November 4, 2026

To
The Manager,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Scrip Code: 544277

To
The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra - Kurla Complex, Bandra (East)
Mumbai - 400 051
Trading Symbol: WAAREEENER

Dear Sir/ Madam,

Sub: Transcript of the Analysts/Institutional Investors Meeting/Call on Unaudited Financial Results for the Quarter and half year ended September 30, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call on Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2026 held on Wednesday, October 28, 2026 at 02:00 P.M. (IST).

The above information is also available on the website of the Company i.e. www.waaree.com.

Kindly take the information on record.

Thanking you,

Yours faithfully,

For **Waaree Energies Limited**

RAJESH GHANSHYAM GAUR
Digitally signed by RAJESH GHANSHYAM GAUR
Date: 2026.11.04 15:25:51 +05'30'

Rajesh Ghanshyam Gaur
Company Secretary & Compliance Officer
M.No. A34629

“Waaree Energies Limited
Q2 & H1 FY '27 Earnings Conference Call”

October 28, 2026

MANAGEMENT: **MR. JIGNESH RATHOD – WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER, WAAREE ENERGIES LIMITED**
MR. ABHISHEK PAREEK – CHIEF FINANCIAL OFFICER, WAAREE ENERGIES LIMITED
MR. VARUN GOENKA – PRESIDENT, GROWTH AND STRATEGY – WAAREE ENERGIES LIMITED

MODERATOR: **MR. NIKUNJ JAIN – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Waaree Energies Limited Conference Call, hosted by MUFG Intime India Private 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikunj Jain from MUFG Intime India Private Limited. Thank you, and over to you, Mr. Nikunj.

Nikunj Jain: Thank you, Siddhant. Good afternoon, ladies and gentlemen. I welcome you to the Q2 and H1 FY '27 Earnings Conference Call of Waaree Energies Limited. To discuss this Quarter's performance, we have from the Management Mr. Jignesh Rathod – Whole-Time Director and CEO, Mr. Abhishek Pareek – CFO, and Mr. Varun Goenka – President, Growth and Strategy.

Before we proceed with the 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 risk and uncertainties. For more detailed disclaimers, kindly refer to the investor presentation and other filings that can be found on company's website and stock exchanges.

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

Jignesh Rathod: Thank you, Nikunj. Good afternoon, everyone. And thank you for joining us on our Q2 and H1 FY '27 Earnings Call.

I hope you have had a chance to review our results and presentation. I will begin with our business updates and our plans. Mr. Pareek – our CFO, will then take you through the Financial and Operating Performance.

Let me first start with the industrial updates:

India installed approximately 38 gigawatt solar in last Calendar Year at '25 versus this 9 months of Calendar Year '26 did 35.3 gigawatt, and for H1 Financial Year '27 did 20.8 gigawatt. USA installed approximately 43 gigawatts in Calendar Year '25 versus 19.2 gigawatt in H1 Calendar Year '26.

Solar continues to dominate the energy transition across the world, and now with BESS being an additional accelerator, solar PV will continue to dominate the clean energy adoption. In addition, we are seeing green shoots of new growth drivers of solar plus battery renewables from data centers, green ammonia, and green hydrogen, all with significant business potential for Waaree Group across multiple business segments.

We are building significant capabilities and capacities to be able to serve both existing and future demand sources across the entire new energy value chain. I am delighted to share that since first dispatch February 28, 2008, our 37 gigawatt modules are in the field generating the clean power. In addition to that, we have started the kit business in April 2025, and we have reached the milestone of 1 lakh kit sold yesterday.

Our H1 FY '27 performance reflects the strength of our business fundamentals and consistent execution of our growth strategy. For H1 FY '27, a 47% increase in revenues coupled with 15% EBITDA growth and significant improvements in operating cash flow by almost 5x demonstrated the resilience of our execution. Our Rs. 59,500 crores order book further reinstates our execution roadmap.

We are particularly encouraged by the strong momentum in our retail business revenues. It has reached Rs. 5,753 crores in H1 FY '27, almost 2x year-on-year, and accounted for 37% of total revenue for H1 FY '27, surpassing total retail revenue of Rs. 5,515 crores in entire last financial year.

Our dealer network, digital channels, and wider product range helps us reach customers across the country. Our domestic US manufacturing recorded revenue growth of 113% in H1 FY '27 on year-on-year basis. Both India retail and international businesses are becoming important to our growth trajectory and EBITDA contribution.

As we continue to expand our capabilities and strengthen our presence across the clean energy value chain, we expect our battery energy storage system, transformers, inverters, EPC, T&D, and green hydrogen businesses to contribute to future growth.

We have an installed module manufacturing capacity of 25.8 gigawatt including 1.6 gigawatt in USA. Module production in the USA continues to ramp up and reached 0.3 gigawatt, achieving an annualized utilization of 71%. An additional 3.2 gigawatt of module manufacturing capacity is being added in USA. The two lines are under trial production at Brookshire factory by March '27, of which 1.6 gigawatt to be operational in Q3 FY '27 itself. Waaree Solar Americas to have 4.8 gigawatt of PV manufacturing capacity.

Turning to cell manufacturing: We currently have an installed solar cell manufacturing capacity of 5.4 gigawatt in India. Our planned 10 gigawatt expansion at Unn facility remains on track and to be commissioned in this financial year.

Expansion of our ingot wafer manufacturing capacity is progressing well, as can be seen from the photographs included in the presentation.

In our BESS business, we are looking at commissioning 5 gigawatt-hour containerization* facility in Q3 FY '27 and 3.5 gigawatt-hour of battery cell manufacturing in this financial year.

Note: *This should be read as “pack”

On our outlined capex program of approximately Rs. 30,000 crores, 35% is already deployed, 28% is under execution, and 37% is under planning stage. As we will enter FY '28, Waaree will be fully ready to execute on capacities, namely 29 gigawatt of solar PV, 15.4 gigawatt of solar cell, 5 gigawatt-hour of BESS pack and container, 3.5 gigawatt-hour battery cell manufacturing, 4 gigawatt of inverters, 20,000 MVA of transformers, and larger integrated EPC entity.

Waaree sits at the inflection of becoming vertically and horizontally integrated with high operating leverage potential ahead driven by increased utilization of major capacities near completion. With a clear strategic roadmap, expanding capacities, capabilities, and a strong focus on execution, we are confident in our ability to deliver sustainable long-term growth. We affirm our operating EBITDA guidance of Rs. 7,000 to Rs. 7,700 crores in FY '27.

With that, I will hand over to our CFO, Mr. Pareek, to take you through the numbers and the progress of our investment plans. Thank you.

Abhishek Pareek: Thank you, Jignesh sir, and good afternoon everyone. I will take you through our financial results, revenue mix, order book, as well manufacturing performance. I will then cover the investment program and our plans for rest of the year.

Our Q2 revenue was Rs. 7,517.7 crores, up 23.9% year-on-year. Operating EBITDA was Rs. 1,335.2 crores while margin was 17.8%. PAT was Rs. 753.6 crores. For the first half, revenue was Rs. 15,449.5 crores, up 47.3%. Operating EBITDA was Rs. 2,775.1 crores, up 15.5% with a margin of 18%. Profit after tax was Rs. 1,645.5 crores compared with Rs. 1,651.1 crores in the same period last year.

We remain a net debt-free company with net cash of around Rs. 3,224 crores and a net debt-to-equity ratio of minus 0.2x. ROCE was 28.7% and ROE was 24.2%. Retail contributed 46.1% of Q2 revenues. Utility, IPP, C&I customers contributed around 22.9%. Overseas market contributed 18.5% and EPC, O&M, transmission and distribution, and other segments put together contributed 12.6%. Retail was around Rs. 3,464 crores in Q2, up by 252% year-on-year. Module sales were 3 gigawatts, up 27%. Top 5 customers accounted for 15.2% and top 10 accounted 20%, demonstrating consistently diversifying revenue mix and sales. Overseas revenue stood at Rs. 1,389 crores in Q2 compared with Rs. 2,875 crores a year ago. Within this, the domestic revenue of US increased to Rs. 1,300 crores from Rs. 732 crores. Revenue from exports from India was Rs. 89 crores compared with 2,143 crores last year.

Our total order book as on 26th of October '26, was around Rs. 59,200 crores. The module order book was 25.6 gigawatts. As noted in the presentation, we have rationalized the order book orders which are yet not terminated, but we have reported them as them being closed as major part of the export orders due to Section 232 in US, without assuming any liability against us under these contracts. The geographical mix of the order book is now 48.4% domestic India, 43.8% domestic US, and 7.8% exports from India.

Our cash and carry business keeps increasing the wallet share in total revenue. For the first half, total module production was 6.2 gigawatts, cell production was 1.9 gigawatts.

The additional 10 gigawatt cell facility is planned to start in current financial year, wherein around 5 gigawatt expected to start in Q3 and another 5 gigawatt in Q4 this year. Once this is completed, Waaree shall achieve total cell capacity of 15.4 gigawatts, largest in the country. Ratio of cell-to-module capacity would rise from currently around 22% to around 65%. This shall help us use more of own cells as well as healthy integration in terms of production from own cells as well as healthy mix of orders, DCR, and non-DCR.

For the second half, our focus is only on delivering orders, completing the planned capacities, and improving operating efficiencies. We also keep a close watch on our working capital and project spending. If you look at our operating cash flow this quarter as well as H1, it has surpassed 5x of the total operating cash that we generated year-on-year.

Also, if you also look at the total amount yet to be spent on the projects under 3 categories: projects which are already commissioned, projects which are under execution, and projects which are at planning stage, Waaree sits at sufficient cash balance at gross level which is sufficient to fund key major portion of the projects which are under execution from its own capital without further borrowing.

As mentioned by Jignesh sir earlier, we are maintaining our FY '27 operating EBITDA guidance of Rs. 7,000 to Rs. 7,700 crores.

Thank you for your continued interest in Waaree Energies Limited. I would now request the operator to open the floor for questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Sweta Jain from Anand Rathi Share and Stock Brokers Limited. Please go ahead.

Sweta Jain: So, on the retail business now gaining traction, could you just provide some color on the distributor margins and the overall profitability of the channel? Like, we did not see any increase in operating expenses related to any distribution-led model expansion here in the numbers. So, could you explain like some light on how the distribution business is being now managed?

Abhishek Pareek: Thank you, Sweta. If you look at the distribution model, we call it as sometimes retail or cash and carry model. We today stand with 775 plus number of retail channels, retail centers exclusively for Waaree across the country, with around additionally 3,000 plus distribution points attached to them, around 5,000 plus people working under the retail stores as well as the distribution points exclusively for distributing, executing, designing for Waaree across the country, and servicing as well.

This business has taken around more than a decade now. Once we started this, I think 2016-17, when we started, the journey started from around Rs. 10 crore worth of revenue from this year

from 3 partners to 775 partners now and half-yearly revenue of around Rs. 5,700 crores. So this year we are looking at around Rs. 10,000 to Rs. 11,000 crore revenue from this stream alone.

While you see the jump in the overall revenue mix from the retail almost 100%, if you compare this H1 with last full year also, we also note that because of the operating leverage that we have created, we are bound to get advantage of operating leverage out here. Now, any incremental onboarding of franchisee versus the incremental revenue that we get is something that makes more sense for us.

We also keep working a lot on the distribution model. It is not just a channel sign-up or an agreement or a contract. It is an agreement wherein we supply the product, we supply the technology, we service this skill set, and we help them, these partners, to install the projects as well as to monitor the performance. Same point in time, these retail channels keep expanding their network, keep getting the annuity income from the operation maintenance that they are doing at the ground. This is enhancing the stickiness to Waaree.

Also, there are few retail partners today whose revenue has really grown from Rs. 1 crores to Rs. 2 crores a year to more than Rs. 50 crores to Rs. 75 crores on a year basis. So, this speaks about the benefit of leverage that not just Waaree but the retail distribution channel is also getting.

And as we grow, as we keep introducing new products, like in the recent REI, we have introduced around 3 plus new models of the products including inverters, kits, and modules, we also keep expanding product portfolio like battery, small battery on rooftop, as well as small transformers, kit products. Each of these products are now going to get installed and started to supply from these retail channels.

This sees a massive opportunity for us not just to leverage on the existing network while we keep expanding network, but we also keep increasing the bandwidth of our product portfolios. And hence, the magnitude of growth that we see from this particular segment is massive. Hope this answers your question.

Sweta Jain: Yes, Abhishek, thank you so much for that. My next question is on the US market. I think roughly the deemed cancellations that we are talking about ranges between 2 to 2.5 gigawatts for the quarter. I mean, could we see such further cancellations in the future as well? What is the outlook in terms of US business that we are seeing amid all these uncertainties that we are talking about?

Abhishek Pareek: Thank you, Sweta, for this question. I think it will help me to clear out the overall scenario of US business as well. So if you look at our reported order book, last quarter vis-à-vis this quarter, you would see that the percentage of export order to the total order book has reduced from around 24% to less than 8% in a quarter time. Despite that, the absolute order book remained in range of Rs. 59,200 crores plus.

What have we exactly done is, Sweta, as you are aware, that Section 232 is enacted in US last quarter, owing to which there is a minimum import price in US for import of panels starting December 4. Whatever shipments could happen, we have done those shipments factoring in that we have to enter these products to US markets, to US shores before 4th of December. Anything beyond that shall require the MIP compliance as well as price adjustments.

Though the contracts and agreements are yet to be terminated, or we have not yet concluded on the termination or closure, but as a fair and true disclosures, we have opted for a practice that wherever we see there is high chance of risk of renegotiation or cancellation of these orders, we have continued to not report them from the order book itself.

Secondly, in terms of the overall gigawatts, broadly, yes, around 3 gigawatts plus worth of orders we have discontinued to report now, and hence the ratio has declined from 24% to 7.8%. However, good news that our US order book consistently keep rising. With Section 232, the ambiguity and noise around what is going to happen in the US market has cleared out well. Why? Government has clarified that this is going to be price of panels if you are going to use the imported panel. Like price of modules is fixed at 38 cents plus 15% duty across. Price of cell is fixed at 22 cents plus 15% duty. Price of wafer from the calculation seem to work around 14 to 15 cents plus 3% duty. And Polysilicon price at around $21 plus 15% duty.

So, this has set the tone for markets for next few years in US Any order and every order that we are now discussing with these customers, including the ones wherein we discontinued to report the orders, are the ones which are now discussed with 232 impact. This certainly helped us to enhance our realization per watt peak basis from US from currently 26-27 cents to 30 cent range maybe around 35 cents plus going ahead, as well as the longevity of these orders, supply chain risk, geographical risk of these orders going ahead is working in our favor with no further ambiguity in the US markets from the US facility. Hope this is helpful.

Varun Goenka : You have raised two very important business segments, retail and US I will just highlight one or two points only. Both these require far long-range planning in terms of building capacity or capability, which most other peers you will find have not invested really. It required understanding regulations, how markets involve.

So just a few pointers. First, on retail, Slide 24 covers the entire retail ecosystem, right? This is an ecosystem play, does not mean you can just have capacity and you are ready for the market. The last mile is quite complex in India, India being not just a country but a continent. So like Abhishek said, it's taken us 8 to 10 years to build this. The servicing, the customer experience, the customer is buying an equivalent of something like a car for 10-15 years or more. So, retail is a very different game versus just having a manufacturing capacity which is for B2B, right?

There is also a YouTube video on our retail business that was done at the 7th May event. I would encourage everybody to go and see that video in terms of how the business has evolved and what the kind of potential is.

On the US part, again, we are the only ones to have ready capacity at scale, almost 4.8 gigawatts, with significant orders and offtake agreements far ahead of anybody else. It required years of thinking, maybe 2, 3, 4 years before, and regulations have just come in. Now this part of the business, US business, will see, I mean, in terms of margins, ROIC is very, very good. We will see significant scale in FY '28.

Sweta Jain: This means we would not see more cancellations from this US order book. Whatever deemed cancellations were supposed to happen, we have written that off in this quarter.

Abhishek Pareek : So, Sweta, the total magnitude or size of export order book has already been rationalized. The only kept orders wherein the dispatches has happened, but revenue is yet to be recognized, will only be recognized once the delivery happens in US These are the ones wherein we are renegotiating for converting these into MIP workable contracts.

Sweta Jain: If I may take one more question on the domestic front, can I? So on the domestic side, we have seen the module production or CUFs to 45%. Any specific reason why we have come down below 50% for this quarter? Or is it only again you link to this US order book cancellations?

Abhishek Pareek: I think you are talking about the capacity utilization of modules this quarter.

Sweta Jain: Yes, the domestic capacity.

Abhishek Pareek: Yes, as you are aware that there has been a change or a shift in the policy which has happened wherein the ALMM II got extended for around 6-odd months. Because of shifting of supply chain, replanning the supply chain got more non-DCR for around 6 months of period has taken some time. Of course, in these 4 to 5 months now, non-DCR supplies are bound to increase resulting in higher volumes in Q3, even more higher volumes in Q3 till the extension closes. So, there was a temporary lower utilization owing to supply chain planning considering the ALMM II starting from July this year.

Sweta Jain: I will join back in the queue if I have more questions.

Moderator: The next question comes from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Two questions. The first one is could you explain the dynamics around the sequential EBITDA margin declined from 18.2% to 17.8% in Q2. We have seen the cell production has increased sequentially by almost 300 megawatts, and there were more local US sales versus exports from India. So, what is really driving this reduction in sequential EBITDA margin?

Abhishek Pareek: Sure, Sumit. So, if you compare Q1 versus Q2, apparently, there is little dip in the overall EBITDA margins. But if you look at what has changed in Q2 versus Q1, in Q1 there was some refund from the US duties that was recorded, leading to an overall EBITDA of 18% plus.

However, on like-to-like basis, if you look at both the quarters and compare what has changed, you will see there is significant jump in the EBITDA margins without considering the refund income, owing to higher utilization of cell from around 800 megawatt a quarter back to more than 1.1 gigawatt in this quarter, supported with additional volume from the US module factory increasing utilization from 60% to 70% plus this quarter. And of course, going ahead, we are still expanding the utilization of both cell as well as module in the US from existing facilities.

Even if you look at the new capacities in US which are going live, 1.6 gigawatt in this quarter, another 1.6 gigawatt in the next quarter, is going to support our supplies as well as margin. Because in the US, when you supply a panel against every watt peak of supply, we get around 7 cents of the incentive. So that adds up on the overall operating margins as well. Plus the 5 gigawatts of cell capacity in India going live in Q3 this year and additional 5 gigawatts of cell capacity in India going live next quarter. So, entire 10 gigawatts of cell capacity in India shall also help us to use more owned and manufactured DCR cell instead of buying out DCR cell from markets and then producing DCR modules and then shipping out. So, these three put together are the factors and the engines that we are looking at in next two quarters to expand our margin profiles.

Sumit Kishore: Very clear. So the related point is that the tariff refund, which is mentioned in point number 6 of note to account, was Rs. 349 crores in Q1, and that figure has moved to Rs. 360.4 crores in Q2. So, should we interpret that this Rs. 11-odd crore has been recognized in Q2?

Abhishek Pareek : Yes, exactly.

Sumit Kishore: And that could be adjusted from margin to look at the underlying margin performance?

Abhishek Pareek: Yes, that is a pure-play margin this time with hardly any investment or hardly any income from the refund portion. From that perspective, there is a significant jump in the margin profile overall.

Sumit Kishore: And given you have reiterated your EBITDA guidance of 70 to 77 billion and the first half has been around 27 billion plus, so would it be fair to assume, given the cell capacity that you had now would take some time to stabilize, there is going to be a lot of punching in Q4?

Abhishek Pareek: So, partially yes, because the existing cell capacity is at around 81% in Q2, and considering the ramp-up which has already happened, I think we are at around 90% plus already running in the existing capacity. So there is 9% to 10% of improvement in output from the existing facility, giving more than 100 megawatts of additional cells this quarter, plus the new facility of 10 gigawatts will take some time to ramp up, but the 5 gigawatts going live this quarter shall give reasonable quantity of volumes in Q4.

You should also add in the additional volume from the US facility which is going live this quarter, 1.6, and another 1.6 in next quarter. So, yes, Q4 shall be heavy, Q3 shall also be loaded.

So, H2 overall shall be around 55% to 60% of the overall EBITDA guidance is what we are looking at.

Sumit Kishore: So this new capacity, so module and cell should be able to operate at what, 30%-40% utilization? In Q4, 30%?

Abhishek Pareek: Yes, so module will be much higher, but cell you can assume around 30% to 40%.

Moderator: The next question is from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: So, my question is related to the FY '28. You had given all module, cell, BESS, inverter, transformer capacities expansions. So, can you give us some indication, like, how much of the revenue contribution for FY '28 is going to be from the BESS or inverter, transformer, which are the new businesses where the capacities are coming in?

Abhishek Pareek: So, Praveen, if you look at our investment in all of these verticals, most of the capex are getting completed this year except the second phase of battery, which is 16.5, which is under planning stage. And the glass, which is in the planning stage, ingot-wafer of course.

But most of these investments are starting to give their revenue as well as bottom line starting from Q1 FY '28. So throughout FY '28, we shall be seeing both the support from these new investments including transformers, T&D, new facilities of cell, electrolyzers, inverter.

As a percentage of overall revenue, we have not given a guidance so far how much will come from this, but I can help you out with that, where directionally are we moving. Solar panel module business always happened to be around 95% to 96% of our revenues few years back. It has come down to around 80% to 85% recently.

Going ahead, it seems that with the higher growth in newer business verticals where we are investing around Rs. 30,000 crores, over 2.5 years, the contribution shall rise from 15%-20% from these businesses to around 30% to 35% over next 2 to 3 years.

So in a longer range, solar business share of the total revenue in terms of percentage may come down, though absolute value will keep on increasing because of the higher utilization of volumes across Indian facilities as well as US facilities. So, 50% to 60% could remain the pure-play solar business revenue streams in long range, 2 to 3 years. Around 40% to 45% could be the range of revenue from these segments including the battery energy storage predominantly, plus the EPC and T&D businesses and supported by transformers, inverters, and electrolyzers. Hope this gives you some color.

Praveen Sahay: Yes, thank you for that. Just to further on this question, the BESS facility, or especially the BESS cell capacity, which is 3.5 gigawatt-hour, what is the status? That is also going to be alive from the Q1 '28?

Abhishek Pareek: So the cell facility is expected to start its first cell out from Q4 this year itself. So in FY '28, we are expecting this line to continue to run on commercial basis.

Praveen Sahay: We have an order book related to BESS as well.

Abhishek Pareek: We have started to get the order book. Our order book includes some portion from the supply of energy storage products. However, as we speak, we are in discussion with multiple customers India and overseas, for our energy storage containers pack as well as export of cells from the facility. There are multiple discussions going around.

Moderator: The next question is from the line of Aritra Banerjee from Nomura. Please go ahead.

Aritra Banerjee: So, firstly, I have two questions. One is regarding the margin differential in terms of modules that are exported from India to the US and modules that are manufactured in US and sold directly in US So, what is the margin differential within these two products?

And secondly, also, as per recent news, like, if China restricts technology transfers, then do you expect any disruption around commissioning plan of your wafer and ingot plant? And also regarding BESS plant commissioning, do you envisage any delays or any disruptions in those segments? Those would be my first question.

Abhishek Pareek: I will take up the first question of margin difference in export versus the local manufacturing in US I think in previous calls also we have guided that an export of module from India gives us a broadly EBITDA range per watt peak basis of 3 to 4 cents at least. While if you manufacture the same panel, let's say currently we are manufacturing the panels in the US, we are getting the operating margin of around 2 to 3 cents at utilization factor of 70% above, plus there is underlying 7 cents of EBITDA margin which adds up to it. So, overall level, there is a sense of 8 to 9 cents of EBITDA margins on this business at utilization factor of 70% plus. While we have already achieved that 70% mark, I am happy to share that the operating leverage of our existing facility plus the new capacity at same location is really giving us very positive signals of operating leverage from the US facility. So that clears out the margin difference between exports and local manufacturing in US

Jignesh Rathod: For China policy, as we have secured all our equipments in for cells as well as batteries, there is no impact. Ingot wafer also, the order and everything is being secured, so there is no impact.

Aritra Banerjee: So just one clarification. So basically, if you include the IRA benefits, so then basically you are saying the margin that can be realized from modules manufactured and sold in the US can be higher than the modules exported from India. Will that understanding be correct?

Abhishek Pareek: Yes, I think it will be more than double of export margins.

Aritra Banerjee: And just one extension to that question. So, this quarter we have not booked any IRA benefits, right? Or have they booked and if you could give some clarity on that?

Abhishek Pareek: No, of course. So, since IRA is a cash incentive, we keep on booking IRA against our dispatches, and we are also selling these IRAs. And at various stages, we are selling these IRAs to other customers also.

Aritra Banerjee: So, basically numbers that we have reported, that had some contribution from the IRA benefits as well, right?

Abhishek Pareek: Of course, that is what the business model of US is all about.

Aritra Banerjee: And just sir, one last question regarding the pricing trends that you have seen. So, if you could create some color on the DCR module prices and the non-DCR module prices in the domestic market. And do you see any further competitive pressure and decline in the prices in the coming quarters? If you could give some clarity on that, please.

Jignesh Rathod: Naturally, as the capacity is continuously ramping up now, the solar cell facilities is close to 40 gigawatts, and next two quarters it will be around 60 gigawatts. So, naturally, some price correction will happen, but it won't affect much because of our franchisee businesses which directly uses into the installations and not the pure-play trading of the modules. So, we are not seeing much effect of it. We have already factored in our business model this.

Abhishek Pareek: Also to clarify on the price differential between DCR and non-DCR, like currently, there are two different segments and two different pricing of these segments. For example, if you look at DCR, a price range for a utility on spot is around, let's say, 20 to 21 cents, for retail around 23 to 24 cents. Forward pricing for next year is looking at around 17.5 to 18.5 cents versus retail price of around 20 to 21 cents.

So, there is a price delta which you get if you are working and distributing pure-play in retail versus utility. But in both the segments, we are looking at broadly price correction for next year FY '28. However, the ones who have already ramped up the capacity, utilized at higher level, preserving the operating leverage, shall continue to get the benefit of economies of scale.

Aritra Banerjee: Very clear. Those are my few questions. Thanks for answering them and all the best for the coming quarters.

Moderator: The next question comes from the line of Shubham Borade from ICICI Securities. Please go ahead.

Shubham Borade: So I have two questions. First one would be, what is the status of Ingot and Wafer Plant? And when do you think that the capacity will be up and running?

And second would be, why the EBITDA under subsidiaries are very low despite good revenue of Rs. 22 billion?

Jignesh Rathod: Ingot and wafer plant is progressing well. Construction is under progress as per the plan, and it will up and running as per our given committed dates.

Abhishek Pareek: In fact, we have given some photographs of the manufacturing facilities under construction as well. You can refer the presentation within the progress of Nagpur ingot and wafer facilities is also there.

Shubham Borade: So what is your committed timeline regarding the same for the plant?

Abhishek Pareek: So around September next year. September 27 is what we are envisaging as date of commercial production starting for Ingot and Wafer Facility of 10 gigawatts. That is what has been our commitment also. Yes, it is also early.

Abhishek Pareek : So on the margin, I think I will take up the second question.

Shubham Borade: No, no, not margin. Why the EBITDA under subsidiaries is very low despite higher revenues? Consolidated minus standalone, that way.

Abhishek Pareek : Okay, talking about the listed subsidiary.

Shubham Borade: Yes.

Abhishek Pareek: I think, the same has been taken up in the earning call of the subsidiary company which is listed. But broadly, I can give you a sense since there has been an acquisition of T&D entity under the subsidiary, while subsidiary operates around 17% to 18% EBITDA standalone. The T&D business in general gets 10% to 11% of EBITDA. So the blended margin of the EPC pure-play renewable plus the T&D is working around between 14% to 15%. I think the blended margins were broadly in the range of 14%-15% for the subsidiary. But the volumes, because of T&D business being a very large chunk, chunky business are bound to look at much larger order books that the subsidiary is chasing now.

Moderator: The next question comes from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.

Kaushal Sharma: I just want to understand or get an update on your solar glass facility. Like, you have targeted to spend around Rs. 3,900 crores, out of which Rs. 360 crores has been spent. So how much is spent on the land and how much is on the equipment? And when are we expecting to commercialize this facility? And where is this facility located as of now?

Abhishek Pareek: So if you look at our presentation, we have given these spent amounts which we are referring to. Broadly, the spent as of now has happened on the land acquisition, the filling and the related EOPs, etc. We are in discussion with multiple partners for technology. Our expectation is that this facility should go live in FY '29. And we keep reporting the updates on this facility every earning call.

Kaushal Sharma: And so where we have procured this land, like the location?

Abhishek Pareek: In Gujarat near Navsari.

Moderator: The next question comes from the line of Prakhar Porwal from Singularity AMC. Please go ahead.

Prakhar Porwal: Sir, my question is on US facility. So, I just wanted to check what is the sales in US facility, because 3 gigawatt number you mentioned, is that total number or just India number?

Abhishek Pareek: So the 3 gigawatt number is a consolidated number, which includes the volume and supply from the US facility. In Q2, the revenue and supplies from the US facility was around 400 megawatts.

Prakhar Porwal: And out of this 400, 100 megawatt you would have purchased from some other OEM.

Abhishek Pareek: Yes, 100 plus is purchased and roughly around 300 megawatt is self-manufactured.

Prakhar Porwal: And secondly, can you throw some light on renewable power infrastructure business, I have seen you have also bid for some of the projects in IPP. So maybe some light on that business.

Abhishek Pareek: Sure. So as the name suggests, renewable power infrastructure, the business wherein we are looking, has very large potential of tapping in all the large customers across large C&I customers once. What are we exactly doing in this business? I will try to explain.

Like, we have committed around Rs. 3,250-odd crores of capital to this business. As we speak, we have got connectivity of around 10 gigawatts plus. We have got PPAs of around 2 gigawatts, which includes FDRE PPAs also of 700 megawatts of SECI, as well as other very high-rated PPAs that we have received in last 18 to 24 months of time.

We are also looking at overall land procurement for these projects long-term between 25,000 to 30,000 acres, which is under procurement. Since this is a business which requires skill set of EPC plus development break plus supply of capital goods, this is also acting as a channel sales for Waaree as a group.

We are looking at multiple infrastructure funds, the InvITs, as well as institutions who are looking out to create their own assets, but of course not greenfield, either mid-stage or post-development phase or shelf-ready projects into their portfolios. This business acts as supplies to all those projects with a commitment to supply the equipments, EPCs, transmission, transformer altogether from Waaree portfolio.

So, this comes as an additional channel sale for Waaree as well as give end-to-end servicing to our large pool of clients who doesn't have a mandate to take a risk on the connectivity either or land. So, we are catering to all large C&I customers, MNC clients and funds of fund who really can't buy out land and do the initial development risk as part of their mandates and portfolios.

Prakhar Porwal: Just one follow-up on that. So let's say, given there are some PPAs that you have signed of around 2 gigawatts, so you start building those projects. Meanwhile, you will seek for acquirers over whatever construction timeline. If at all there is no buyer till that time, you run that plant and then transfer it after commissioning. So that would be the model, right?

Abhishek Pareek: Exactly. But since these are high-yielding assets, especially the ones which are energy storage and FDREs, we already have pooled off clients to whom we are in discussion with to hand over these assets on a premium as well as keep supplying to these projects as turnkey solution provider.

Varun Goenka: For the benefit of everybody, this infrastructure business, what Abhishek explained, one, it creates a huge pipeline of orders for both our manufacturing services business. Second, it builds very close relationship with large infrastructure platforms that are coming up now. Sovereign funds, private equity funds, InvITs, annuity income asset generating, these financial instruments that are coming up. They are all looking at a single partner to solve for them land, connectivity, EPC, equipment supply, O&M, for them negotiation, having control over timelines, control over quality, and at the end IRR generation because of, whatever generation of units that is possible from depending upon the quality of plants.

So these funds are looking for a partner like Waaree, and Waaree is probably the only one to be able to do end-to-end manufacturing, service, and solving the grid connectivity, land issues. We are not looking to build it as hold-to-maturity annuity assets. We are looking to have minority equity at most in this, but it feeds into our other manufacturing and services. Eventually these assets can be sold off the books once fully commissioned and seasoned a bit. That would be additional capital gain apart from the manufacturing and services opportunity.

Moderator: The next question comes from the line of Nitin Kaushik from Afin Capital Private Limited. Please go ahead.

Nitin Kaushik: Sir, in the last con call, at the end you mentioned an ambition of reaching Rs. 1 lakh crore top line in, let's say, 4 to 5 years. So, how would it be achieved and what portion of it would come from solar business and new business segments like BESS and inverters, etc.?

Varun Goenka: I think in the previous question, Abhishek did explain to someone how the business will evolve over the next 3-4 years. Close to 45-odd percent would be solar. You can assume this entire 29 gigawatt to do 20 to 22 gigawatts of module production. This includes, of course, India and solar. Backward integration is cell and wafer, so that is not counted in the solar revenue.

Then you have the next business segment, which is going to be large, is EPC. It is a listed entity, so you have all the information. Now you have the merger of acquired entity in that.

Third being battery energy storage. Large plans there. Transformer, inverter, electrolyzer, and the RE power. All put together, approximately 50% of the business can be non-solar over next 4 years, even though everything is complementary and adjacencies of solar itself. These are not

independent and parallel businesses like solar plus BESS is now selling together. The whole industry has moved away from plain vanilla solar to FDRE, RTC hybrid plants. So solar plus BESS is together.

Similarly, inverter is going into our solar kit also, which is part of our solar business. And eventually we will have utility-scale inverters also. So, all in all, in next 4-5 years, we are looking at almost equal contribution from core module and non-module business.

Nitin Kaushik: So, sir, considering all these new segments being around 50% of the entire business, this Rs. 1 lakh crore target seems achievable, right?

Varun Goenka: Yes, absolutely. If you do the math, even ballpark, let's say around 20 gigawatts of module production, you can do your realization. That will itself become Rs. 40,000-45,000 crores of solar business. And I don't want to go into further details, but it's quite easily that you can reach Rs. 90,000 crores to Rs. 1 lakh crore revenue if you total up all the business segment capacities, take a conservative utilization of 75-odd percent, and you should be able to reach anywhere close to Rs. 90,000 crores to Rs. 1 lakh crore revenue in this. And there will be some new business segments also, some M&A contribution also in this over next 4-5 years.

Nitin Kaushik: And sir, also what kind of utilization are you expecting.

Moderator: Sorry for interrupting, Mr. Kaushik. Sorry for interrupting you in the middle. Please rejoin the queue for more questions.

Nitin Kaushik: Okay.

Moderator: The next question comes from the line of Sourabh Arya from Oaklane Capital Management LLC. Please go ahead.

Sourabh Arya: So, first question is actually on your data center announcements. So could you explain in detail what exactly we will be doing? Will we really be getting into colo business? Or we will limit ourselves to only supplying the power?

And second is then, overall, how does it fit in our overall capital allocation strategy? How much capital we are thinking to allocate to data center business? Because if we see Waaree 2.0 capex plan which you have shared, in that, of course, there is no mention of that.

And second question is on retail business. So within retail, of course, now it is 46% of sales. So, if we do the reverse maths, that market, which market size which has been given in presentation around 3.3 gigawatt of retail, and assuming 1.1 gigawatt of all your DCR cells went into that, so are we trying to say we have 33% market share in that particular market, or retail business includes non-DCR and maybe inverter sales and maybe some other portions? So, if you could divide that, that will help us connect it better.

Varun Goenka: Two very sharp questions, Sourabh, and you are always well informed. Just on the data center, for the benefit of everybody, first, the relevance and complementary, how it is fitting into Waaree and why is it a business focus. First, most data centers in India or globally have announced minimum 51% renewable energy integration. In fact, most policies around data centers, most data centers have the regulations which need them to have minimum 51% renewables.

To give you an example, 1 gigawatt of data center requires close to $8 billion of capex, out of which $2 billion would be towards the power infrastructure, $1 billion towards the core generation asset, and $1 billion towards the grid related infrastructure. So, data center is directly leading to renewables business in the entire value chain, and power actually is needed to begin with first even before the GPUs or the tokenization engine begins, right?

So, that is the first, relevance of data center business. Power is one of the largest OpEx costs, and also in terms of capex, it is an early cycle capex in the whole data center capex.

Now to Abhishek over on what are we intending to do, infrastructure and EPC. So, by the way, This Rs. 3,200 crores RE power infrastructure commitment includes any kind of annuity or any kind of such assets, right? It is not over and above. Yes, Abhishek, if you can add to that.

Abhishek Pareek: I will re-emphasize what Varun just mentioned, that capital allocation, of course, is the key. Even in the presentation, if you look at 3 categories in which capital has been mentioned out there, one which is deployed, the one which is under deployment, and the one which is in the planning stage, right?

If you look at the total cash balance as well as liquid investments that we are holding as of September 26th, I think we are almost in the cash for entire under-construction facilities as we speak. This number itself gives the confidence that the under-construction facilities of Waaree, other than under planning, are sufficiently funded from the existing cash balance. Over and above, over next 6 months, whatever we earn plus FY '28 earnings will create another moat of cash balance to take on the projects which are under planning.

Now to comment the second question on retail business, I have given some color on it. I will try to throw some light.

Varun Goenka: Just one point on data center, the kind of renewable capacity that is needed, for every 1 gigawatt of data center, you require 5 gigawatts of solar, you would require 4 to 5 gigawatts of BESS, and another close to 3 to 4 gigawatts of wind, right? Because I think latency or pure power, hybrid, RTC, you all know that. Renewable investments is one of the largest, I think I have already shared the data points with you. Yes, on the retail, part.

Abhishek Pareek: As you rightly pointed out, that the retail number, if you back calculate, will give a mind-boggling number that Waaree's overall share in the scheme of thing of retail is around 30-odd percent is what we also see and with the newer franchises getting onboarded, with the additional products that we have launched recently in past like inverters, etc., plus new products which are

recently launched like batteries, small batteries for rooftop, C&I batteries, all of these put together will keep on increasing our wallet share on the retail front.

So it is not just a supply that we do, it is not just a channel anymore, it is a business in itself where we are increasing the bandwidth of projects, of the products that we can supply. We are also enhancing the capabilities of serviceability which can happen from these franchisee networks. We are equipping the network with the digital infrastructure underlaying to service these contracts.

Even if you look at the data, you will see that the installations by Waaree franchises across the country over last 15 to 18 months of the PM Surya Ghar Yojana, I think the number is almost 3 to 4x of the nearest competition in terms of the number of roofs that have been touched upon. I think that itself speaks of the velocity of this business unit at which it is going.

Varun Goenka: Sourabh, all of this market share data again, might be why because Waaree is selling integrated products, a whole kit, whereas a lot of other people are selling modules to EPC integrators and they do the BOS. So, there would be various methods, and then there is an off-grid market also sometimes which is sometimes not captured.

But to cut the long story short, in terms of market potential, first, Waaree is looking at this business becoming multifold from here, given more and more increase in SKU value. Earlier it was 1.5 kV which was the standard, now even 3.5 kV is really selling well. Second, battery integration. Third, grid-forming inverters or hybrid inverters would be needed to have battery integration in rooftops. There is a very big traction from C&I in rooftop, either for warehouses or for small factories, and they get tax benefits which are very good. So, rooftop is a very large business in making.

Sourabh Arya: Perfect. This is really helpful.

Varun Goenka: In China, by the way, last year, 120 to 150 gigawatts of distributed solar was installed. This includes basically non-utility. In India, we are still at barely 15 gigawatts.

Sourabh Arya: Yes, it is very encouraging actually, having 30% market share, which is very tough to crack and requires very different mindset than selling only modules. Really appreciate this answer.

Moderator: The next question comes from the line of Abhishek, who is an individual investor. Please go ahead.

Abhishek: First of all, thank you so much, sir, for interesting set of numbers in spite of increasing competition in the market. Sir, I have one simple question. We had announced Ingot and Wafer expansion at an estimated capex of around Rs. 6,200-6,500 crores. Does that number still behold, or are there any changes in that number, sir?

Jignesh Rathod: Still stays there. No change.

Varun Goenka: capex is Rs. 5,500 crores, which is announced.

Abhishek: Rs. 5,500 crores, right?

Abhishek Pareek: Yes.

Abhishek: And, sir, I believe, you rightly mentioned before also, Rathod sir mentioned that the ordering of all the equipments is in place, so we are not in the risk of facing any restriction in terms of China supply, correct, sir?

Jignesh Rathod: Yes, sir.

Abhishek: So, sir, we estimate that September 27 is the deadline for Ingot and Wafer startup. But if I rightly understand the ALMM III policy, which has been announced by Ministry, that is going to take effect on June 28. So, do we see any improvement in margins after the commissioning of our ingot and wafer line, especially in terms of wafer pricing, etc.?

Jignesh Rathod : The policy, there is a correction also. Whichever is earlier, government has given mandate of X amount of capacity, whichever is earlier. 15 gigawatt if country has, then it will be earlier.

Abhishek: And sir, in terms of BESS manufacturing capacity, BESS and when I am looking at the photographs of the project site which are published on the presentation, it is very interesting to see, sir, how the cell manufacturing facility has grown up very fast, whereas if I look at ingot wafer, the foundation works of ingot wafer factory are still going on. So, we still believe that in next one year, we will be able to complete entire ingot wafer facility, right, sir? I am just referring the photographs which are on page number 18.

Jignesh Rathod: Yes. So, ingot-wafer civil is 70%, rest normal civil is hardly 20%. So, there is a fundamental difference in this facility.

Abhishek: And Sir, BESS Rola facility pictures that we posted that is on the official presentation, this itself will have these battery cell manufacturing facility, right, sir?

Jignesh Rathod: Yes, sir.

Abhishek: And that is expected to come up in Q1 '28, if I am not wrong. Q1 FY '28?

Jignesh Rathod: Q4 we will start.

Abhishek: Q4 you will start. Great, sir, great.

Varun Goenka: Just on the Ingot Wafer policy, I will just quickly mention. Yesterday, DAC, The Defense Council approved over Rs. 2 lakh crores of procurement and with more than 80% India procurement. I think the signals from the government is very, very clear. The new energy value

chain again is the highest priority. So, government is pushing towards more and more localization of the entire value chain.

Module has already happened. Cell will happen over the next 12 months. Ingot wafer is the next priority. Battery is the next priority. Polysilicon, of course, the intent has been announced. And Waaree is at the forefront of both backward and horizontal integration ahead of these regulations coming in. Inverter also has been announced in terms of localization. Very, very big opportunity opening in terms of import substitution plus domestic demand.

Abhishek: Absolutely, sir. Absolutely. And sir, when we look at ingot wafer market, especially the US market after Section 232, do we believe that our tie-up for polysilicon sourcing from Middle East would help us in getting any advantage in the US market for selling our wafers in US market too?

Jignesh Rathod: Yes, that's on the plan.

Moderator: The next question comes from the line of Amit Bhinde from Axis Capital. Please go ahead.

Amit Bhinde: So, a few questions on understanding the revenue better. Can you help us with the mix of module and non-module component in the retail sales revenue? One.

Second, approximately if you can give us the kind of realization that you have had on the non-DCR and the DCR module sales in India, and also in the US And one more question I have on the balance sheet side, if you can explain the movement on other financial liabilities and other current liabilities? So, those are my questions.

Abhishek Pareek: So, I will take the first question, module revenue versus other revenues in the retail chunk. Majority of revenue, in fact, more than 92%, is approx module from our side. Balance is inverters and other products in the kit. Going ahead, since the contribution of battery storage and inverter is increasing, we will keep seeing this ratio coming towards favoring other components other than module in the quarters to come.

Amit Bhinde: The second was on the approximate realization. Approximate realization on non-DCR, DCR, and the US sales.

Abhishek Pareek: So, DCR versus non-DCR, I mentioned the DCR realization on spot basis for retail as well utility. Utility around 19 to 20-odd cents spot basis, for retail around 22 to 23 cents. On non-DCR front, the pricing for utility remains around 12 to 12.5 cents, for retail around 13.5 to 14 cents. So that is the differential pricing in the non-DCR in retail versus the utility.

For USA pricing, there are two types of contracts. One, those contracts which require the supply from within the US facility itself versus the exports. Like exports, we were doing at around 25 cents to 26 cents FOB basis. For local product in US, made in US, the pricing is between 29 cents to 30 cents. These two were before 232 announcement.

Now post-232 announcement, the pricing has changed altogether. Going ahead, the pricing of import of panels in US through exports from India or from any other source will be basis the minimum import price, which is 38 cents of module plus 15% duty, which converts to around roughly 44 cents of the landed module price in US against 27-28 cents of landed pricing modules right now.

Similarly, the local manufactured and locally sourced cell from the US market, the product price is around 2 to 3 cents higher, which is around 46 to 47 cents with the local content of cell in US versus the current price range of 33 to 35 cents.

Amit Bhinde: And on the spreads, if you can give some idea.

Moderator: Sorry for interrupting, Mr. Bhinde. Please rejoin the queue for more questions.

Amit Bhinde: Part of my question, I had one more part of my question on the balance sheet side.

Abhishek Pareek: I will take this up. So like DCR, non-DCR, I will take up first. For utility, of course, the pricing is very competitive, highly competitive. The margin or the delta ranges around 1 to 1.25 cents on a watt peak basis. Or similarly, on the retail front, the margin and the pricing is better, so ranging is around 1.5 to 2 cents per watt peak basis including network cost. On the DCR front, the margins are between 7 to 8 cents.

Amit Bhinde: On the balance sheet part, the financial liability.

Abhishek Pareek: What is your exact question? So, why the change in financial liability?

Amit Bhinde: Yes, there's been a large movement in the other financial liability and other current liability. Just wanted to understand whether the payable towards capital goods or what exactly is moving over there.

Abhishek Pareek: If you look at our cash flow, you will see that our operating cash flow has grown substantially high. But because of the investment activity, investing activity, there is a lot of deployment as well, right? So, out of this deployment, there is a significant portion which is advanced towards the capital goods, which will get adjusted this year because the large pool of capital projects which are completing this financial year. The majority of increase in this liability is owing towards the capital good advances.

Moderator: The next question comes from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: So, just one clarity, is it clear what happens with ADD and CVD after Section 232? Say, for example, if it is imposed on India, what happens to that? Is it over and above or is it excluded?

Abhishek Pareek: Sure, Dhruv. So ADD and CVD, the way it has been mentioned and has been written, seems that it will be over and above. However, given the fact that the ADD and CVD in US on import of

goods from India is decided basis where the cell is manufactured. If we use India-made cell and manufacture panels in India, export to US under 232 scenarios, we will be subject to minimum import price, of course, of 38 cents plus 15% duty plus 18% CVD over and above.

However, neither in past nor currently we have used Indian-made cell for export to USA What we do is, we import cells from the countries which is allowing US from non-Chinese sources, FEOC compliant. We get those cells in India, manufacture panels, and then export. Since we are not using Indian cells, we are not subject to AD/CVD in US at all.

However, as others remains exposed to MIP, the product from India will also subject to MIP of 38 cents plus 15% duty in US going ahead. But of course, no impact of AD/CVD if you use non-Indian cell.

Dhruv Muchhal: Two quick questions.

Moderator: Sorry, Mr. Dhruv for interrupting. Please rejoin the queue for more questions. The next questions come from the line of Anup Goswami, SUD Life. Please go ahead.

Anupam Goswami: Sir, if you can give a little breif on the demand scenario right now into various categories- rooftop, C&I, and the utility scale, of course, the kind of run rate we saw earlier, how do you see it, the current run rate, and going forward, where do you see it?

Varun Goenka: No, so at the beginning of the, Jignesh bhai did cover industry conversations, so I will just give you, last year India did around 38 gigawatts in total. But if you look at segmental data for this year, residential plus C&I rooftop, Q3 was 3.3 gigawatts and Q2 was 4.4 gigawatts. So, on an annualized basis, it is already north of 15 gigawatt or closer to 15 gigawatts. And in terms of utility scale, it is at 12 gigawatts for the last quarter or so, on an annualized basis, closer to 25 gigawatts. So yes, and this is all on AC, so you have to multiply it by 1.3, 1.4 to arrive at the DC capacity demand. All in all, around 60 gigawatts, 55 to 60 gigawatt demand is what is annually India doing.

But the government is really signaling towards pumping up this to much higher from the rooftop segments. If you see new PM Surya Yojana regulation is in the works just around the corner. All government buildings, all government institutions are also getting pushed to adopt solar rooftop.

Anupam Goswami: And since these numbers.

Moderator: Sorry for interrupting, Mr. Goswami. Please rejoin the queue. The next question comes from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: So just clarity on the question asked earlier, the other current liabilities in cash release from other current liabilities that we see in the cash flow, Rs. 2,300 crores, that is on account of what?

Abhishek Pareek: So, as we have received a good amount of orders in this quarter, we have disclosed few and the smaller ones as per policy. Overall increase from advances from customers has gone significantly high, and hence this increase in the other current liabilities of contracts.

Dhruv Muchhal: Perfect. So this will primarily be US or even India?

Abhishek Pareek: This includes both India as well US

Varun Goenka: So, Dhruv, retail business does drive.

Dhruv Muchhal: So the retail business works on, I thought cash and carry, or I mean, even there are upfront, advance payments also?

Abhishek Pareek: There are around 10% to 15% of advances, but the bigger chunk of the advances of course comes from the utility ones, both in India as well as overseas. We have also announced, I think, single 2 gigawatt order which we will receive. Then also we are receiving a good amount of advances.

Dhruv Muchhal: And last quick one is on the retail revenue. You disclose the revenue. Is it also possible to convert it to what it implies on megawatt basis, module-wise?

Varun Goenka: I think we will try and do that subsequently. But yes, because Waaree is trying to move from just module to the entire US, also. But yes, we will just look into that in terms of if we can give some kind of. What will happen is, it will create a little bit of confusion. If you just give a gigawatt, people will try and arrive at the realization, but that realization would not look right.

Dhruv Muchhal: Perfect. No worries.

Moderator: The next question comes from the line of Siddhi Soni from Hansa Financial Consutant. Please go ahead.

Siddhi Soni: Sir, I understand that you mentioned that 40%-45% of our revenue would come from other businesses in the coming year. So, I want to specifically understand about the BESS segment. Can you draw some more light on that?

Abhishek Pareek: So, on BESS, there are two phases of the project as a whole. First phase is 5.1 gigawatt container manufacturing plus 5.1 gigawatt of pack manufacturing, followed by 3.5 gigawatt-hour of cell manufacturing. We commissioned the container last quarter. This quarter we are expecting the pack to go live, and next quarter we're expecting cell to start production on pilot run. So, entire integrated line is expected to start in current financial year on the phase 1.

For phase 2, we are planning and we have finalized the location for the same. However, on the battery portion, second phase, we are going to increase or put up money once we get more clarity on the policy fronts and/or we get more orders from the overseas customers.

In terms of understanding of broad revenue and growth potential from the business, for the mental maths, you can simply take the average of around $100 per kilowatt-hour, which is the broad pricing for the utilities currently. So that you can use to arrive at the potential of revenue from the vertical.

Maybe you can consider 5 gigawatt-hour of the phase 1 and multiply by $100 is what you get revenue at peak, around $4,000 to $5,000 crore of revenue. If you sell container. And if you wish to sell cell separately and use imported cell for container locally, you can further top up the revenue with incremental revenue from direct sales, supplies, and exports.

Similarly, Phase 2, 16.5 gigawatt cell and 15 gigawatt-hour of container can give you another revenue potential of Rs. 14,000 crores to Rs. 15,000 crores. So, put together, at the capacity of 20 gigawatt-hour, it can be business ranging its revenue from Rs. 18,000 crores to Rs. 20,000 odd crores.

Siddhi Soni: Sir, currently do we have any orders for this segment?

Abhishek Pareek: We are starting to receive orders. Those order sizes are small, but we continue to build the order book. We are in discussion with multiple large clients in India, overseas for long-term term offtake agreements.

Moderator: The next question comes from the line of Abhishek Kansara from Axia Asset Management Private Limited. Please go ahead.

Abhishek Kansara: My question is on the line of inverters and transformers. So my question was around the inverter, transformer and the electrolyzer capacity that we are coming up in this year. So, what sort of revenues and margins can be there from these three businesses?

Abhishek Pareek: The total these three business put together we have committed capital of roughly around 1,200 odd crores in transformer, electrolyzer, and inverter. Inverter has already started 4 gigawatt production. Transformer also the existing asset has started production, and the incremental capacity will also go live by March.

Ballpark revenue from these three units and product put together could be around Rs. 7,000 crores to Rs. 8,000-odd crores. EBITDA margins are different in these 3 streams. Like for inverter and for transformers, we are expecting EBITDA of around 18% to 22%. For electrolyzers, the expectation is around 13 to 15%.

Abhishek Kansara: Okay. That answers my question. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we have reached the end of question-and-answer session. I now hand the conference over to management for closing comments.

Varun Goenka: I will just add one point across the board that we were seeing a lot of industry questions, how industry structure is changing or evolving. I think, one thing is very clear, driven by regulations, driven by operating efficiencies, any player with maybe less than 10 gigawatt scale or subscale, not having backward integration, not having horizontal integration, is poised to, I would say, not be, well positioned for future.

With for now ingot and wafer policy coming. The capex per gigawatt of ingot wafer is very, very large and minimum capacities of 5 or 10 gigawatts in ingot wafer. So very, very few players will be able to and industry will consolidate, look at consolidation over the next 2-3 years. But over to you, Jignesh bhai, to add more.

Jignesh Rathod: Thank you, everyone. Thank you so much. Keeping the trust in Waaree, and let's achieve the goals.

Abhishek Pareek: Thank you.

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