thank you sir.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we'll take that as a last question for today. I now hand the conference over to management for closing comments. Over to you, sir.

Kartik Teltia: Thank you, everyone. Thank you for joining our call today. We have taken your guidance and feedback and we will come back to you shortly on how we can improve our margins and how the management is thinking in terms of improving shareholder value. We thank you for your valuable time today and your valuable questions and we do hope to give you better results in the next quarter.

Moderator: Thank you, members of the management team. On behalf of Solarworld Energy Solutions Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your line.