October 28, 2025

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

Sub: Transcript of the Analysts/Institutional Investors Meeting / Call on Unaudited Financial Results for the quarter and half year ended September 30, 2025

Dear Sir/ Madam,

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, 2025 held on Friday, October 17, 2025 at 12:30 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: 2025.10.28 11:53:23 +05'30'

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

“Waaree Energies Limited

Q2 FY '26 Earnings Conference Call”

October 17, 2025

MANAGEMENT: **MR. AMIT PAITHANKAR – WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER – WAAREE ENERGIES LIMITED**
MS. SONAL SHRIVASTAVA – CHIEF FINANCIAL OFFICER – WAAREE ENERGIES LIMITED
MR. ABHISHEK PAREEK – GROUP HEAD FINANCE – WAAREE ENERGIES LIMITED
MR. NEERAJ VINAYAK – VICE PRESIDENT – INVESTOR RELATIONS –WAAREE ENERGIES LIMITED
MR. ROHIT WADE – GENERAL MANAGER - INVESTOR RELATIONS – WAAREE ENERGIES LIMITED

MODERATOR: **MR. PRATHMESH PARAB – 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 star, then zero on your touch-tone phone.

I now hand the conference over to Mr. Prathmesh Parab from MUFG Intime India Private Limited. Thank you and over to you, sir.

Prathmesh Parab: Thank you, Iqra. Good afternoon, everyone, and welcome to the Q2 FY '26 earnings call for Waaree Energies Limited. From the management, today we have with us Mr. Amit Paithankar, Whole-Time Director and Chief Executive Officer, Ms. Sonal Srivastava, Chief Financial Officer, Mr. Abhishek Pareek, Group Head Finance, Mr. Neeraj Vinayak, Vice President, Investor Relations, and Mr. Rohit Wade, General Manager, Investor Relations.

Before we proceed with this call, I would like to give a small disclaimer that this conference call may contain a certain forward-looking statement, which are based on beliefs, opinions, and expectations of the company as of date. A detailed disclaimer has also been given on the company's investor presentation, which has been uploaded on the Stock Exchanges. I hope you all had a chance to go through the same.

Now, I would like to hand over the call to Mr. Amit Paithankar for his opening remarks. Over to you, sir.

Amit Paithankar: Thank you very much. Good afternoon, ladies and gentlemen. Thank you for joining us for the Q2 FY '26 earnings call of Waaree Energies Limited. I shall be referring to the presentation that has been uploaded on the Stock Exchanges yesterday. If you have the presentation handy, it will be helpful to follow the conversation.

Let's start with slide number three. Waaree Energies Limited has delivered yet another record-breaking quarterly performance. Our revenue for the quarter has recorded a growth of 70% year-on-year. EBITDA grew 155%, and PAT for the quarter grew 134%, setting a strong tone for the fiscal year ahead.

Our total module capacity has touched ~18.7 gigawatts, and our cell capacity is now fully functional and operational at 5.4 gigawatts, the largest cell manufacturing facility of its kind in India. Our order book continues to be strong at INR ~47,000 crores as of September 30, 2025.

We will talk more about our capex program as we move forward in the presentation. But we are on track with all of our projects and maintaining a very healthy ROCE and ROE of 41.8% and 34.8% respectively.

Moving to Slide number 4, which highlights our performance for the quarter with highest ever module production of 2.6 gigawatts. Our cell production for the quarter stood at 0.6 gigawatts. The production is ramping up, and we expect it to further improve in the second half of the year. We already spoke about order book and it stands roughly at 24 gigawatts, of which

approximately 60% is overseas and balance 40% is domestic. Our order pipeline remains healthy at 100+ gigawatts. The revenue contribution of the domestic market was 53% for the quarter.

On Slide number 6, we talk about demand. This is where our confidence truly stems from. The demand of solar panels remains exceptionally robust, supported by strong policy tailwinds and accelerating capacity additions both in India and globally.

India's solar capacity is projected to move more than double from ~127 gigawatts to around 280 gigawatts by 2030. Lot more solar farms and solar projects need to come up to reach to that number. The momentum is clearly visible. In H1 2026, India has already added ~22 gigawatts of solar capacity.

GST cut from 12% to 5% is expected to reduce module and component prices, improving affordability and driving stronger customer demand. Several states are pushing solar adoption aggressively, notably Uttar Pradesh and Maharashtra, which have announced strong incentives under PM Surya Ghar and PM Kusum Yojana.

The regulatory environment continues to be conducive with initiatives like extension of ALMM for cells since June 2026 and for ingots and wafers from June 2028, aiming further strengthening India's domestic value chain from ingots to modules and reduce reliance on imports. These measures, along with increased state level allocation under schemes like PM Surya Ghar and PM Kusum Yojana are expected to further boost domestic manufacturing and DCR adoption.

All of this taken together augurs extremely well for India businesses. Internationally, the US is also witnessing strong traction with solar capacity expected to reach nearly 500 gigawatts by 2030, supported by continuation of 45x tax credits. Demand for data centers in the US is projected to surge from 33 gigawatts to 176 gigawatts by 2035, driven by a rapid expansion of cloud computing infrastructure and AI infrastructure.

This exponential growth will significantly increase electricity consumption, creating strong opportunity for solar energy, the most cost effective and scalable source of power. And it will play a pivotal role in meeting the rise of this demand. Convergence of domestic and global growth factors reaffirm our confidence in the sustained expansion of solar ecosystem and Waaree is well positioned to capitalize that.

Moving to Slide number 7, I am pleased to mention that the Board has approved an interim dividend of INR 2 per share, reaffirming our commitment towards rewarding our shareholders.

To maximize the industry momentum, we have undertaken several key initiatives this quarter.

We have successfully commenced and commercialized an additional 2.75 gigawatts of module manufacturing capacity at our Chikhli facility. Our overall capex program continues with additional INR ~8,175 crores approved by our Board of Directors. We are augmenting our battery energy storage system capacity from 3.5 gigawatts hour to 20 gigawatts hours.

The electrolyser manufacturing capacity is being augmented to 1 gigawatt and the inverter manufacturing facility from 3 gigawatts to 4 gigawatts. We have also made three strategic

acquisitions. Smart meters are going to be extremely important components of renewable value chain and hence we have announced 76% stake in Racemosa Energy India. We have acquired 64% stake in Kotsons Private Limited, which marks our entry into the world of transformers. And recently, we have acquired solar manufacturing assets of Meyer Burger in the US, further strengthening our hold in this market.

On Slide number 8, we show continuing focus on adjacencies within solar value chain. Our investments in modules and cells are well established. We are now steadfastly moving towards ingots and wafers.

We already have a strong EPC and O&M presence through our subsidiary Waaree Renewable Technologies Limited. The energy storage business, as mentioned earlier, is being scaled up and we are actively adding other components of renewable energy ecosystems. As we build our integrated capability, Waaree is emerging as a comprehensive solutions provider for our customers.

Moving to Slide number 9, we show an updated view of our present and future capabilities. Our module capacity in India is now ~16.1 gigawatts, a ~2.8 gigawatts increase over last quarter. Our US capacity following the acquisition of Meyer assets now stands at 2.6 gigawatts. With this, our total module capacity stands at ~18.7 gigawatts.

We intend to operationalize the remaining module capacity expansion in FY '26 to take it to 26.7 gigawatts. Further, by 2027, we intend to scale up our cell capacity to 15.4 gigawatts and ingots and wafer facility of 10 gigawatts by 2027.

Slide 10 outlines our plans across adjacencies. Battery energy storage system, we said, will now be 20 gigawatts hour. Inverters will be 4 gigawatts per annum. First 3 gigawatts will be operational within this fiscal and remaining 1 gigawatt in the next. 1 gigawatt of green hydrogen capacity is expected to be operational in 2027. We have signed PPAs worth 413 megawatts and secured connectivity of ~6.1 gigawatts. All-in-all, we are making steady progress in build out of our broader energy portfolio.

Further, on Slide 11, we are speaking about new segments. The battery energy storage system industry, which is witnessing remarkable transformation globally and in India, is emerging as one of the fastest growing industries for us. With rapid renewable energy expansion, supportive government policies such as the PLI and viability gap funding and continuous advancements of battery technology, the sector is poised for exponential growth.

Global battery storage capacity is expected to grow fivefold by 2030, reaching over 1,800 gigawatts hour. In India, government's ambitious plan is set to develop 236 gigawatts hour of cumulative energy storage by 2032, and that underscores the strategic importance of storage. It is, therefore, the right time for Waaree to enter this important segment, and hence we are making an investment of INR ~8,000 crores in this area.

Slide 13 talks about our corporate social responsibility. At Waaree, we believe in contributing meaningfully to the society we live in. Our corporate social responsibility initiatives range from educational support, tree plantation drives, and cyclone relief efforts. We have supported

schools, educational programs befitting more than 8,200 students. Our partnership with IIT Bombay will train over 3,000 individuals in deep technology and advanced solar cell technologies, particularly the perovskite technology.

Through these initiatives, we are contributing to 13 sustainable development goals as defined by the United Nations.

On Slide 14, we can see that Waaree sustainability remains at our core. We are progressing towards net zero for Scope 1 and 2 emissions by 2030, and Scope 3 by 2040, through 80% or 100%, whichever is being allowed by the respective states that we are going to be in of renewable energy sourcing, improved process efficiency, sustainable supply chain practices.

We take pride in being the first Indian module manufacturer to receive EPD certifications. Our efforts have also been recognized globally with a Gold Medal for EcoVadis sustainability rating, reflecting our commitment to minimizing environmental impact and maintaining sustainability standards across our value chain.

With that, I now hand over to Sonal.

Sonal Shrivastava: Thank you, Amit. Good afternoon, everyone, and welcome to our Q2 & H1 FY '26 earnings call. I'm pleased to share the company has continued its strong growth trajectory and delivered yet another quarter of stellar performance. Let me now take you through the consolidated performance for the quarter.

Revenue for the quarter ended September 2025 stood at INR 6,227 crores, with a growth of an impressive almost 70% versus the previous quarter. We have reported an EBITDA of INR 1,567 crores for this quarter, of course, reflecting a very strong growth of 155% year-on-year basis. Our EBITDA margin has also expanded to 25.17% versus 17% year-on-year basis. Profit after tax stood at INR 878 crores versus INR 376 crores, year-on-year basis. Further, one point which I would like to mention is that in compliance with the minimum public shareholding norms, Waaree Energies has completed its divestment of about 88.2 lakh equity shares of Indosolar through OFS, and this has generated a profit of about INR 523 crores, and this has been classified as other equity in the consolidated balance sheet.

Now, looking at the H1 numbers, the first half recorded a revenue of INR 10,823 crores against INR 7,160 crores last year, roughly. EBITDA, of course, stood at INR 2,736 crores, reflecting another growth of 118%. EBITDA margin also expanded for H1 from 17.5% to about 25% plus, and the reported PAT stood at INR 1,651 crores.

Now, I will hand it back to Amit, please.

Amit Paithankar: Thank you very much, Sonal. Great set of numbers. Let's bring it home now, coming to Slide 19. It's a pleasure for all of us at Waaree Energies Limited to present yet another record-breaking performance. We have recorded the highest ever quarterly production of 2.64 gigawatts. Total income for Q2 has reached a record of INR 6,227 crores. PAT has touched the highest mark of INR 878 crores, and our order book is strong at INR ~47,000 crores, and that's equivalent to ~24 gigawatts.

All of our projects are progressing as planned. All-in-all, ladies and gentlemen, we reaffirm our FY '26 EBITDA guidance in the range of INR 5,500 crores and INR 6,000 crores.

I would like to seize this opportunity also to wish everybody a very happy and a prosperous, and importantly, a safe Diwali. With that, I hand it over back to Iqra.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Anupam Goswami from SUD Life. Please go ahead.

Anupam Goswami: Hi sir, congratulations on a great set of numbers. Sir, if you can give a light on how the realization trend has been, given now we are also moving towards ALCM, how the realization are you seeing right now, both on your cell and module, and a little touch on how it will affect our margins moving forward?

Amit Paithankar: Thank you very much, Anupam. I would love for Sonal to address this question.

Sonal Shrivastava: So, if you look at the results that we have shown, the margins continue to be stable, and they in fact are increasing versus the trailing quarter as well. And as we look forward, it is important to see that we are always managing Waaree at the gross margin level, because the input cost, as you know, also trends in the direction of the prices. So, the prices are going up, obviously some materials go up over a period of time. Maybe there's a small lag effect, but not really. And then if it's coming down, we also manage the sourcing in a manner that we would like to maintain our gross margins. So, on the gross margin level also, if you see the results, it is pretty much stable. In fact, it has increased also versus the trailing quarter. So, that's how we continue to monitor the margins or manage the margins. I mean, having good orders and sourcing back-to-back as much as possible, and looking at our manufacturing cost. That's point number one. Now, of course, looking at the orders, in Waaree, we like to maintain our segment mix, which is having retail segment and having export as well as the domestic market and EPC. So that very much is the goal. However, it can be a little different from quarter-to-quarter. And you will see the last two quarters, we have been pretty heavy on exports. But normally, it kind of tapers to around 20%, 25% and that's what we would like to keep, more diversified segment, so that we can manage the profitability accordingly.

Anupam Goswami: Okay. And ma'am, if you can also touch upon spread on the DCR, non-DCR and export?

Sonal Shrivastava: So, basically, DCR has higher margins than the non-DCR. And it is pretty much similar to the margins that we have in, let's say, the export market and what is happening is that we are just growing this segment. It was a pretty small segment, because we didn't have our own cells and now our own cells is ramping up. So, this segment will grow for us.

But certainly, from the normal segment, this segment does enjoy a higher margin. If we look at the normal segment, that's what we have said earlier. Just to give you a kind of a delta spread, it happens. Normally, I'm just giving you, if a segment has about 18% to 19% margin, this will typically be another 300 plus. That's the kind of spread we get, 300 basis points to 350 basis points plus.

Anupam Goswami: Okay. And ma'am, lastly, on the supply or the cells capacity that is coming, how do you see these prices and the realization going forward in the next year?

Amit Paithankar: So, next year, our expectation is that it will trend in the very similar direction as we are today. The demand and supply situation is not going to be dramatically different and the important change that is going to happen is from June 2026 onwards, ALMM for cells will kick in. That will have a positive impact overall on our business.

Moderator: The next question is from the line of Amit Mahawar from UBS.

Amit Mahawar: Yes. Hi. I just have two questions. First is, can you just help us understand the order book breakup between firm and frame? I just want to understand how much of the order book in export and domestic market is deliverable in 2026 particularly. And second question is more on the cash translations. I think H1 has seen a significant iteration. Is this because of shipments postponed to October or any clarification on the cash flows?

Amit Paithankar: Sure. Amit, thank you very much for your questions. Order book breakup perspective, typically we are in the zone of 60-40 where 60% is overseas and 40% is India. That's typically our order pipeline, but our sales could not necessarily mimic that. That keeps changing based on in that particular quarter, which are the customers that we need to service. And so that changes kind of from quarter-to-quarter. This quarter, if you see, we were almost 50-50, almost 53% was domestic and overseas was about 47%. So, that's the breakup of the order book. And the other interesting part, sorry, I mean, continuing on the same lines, retail is also an important component of our overall breakup, which we have not shown here directly. But that's a segment which is actually increasing and the reason why I mentioned that is because it has got a bearing overall on also on the profitability.

Because these are segments, I mean, export segment, retail segment are inherently segments which have slightly better profitability than the rest of the business. And because of GST changes and that, we will see that portion of the business also keep going up over the next few quarters. And we should also have a positive bearing on the profitability. And on the cash translation, I'm requesting Sonal to jump in.

Sonal Shrivastava: Yes. So, the main reason for the cash that you see, you will see the CFS statement that my inventory has gone up and this is typically because part of my export orders, which I have actually shipped out, okay, it has not reached the customer. So, I don't recognize that sale and that's showing up as an inventory in my books. So, what's going to happen is that it's going to translate into revenues in the coming quarter and you will then see that bump down eventually. So, it's a little bump up and which will come down. It's not structural, number one.

Number two, typically in the range, I mean, GIT, what we call goods in transit, typically ranges between INR 300 crores to INR 400 crores, apart from the other inventories I'm talking about. This is finished goods. But this time, there's a bump up to almost INR 1300 crores. So, you see that will taper out. And you can see that the export is a little heavy in our initial quarter. And so, that's the reason. So, nothing structural. It's a phasing issue. And we'll come back to the cash generation.

Amit Mahawar: Yes. Cash flow, I understand. I can see the inventory. But coming to my first question, let me maybe ask it differently. In INR 248 billion domestic order book and INR 222 billion export order book, if you can mention the advance that is sitting in the balance sheet, that will be helpful.

Sonal Shrivastava: Yes. So, the typically the advance which is sitting on the balance sheet roughly is about INR 3,200 crores. It has come down a bit from the last quarter in March as well and what we are seeing is that as we build our order book for the future, there are again, there's a two element, we'll be looking to obviously ramp up after all this Trump tariff thing is gone, ramping up the order booking, which we are ready for. So, we expect more advances to come in. Second, also the retail order, which will be there, there's advance and fulfilment, advance and fulfilment. That's how we will go. And that book is also that segment that book is growing.

Amit Mahawar: Okay. Can I ask one more question, if I may?

Sonal Shrivastava: Yes, please.

Amit Mahawar: Yes. Your -- if I remove the IRA benefits of INR 1.6 billion, the quarterly margin is broadly around 21%. I understand cell ramp up is very, very low right now. It's utilization of your cell plant is less than 10%, 15%. I understand. But how do you reference fiscal '26, cell integration based profitability?

Any -- you've given the guidance on EBITDA, but I was more particularly keen to understand for investors benefit, how should we look at fiscal '26 EBITDA margin excluding IRA and any number on the imports of cell in H1 total that we have or any imports overall in H1 data that you're going to share with us?

Sonal Shrivastava: So, just two things. Of course, I will answer your margin question. However, I would not like to exclude the IRA because the IRA is very much my production and sale related income that I'm getting. So, it's part of my operation, and as the US operation will ramp up, this number will be there continuously for at least 2030, number one.

So, it's really part of my operations and it's not a one off. It's not that I have it this time and I won't have it next time. So, it's important to look at, all my subsidiaries when they start to ramp up, I need to look at the overall profitability because my operations are in US, it's in India and India, my new subsidiary will also start. So, I would like to look at the solar operation in totality as of now, I mean, pending when other businesses ramp up. So, that's point number one.

Now, when we look at the margins per se, you're very right. As the cell ramp up happens, my own internal cell ramp up happens, which we are expecting in H2, the whole segment will be focused on the DCR segment, which is a domestic segment. So, that, of course, will give a fillip to my margins, surely. And we have -- and in the first two quarters, we were stabilizing and the next H2 is where the big ramp up will play out. And the last part on the margins, which I also want to say is that, of course, you've seen a little bump up in my SG&A, the other costs that you see. And that is also a little kind of in a phasing issue or whatever you want to call it, because that's -- there's an element of -- because of exports, there's an element of duty, which is there. And as my mix changes, that also will come down to the normal margin that I have, which is about 6%, 6.5%. So, overall, very positive outlook that we have to maintain our margin.

Moderator: Thank you. The next question is from the line of Bhaskar Chakraborty from Jefferies. Please go ahead.

Bhaskar Chakraborty: Thank you very much. This revenue mix of second quarter, like you said, 47% was contributed by the overseas order book. How is it looking for the second half of fiscal '26?

Amit Paithankar: So, quarter-on-quarter, so quarter three, it could be sort of similar. But like I said, an important difference will be the retail section bump up. And so that will kind of shift the numbers a little bit more skewed towards domestic.

So, I would say it would kind of be range bound in this area, maybe plus or minus 5%, 10% at the most. And that's -- so these trends will continue over the next couple of quarters, certainly Q3 for sure.

Bhaskar Chakraborty: Okay. And you don't have visibility on 4Q yet?

Amit Paithankar: So, Q4, again, I mean, very difficult to predict at this point. And see, you know, our business, what happens is that it really a lot depends on the readiness of our customers. We have a robust order book, but the customers need to be ready with their premises, with their readiness to take the material. So, it kind of gets into the whole planning phase of which are the customers that need the material at that point in time. So, difficult to predict in exactitude, how much will it be, but general trends will be similar.

Bhaskar Chakraborty: Understood. And this 45x benefits that you have recorded, is that already received? Or do you have a confirmation that you will receive this?

Amit Paithankar: So, we, Bhaskar, have firm customers for this. And therefore, yes, we know that we will receive it.

Bhaskar Chakraborty: Okay. And can you throw any light on this AD/CVD investigation about your, you know, cells that you might have used, which they are claiming that you have used from these sources, which are supposed to have been duties by the US, etc. Or is that something you cannot comment on right now?

Amit Paithankar: I can -- what I can say is that I definitely confirm that the probe is on. Now, it's early days for the probe. So, we really don't know in which direction and what manner will it proceed. I think we will have to wait and watch from that perspective. But the one important part there is whatever is being asked of us, we are furnishing it forthwith. And we want to make sure that we are abiding by all the rules, regulations, and laws that are governing in the United States as far as these aspects are concerned.

Bhaskar Chakraborty: But today, when you are supplying your US order book, are you selling cells to the US to make those modules, to have a clear non-China or whatever supply chain?

Amit Paithankar: So, our -- yes, our supply chain is being configured in such a way that it is in complete alignment, first of all, with the prevailing laws and rules, which include FEOC conditions, you know, entity of concern is what United States calls it. So, our supply chain has to be free of all of those, which

we have ensured, number one. And number two, we have also configured it in such a way that the tariff problems associated with that are the lowest.

Bhaskar Chakraborty: Okay. But, I mean, tell me whether you are using your own domestic cells for your US modules?

Amit Paithankar: At this point in time, no. Bhaskar, no. At this point in time, no. If that was it, then my apologies. At this point in time, no, we are not using our own domestic manufactured cells for United States, because that would attract tariffs much higher than if we source it from some other country. So, we are not using India cells for that.

Bhaskar Chakraborty: Understood. Thank you very much.

Moderator: Thank you. The next question is from the line of Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Yes. Good morning, sir. Thank you. Sir, just a follow-up on the question asked for the previous participant on the USA exports. I wanted to check, how are we currently catering to the USA order book? Is it from the -- is it from India or is it from the USA facility? And as you mentioned that there is a tariff impact, is that passed on to the customer or how is it?

Amit Paithankar: Right. So, two parts to your question, how do we cater? As you might have seen and also heard me write in the front part of this earnings call, we are shoring up our manufacturing facilities in the US and so, more and more of US demand will eventually be catered to from our facilities in the US.

Having said that, there is a fair mix at this stage. A fair bit of US orders are fulfilled from India, and a reasonable number is also filled from the, catered from the US. So, that is the sort of way in which we are going about that. Your second question was, just remind me what was the question around?

Ketan Jain: Yes, the tariff.

Amit Paithankar: Yes, the tariff. So, first of all, we try to minimize the tariff because if you buy a cells from specific geographies, you are actually able to limit the amount of tariff that you need to pay. And who pays the tariff? Typically, it is a negotiation between us and the customers.

In many cases, there are change of law clauses, in many cases, it is a matter of negotiation. And so, again, at the end of the day, we would like to make sure that we fulfill the requirements of our customers, at the same time meet our EBITDA numbers. And so, that is the way we are going about fulfilling these promises.

Ketan Jain: Understood. My next question I had was on the domestic order book or the domestic sales mix. If you could provide a split of domestic order book into retail, IPPs, C&I, into these segments.

Amit Paithankar: So, I will give you a very, very broad spread. About 19% to 20% is retail and the rest is large institutional customers, roughly.

Ketan Jain: This is of the domestic, right?

Amit Paithankar: This is sales, not order book.

Ketan Jain: Okay. So, of the domestic sales, right?

Amit Paithankar: Of the domestic sales, but that is directional. We normally do not declare those numbers, but that is directionally what it is.

Sonal Shrivastava: Just to add on here, in the order book, you will not see the retail orders, right? Because retail is cash and carry in the sense, like I take the advance, I fulfil. So, I include that in my order book. And as you can imagine, that is also a significant segment because now it is almost 20 plus of my revenue. Yes, so part of my revenue will never be in my order book. Yes. Is it clear?

Amit Paithankar: And it is a big number. It is a big number.

Ketan Jain: Understood. Just one last question. So, currently in India, average realizations for a non-DCR module is around 16 – 17 cents. How does this compare to a module made in USA, in the USA facility, the realizations and cost on an average?

Sonal Shrivastava: So, the US, typically we have about anything between 28–30 cents. That is the range which is ongoing.

Ketan Jain: That is manufactured in US, right? 28 to 30?

Sonal Shrivastava: Yes, Actually, it is a little bit both sides. But -- yes.

Amit Paithankar: Yes, realization in the US is generally in the region of around 26 to 30.

Ketan Jain: And is the cost also higher than India compared to India? How much would be the cost?

Amit Paithankar: The cost, of course, tends to be higher. And that is why overall realization is also higher. But the profitability of that segment is pretty high.

Ketan Jain: Understood. Thank you. I will go back to the queue.

Moderator: Thank you. The next question is from the line of Akash Mehta from Canara HSBC Life. Please go ahead. Akash, your line is unmuted. Please go ahead.

Akash Mehta: Yes. Hi. So, just wanted to, in terms of the overall supplies that have been happening, that should come up over the probably next 1 or 2 years in terms of modules. And now ALCM is also in place. But given the announcement that have come up in terms of even the cell manufacturing, how do you see, I mean, the overall demand supply space, at least in the domestic markets, let's say, over the next -- after the next couple of years?

Given that the demand will be broadly around 40-to-45-gigawatts range, and the supply even on the cell front would probably cross that. And how are you looking at the export markets? I mean, anything that you all would be probably exploring outside US, maybe in some other markets, like one of three competitors has entered into his testing space in some other country. So, probably you are looking at something like that?

Amit Paithankar: Akash, thank you for your questions. The first one relates to what is the demand supply situation evolving in India? I think the first thing that we need to understand and when we put all of these numbers in place, there is a DC capacity and then there is AC capacity and what we need to provide to go to the grid that has about anywhere between 1.3 to 1.4 times difference.

So, let's say I need to add 40 gigawatts on the grid, it actually translates to around 60 to 65 gigawatts of solar panels. And then when you convert it into, let us say, capacity utilization of a typical plant that you have to add another factor of around somewhere around 15% to 20%. So then you are already hovering around, from a module perspective a demand translated into capacity terms around 70-75 odd gigawatts. That's number one.

Number two, in the out years, if you consider 237 odd gigawatts of solar that we need to deploy by 2030 the demand is actually going up. And in the out years, you will see that it is actually going to go to 50, 60, maybe even higher in terms of gigawatts. And what is not factored in there is the potential rise, which will be caused because of two factors, one is data centers and the other one is green hydrogen. So, that is going to add to the demand further. So, if you look into the crystal ball, the demand is actually going to be much higher than what we see at this point in time. So, that's the demand side. Now, on the supply side, most of these projects will demand cells, which are made in India and increasingly ingots and wafers, which are also made in India. And so the market dynamics is going to be completely altered. The companies which are more and more backward integrated will have the highest chance of success as we move forward, because as a nation, we are moving towards Atmanirbharta. So, that is the first part. From an exports, the second question that you asked was on exports and are we looking at other geographies?

The answer to that is an absolutely emphatic yes. We closely are looking at the geopolitical developments and areas where India is going to go and sign FTAs with, whether it's the European Union, it's Great Britain, Australia, the GCC countries in the Gulf area, Africa. All of these potentially are areas where we are having a close eye on.

Waaree Energies Limited as a parent. Solar Company, in particular, as well as Waaree Renewable Technologies, where we are looking at Middle East as a potential market. So, the answer to that question is yes. We would definitely like to globally expand our reach.

Akash Mehta: Sure, I think that's helpful. But any progress or anything that you can share in terms of other geographies or it's still a way like, I mean, in terms of maybe probably in 26 or 27, like, or any progress?

Amit Paithankar: I think Akash is going to take time. Yes, that thing is going to take a little more time. No sooner there is any change in that, we will be very, very happy to come and talk to you about it.

Akash Mehta: Sure. Okay, those were the questions from my side. Thanks a lot.

Amit Paithankar: My pleasure. Thank you very much, Akash.

Moderator: Thank you. The next question is from the line of Subramaniam Yadav from SBI Life Insurance. Please go ahead.

Subramaniam Yadav: Thank you. Sir, if you can give us a detail of exports, how much have we sent from India and what was the production in the US module?

Amit Paithankar: I think, Mr. Subramaniam, we will get back to you. I don't want to -- I've seen some set of numbers here, but I do not want to -- we will get back to you with the exact numbers, but I would like to tell you from broadly that mix honestly does not matter a whole lot to us from a business perspective. I think that's the very important part. Whether we manufacture in the US for US market or whether we manufacture for India, for the US market, our broad numbers don't majorly change.

Subramaniam Yadav: Okay. And what I understand is that the higher other expenses this time around was largely related to the export, increasing the export. So, is it that we have paid higher duty and that has gone out of our pocket and that will continue in next quarter also?

Amit Paithankar: So, the duties that we have to pay, there is no, I mean, the timing of the duty may change, but the quantity of duty will not change, the amount will not change as a percentage of sales. The timing may change, which means that we may have to pay the duty earlier. But, but the gross number, the amounts will not change.

Subramaniam Yadav: So, I mean to say next quarter, the other expenses would be lower in that case?

Sonal Shrivastava: Yes, Sonal here. So just what I want to say is that, of course, you have seen a bump up in that number in this quarter. And yes, you're absolutely right, it's driven by the export, but whatever duty element is there, as per our contracts we pass it on. Okay, so that's what we have done. And we'll continue to do that. So you will see also the realization bumps up and then the duty cost also bumps up. So, we see that in tandem. And obviously that will play out till we have export. However, the way Waaree looks at it is that I have US plants, and I have my India plants and I will always play with the mix, depending on how I'm able to maximize my bottom line.

Subramaniam Yadav: Okay. And, if you can guide us how the margin would be looking ahead in H2, because our cell capacity is also coming up. So, the realization that we're currently getting would be a bump up in the next two quarters?

Sonal Shrivastava: So really, I cannot comment on the margins on what will happen in H2 that's really forward looking. But two, three things I can give you. EBITDA what will happen is to the impact on my EBITDA is -- my cell is going to ramp up, so that benefit will flow in, my retail is expanding, so that benefit will flow in, I have my US operations ramping up, so that benefit will flow in. So, we are very, very much on track with our EBITDA forecast that we have given out. And it will be between INR 5,500 crores and INR 6,000 crores.

Amit Paithankar: So, Mr. Subramaniam the North Star for us is the EBITDA guidance and we want to make sure that we land between INR 5,500 crores and INR 6,000 crores. That's our North Star.

Subramaniam Yadav: Okay. Thank you very much.

Moderator: Thank you. The next question is from the line of Naman Jain from Kotak Institutional Equities. Please go ahead.

Naman Jain: Yes. Actually, I wanted to understand the plan on BESS, because we'll be investing nearly INR 10,000 crores on the facility. So, what all are we looking at? Will we because in FY27, we expect to do 3.5 gigawatt hours. So, have we already finalized our technological partner? Because there must be someone, we must be collaborating with to manufacturers cells in India. Number two, will we be setting up assembly plants first and then move on to cell manufacturing. So, if you can just elaborate on your BESS investment and the potential timeline?

Amit Paithankar: Yes, I'll give you a broad overview for that. And so yes, the first phase is 3.5 gigawatts hour. We will be starting with assembly first, but cells will follow in quick succession. The manufacturing plant is already being erected as we speak. And in 2027, actually both the phases, the packs as well as the cells in close succession will be seen. But I would like to hand it over also to Abhishek to maybe add a little more color on that.

Abhishek Pareek: Sure. Thank you, Amitji. So, hi, Naman. So, as Amitji, rightly mentioned that the first phase 3.5 gigawatts hour for which construction is already underway. In fact, in our presentation also we are trying to capture some glimpse of it so that you can actually see what's being done now. Phase one as anticipated is expected within next financial year, the commercial production. Similarly, the next phase of it is expected in over the next 12 months of time from the first commercial operation. So, by FY28, both the phases should be live and have commercial production from the factory. This includes pack line as well as the cell line. So, the endeavor is to start whatever is possible. I think pack line takes a little bit of time to start commercial production than cell line, but we treat as one timeline for both the phases, like for phase one, if it is, let's say, next year it would include both the pack line as well as the cell line. Similar is for the phase two.

Naman Jain: Got it. Thanks, Abhishek. And secondly, what sort of ROCE because I understand BESS is going to play out similarly to the way module and the whole supply chain did. So, do you expect some sort of policy coming in BESS soon? Like ALMM?

Amit Paithankar: So, Naman, you're absolutely right. I think government clearly the way in which, so again, I don't want to speak on the behalf of the government. But at the same time, I can tell you some of the discussions and dialogues that are going on in the industry. The manner in which solar. So, solar has been a template for the country. How do you move in the path of Atmanirbharta or self-reliance.

A very similar template is being thought about for battery energy storage systems, which includes PLI, which includes viability gap funding, which includes all the other aspects like tariff and non-tariff barrier. So, in close quick succession, we'll be seeing these coming up as well.

Naman Jain: And last question, are we moving towards more of an integrated manufacturing plus IPP model? Because I see PPA signed for 413 megawatts that we are acquiring Enel also. So, are we also moving towards that a bit capex heavy business?

Amit Paithankar: So, Naman, we as Waaree would want to be an integrated renewable energy play, all the way manufacturing most of the important components required in that chain, all the way to deploying connectivity and power. So, the answer to that question is yes.

Naman Jain: Okay. Thank you.

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

Aritra Banerjee: Yes, hi. Thank you for taking my question and congratulations on a fantastic quarter. So, I just wanted an update regarding the PLI capex and what is the sort of PLI incentives that we're breaking in for FY27 and FY26, if you could give a flavor on that?

Amit Paithankar: So, all our PLI projects are actually moving pretty well. Overall, the capex. PLI we have actually won for 6 gigawatts of ingots-wafers, cells and modules. You must have seen that we have actually upped our capacity from 6 gigawatts to 10 gigawatts for ingots and wafers as well as for cells. And so, those projects are moving right on schedule and on time for cells 2027 and for ingots and wafers 2027 completion. And they are moving well on time. We typically don't bake in PLI in our overall plans. It's going to be a cherry on the top as we move forward.

Aritra Banerjee: Understood, sir. And on the overall capex plan, since you have announced a INR25,000 crores capex plan, so for the FY26 or 28, could you give the rough breakup of the annual capex that will be occurring each year?

Amit Paithankar: So, directionally, I can tell you that it will be more back-end loaded than front-end loaded. So, in the current fiscal two quarters remain. Well, time moves very fast. Suddenly a month is almost gone, but two quarters more or less remain. And we will see that there will be some capex spent, but the heavy capex expenditure is actually going to be next fiscal.

Aritra Banerjee: Got it. And one last question with all these new businesses that we're entering into, like the BESS and other similar avenues that we are venturing into. So, by when can we expect material revenue contribution from these new verticals going forward? Will it be beyond FY28 or will we see some amount of contribution starting from FY28 itself?

Abhishek Pareek: So, basically, as you've seen that every quarter you'll see we come up with a vision of capex that we have undertaken over the last two years. And probably this should continue for next few quarters, be it solar, be it our energy storage manufacturing line and be inverters or transformers. So, the overall capex broadly, INR25,000+ crores to be spent over the next 24 months' time will give you enough of headway that every quarter you foresee some new commissioning happening. So, the actual benefit if you ask me on the announced capex is the last leg of capex is getting completed in FY28. So, FY28 onwards you will see the complete benefit of the announced capex so far. But certainly, quarter on quarter you will see the previous capex getting closed out and benefit start coming in the financial statements. There'll be progressive development.

Aritra Banerjee: Understood. Thanks, that is very helpful. All the best for the coming quarter. I'll fall back in the queue.

Amit Paithankar: Thank you very much, Aritra.

Moderator: Thank you. The next question is from the line of Akshay Mane from Nuvama Wealth Management. Please go ahead.

Akshay Mane: Hi. So, I just have one question. So, basically, we had previously announced capex of around INR15,000 crores over a two-to-three-year period. Now, with this additional capex being announced on the expanded capacities for BESS, inverters as well as electrolyser manufacturing, how do we should look at the overall capex for the next two to three years? And if possible, can you break it down by what would be the capex for FY26, 27 and 28? That would be really helpful?

Amit Paithankar: Yes, I will kind of give a broad color to it. And then I'll hand it over to Abhishek here to take you through some of the details. But like I said to Aritra the capex spends will start getting more and more intense next fiscal year onwards. So, the next fiscal and the year after that is where the bulk of the capex will be spent. And in terms of the details, we may not be in a position to give you the exact numbers, but broadly that's what the mix is going to be. Abhishek, you would like to add some more color to it?

Abhishek Pareek: Yes. So, basically like current FY26, if you see our balance sheet numbers you have from March 25 to September 25, you will see there's an enhancement on the overall gross assets that we have and there's a substantial asset on the balance sheet as well. So, if you were to broadly break the capex over the next two years of time, you can expect around 10%, 15% happening this year, 10% to 15% over the next two quarters.

Around a significant 50% of the capex expected in FY27 and balance will lie down in FY28. So, that's how you can expect the capex outflow to happen. As far as the overall support on the capex side, you see a substantial amount of cash lying in the balance sheet even today. And then the earnings that we have forecasted should add up to that to be able to do the entire capex.

Also, as you know, that our balance sheet discloses few borrowings that we have taken from the bank, but the drawdown has not happened. That should also enable and fuel our overall capex outflow because we always try to do the financial closures much ahead of the capex that we do. So, the incremental capex along with the earnings forecasted should be helping us to chalk out the plan that we just mentioned to you in a very steadfast way.

Akshay Mane: Okay. Thank you so much. That was helpful. That is all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Deepak Krishnan from Kotak Bank. Please go ahead.

Deepak Krishnan: Yes, just maybe one follow-up on the INR 162 crores. So, if I take 7 cents and you take a effective conversion rate, this translates to roughly 300 megawatts. So, is that like the first nine-month production that we sort of booked this quarter? And just the thought process, if I look at First Solar, they booked a discounted amount.

So, essentially, if it is 100% tax credit based on whatever transferred, 90%-95% is booked as other income in their numbers. So, should I take these INR 162 crores as that discounted value that you will sort of get when you sort of transfer the tax credit? Is that understanding, correct?

Sonal Shrivastava: Yes. So, actually, that INR 162 crores correspond to 90%. So, we booked 90%, not 100%. Okay. So, the expenses are also accounted for in that sense, whatever expense we will have for that selling of that credit, number one.

Number two, yes, the megawatts you can calculate backwards because it's really not only for the last six months, but some small spillover we've had from the last year because last year also we can count that production. But it's very small in amount. But as we now go ahead, each of what we produce and ship out will be eligible for that 90% of the 7 cents.

Deepak Krishnan: Sure. And maybe just on your inverter expansion, given that the minister himself has announced an ALMM policy for inverters, how does this policy sort of work through? In terms of integration, what are we doing? Are we doing first level of, assembly level integration or will we get into manufacturing of inverter components?

And secondly, just on your views on the ALMM for Ingot-wafer, the timelines of June or FY28, essentially the calendar year '28, what do we think in terms of how should we sort of be there? Would we be one of the key player to sort of that for 15 gigawatts? Maybe just thoughts on these two areas specifically.

Amit Paithankar: Sure. Deepak, these are all deep questions, very important questions for us from a strategy perspective. So, inverter, it's one of those very, very key components in the value chain. And the reason why it's very important is because that's where you collect most of the data and that's where you can control things. So, for instance, if I have access to an inverter, I can actually switch on or switch off power to anybody's house. I will know exactly what the consumption patterns are. And so those become very, very important elements in the value chain where Atmanirbharta is extremely important or self-reliance is extremely important. So, all the initiatives by the government around ALMM for inverters are geared towards that.

You know, having that data within the country, generated within the country, kept within the country and controls are also within the country so that from a cybersecurity perspective also it's an important element. And so that's the reason why pretty much like the solar chain, we will see for inverters also that will continue.

Your question on what level of manufacturing we will be getting into, it is going to be well beyond assembly. You know, we are actually having proper electronic manufacturing equipment, again, clean rooms that are required for doing that. So it is not mere assembly. It is actually a proper assembly of components and related manufacturing. So it's serious manufacturing that we are getting into.

Deepak Krishnan: Sure. And just on Ingot-wafer the policy and the timelines over there, and maybe...?

Amit Paithankar: Yes, I think, Deepak, that's really where it's extremely important for us to be a part of the broader value chain because the direction is very clear. In two to three years' time, the manufacturers

that have ingots and wafers facility are the guys who will be, so to say, ruling the roost. The reason for that is they have a full value chain and are able to participate in 95% – 100% of the business that the country has to offer.

If you don't have ingots and wafers manufacturing at that stage, you may or may not be in a position to actually be a part of the overall projects mix that the country has to offer. And so therefore, yes, we would be definitely one of the top guys who would be reverse integrated to ingots and wafers and are fully participating in all the potential business that the country has to offer.

Deepak Krishnan: Sure. Maybe just one final question from my end on Meyer Burger, I see the Chapter 11 trade bankruptcy sale was done at INR29 million, where we have paid INR18 million for module and the other companies paid INR9 million, sorry, INR11 million for cell. So, any reason why, module has been higher and any reason we didn't go for the cell given that it would give us access to HJT?

Amit Paithankar: So, I request Abhishek to comment on that.

Abhishek Pareek: So, Deepak, I think the number that you mentioned for Waaree, like around INR18 million that you have paid it for, it includes the entire manufacturing facility, right, as well as the some good amount of inventories of cells as well. So ours does not only include the only the manufacturing facility, but along with it, the reasonable amount of quantity of cells as well.

Deepak Krishnan: Sure. And any reason we didn't take up the cell, HJT cell line, it was available for 11 million?

Abhishek Pareek: No. So the amount that you see largely is for the inventories of cell, not the cell line.

Deepak Krishnan: Sure. Sure. Okay. Yes. Those are my questions. Thank you.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good afternoon, sir. Thank you so much for the opportunity. So you have made several strategic acquisitions like Kotsons, Racemosa, Meyer Burger, and how we are going to integrate to achieve faster ROI targets compared to organic builds? And secondly, INR 25,000 capex plan is only for greenfield capex or it's included these acquisitions also?

Amit Paithankar: Wait. No, your first question is how to integrate. I think these are all adjacencies. So from a business perspective, all of these businesses have a big customer. That is the big internal Waaree as a customer. And that's where synergies immediately play out. And that's where the alignment also immediately plays out. In terms of whether our INR 25,000+ crores capex includes these, the answer to that is no. That is over and above.

Balasubramanian: Okay, sir. And so, the US facility is completely booked. And what is the margin difference between India-shaped modules and those manufactured in the US? And the modules are manufactured in the US, its entire value chain is from the US only or we are sourcing from other countries? And you have mentioned we are not supplying from India.

Amit Paithankar: So let me broadly give you an answer to the margins. I'm going to let Sonal talk about that. From an overall supply chain, we source cells from all across the world for the US facility, which first of all pass the test of US law. So, there are FEOC requirements, which we need to take care of. So, supply chain is aligned in that manner, number one.

And number two, we do send, so I don't know if I made it very clear, but we do manufacture panels for the US from India as well as from the US. In terms of margins, I would like to default to an important statement. The way we manage it is we manage it to our North Star of EBITDA, INR 5,500 crores to INR 6,000 crores. And that's how we would like to deal with it. So, from an exact, whether I want to do it here, I want to do it there.

There are many reasons why we would, let's say, manufacture in the US for some customers, and there will be reasons why we would like to do it in India. But at the end of the day, margin will be an important determinant of that.

Balasubramanian: Can I ask a small question? One more. Yes.

Moderator: Sorry to interrupt, Balasubramanian. There is a disturbance from your line.

Balasubramanian: Okay, madam. Sir, I think ALMM has been effective from June 2026. I think we have the first mover advantage with 5.4 gigawatt of cell capacities. And if we could share what kind of addressable domestic market, we can able to do that, and what kind of market share we can able to target over the next two to three years' time and how this will impact our blended model margins?

Amit Paithankar: So, great question, Mr. Balasubramanian. Yes, it's a pretty large addressable market because the whole PM Surya Ghar as a market, I would say, has just begun. Right? Last year, it was 3 gigawatts. This year, 10 gigawatts. Next year, probably much more than that. And so, our attempt is to capture a fairly large element of that.

Now, I don't want to put an exact number to it, but it would be safe to say that I would like to be somewhere between 25% and 30% of the market share for that. So, a fairly large component. All the major government contracts, all the major contracts under PM-KUSUM, under PM Surya Ghar, will necessarily need to have DCR cells. And since most of the value chain would be Indian value chain, we will see that the margins in that segment will be healthy.

Balasubramanian: Got it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Harsh Misra from Bernstein. Please go ahead.

Harsh Misra: Hi, thank you for taking my question. Congrats on a great set of results. I just have two questions. The first is for the US. Could you share anything on the status of the anti-dumping investigation on India? And the second is for the India market. What are the market price and trends you see in the DCR versus non-DCR market? Those are my two questions. Thank you.

Amit Paithankar: Sure. Thank you very much, Harsh. I did talk about both of these in some earlier discussions, but I will definitely repeat it. From an ADD perspective, the probe has just begun. And so, it'll

be incorrect. Oh, you mean ADD for cells in India. Is that what you meant? ADD for cells for the India market? Is that what you meant? Or you meant the...

Harsh Misra: Anti-dumping for US investigation. So, the one you commented on was for the... Yes, yes. I want the US investigation.

Amit Paithankar: Yes. Got it. So yes. So, that probe by CBP has just begun. And so, it'll be incorrect for us to really comment on potential likely outcomes. Our internal review suggests that we may not be facing a whole host of liabilities as far as that is concerned. But it's best that we wait and understand as the ADD investigation goes ahead. And what was the second, was the price trends that you asked for, correct?

Harsh Misra: Yes.

Amit Paithankar: Yes. So, pricing in India, I would say the number of module manufacturers are increasing, but at the same time, number of cell manufacturers also increasing. The good part is that the addressable market is also going up from a DCR perspective. So, all in all, I would say that pricing will keep changing. I think it might go down a little bit as manufacturers get better and better in their efficiencies and their own costs kind of go down. But from a margin perspective, I think we will continue to be in a similar range as what we are at this point in time.

Harsh Misra: And same for the non-DCR, will the margins remain the same?

Amit Paithankar: Yes, absolutely. Similar, in a similar range.

Harsh Misra: Yes, those are my questions. Thank you so much. All the best for the next quarter.

Amit Paithankar: Thanks, Harsh. And thanks for the compliments.

Moderator: Thank you. The next question is from the line of Arun Kailasan from Geojit Investments Ltd. Please go ahead.

Arun Kailasan: Yes. Hi, Dr. Amit and Sonal. Thank you for taking my call. So, I just wanted to get into those numbers of module production and cell production once again. I see that there is 0.6 gigawatts of cell production. And it was clarified that most of this – I mean, that the cell production wasn't really for the US modules per se. So, safe to assume that the 0.6 gigawatts is purely for DCR market here in India?

Amit Paithankar: Yes. All the cells manufactured in India are primarily for the DCR market in India.

Arun Kailasan: Okay. So, then on a profitability basis, like, if you look at it, the Indian DCR module could be far more profitable than in comparison with the US one. Am I right to assume that?

Amit Paithankar: They are profitable. I would not go so far and say that profitability is higher in India. I would not say that.

Arun Kailasan: Okay. So, it might be depending on what is the – like, which client you are probably facing.

Amit Paithankar: That's exactly right. That is exactly right.

Arun Kailasan: Okay. Thanks. So, now that we are planning to go backward integrate, so what is the kind of margin expansion that you would be really happy with when you target this backward integration journey that you are doing? Because I just wanted to know, what kind of expansion are we targeting?

Amit Paithankar: Yes, I am just requesting Sonal to talk a little bit about margin expansion that we are baking in.

Sonal Shrivastava: So, I mean, typically, I think I have said it in some many earlier calls as well, you know. A long-term basis, if you want to just look at long-term basis, you know, the margins on module have reached between 18% to 19%, just the module, normal modules. And with the advent of cell, so that's going backward and, of course, means a little bit more capex than what you would put in a module.

The margin should bump up between 300 to 350 basis points overall on a sustained basis. And, of course, you can play with a mix of exports and retail, etc. So, anything between 22% to 25% is a good margin to look at on the backward integration. And that's what we really want to maintain at around like 24%, 25%.

Arun Kailasan: All right. Now, coming to my second question, usually there is a nameplate capacity and there is a certain capacity that you are effectively able to utilise. So, what would be the, like, you know, what percentage of this particular nameplate capacity would be safe to assume that going forward, that would be the effective capacity?

Amit Paithankar: So, like a thumb rule for that, for modules, it is going to be in the region of 80% to 85%. And for cells, it will be, say, 85% to 90%. Thumb rule.

Arun Kailasan: Okay. Of the effective nameplate capacity?

Amit Paithankar: Nameplate capacity.

Arun Kailasan: Nameplate capacity. All right. So, if I look at it, like, right now, you know, you have these TOPCon is the cell technology that is pretty much prevalent in the market. But then we are also seeing that, you know, this XBC and HJT technologies are also slowly gaining market share. So, do we have any plans to get into those technologies going ahead?

Amit Paithankar: So, we actually already are in HJT. We have actually supplied several of these HJT modules. The Meyer Burger facility that we have actually acquired in the U.S. is an HJT facility. So, we are already there as far as that is concerned. But our production line is fairly flexible to take different kinds of technologies, as well.

From a cell perspective, we are definitely… we constantly keep evaluating all technologies. We know that what exists today, in three years' time, it is going to change. And so, we have been very, very nimble in adapting to get to the next new, more efficient technology as it comes and sees the light of the day.

We are also, by the way, actively investing in research in some of these domains so that we are ahead of the curve.

Arun Kailasan: Understood. That will be all from my side. Thank you for taking the call and all the best.

Moderator: Thank you. The next question is from the line of Chirag Shah from White Pine. Please go ahead.

Chirag Shah: Thank you for this opportunity and congratulations for good set of numbers and an aggressive capex plan on BESS in general. I have a slightly different question. It is more from the corporate structure. Now that you have been -- you have acquired a lot of companies or created a lot of separate companies, and of which two of the companies are listed, two of the subsidiaries are listed. So, can you just indicate and in one of which is, in a sense, making modules, which is what even Waaree does. I remember Indosolar. So, can you just talk about, over long-term, how you are thinking, especially where a business is doing a similar thing that Waaree is doing? For example, Indosolar, are you looking to merge it with yourself or is it a whole growth plan? Because it's a very small capacity in overall scheme of things and so is the case with many of the subsidiaries on a relative basis.

Amit Paithankar: So, Chirag, great question. For any organization which is growing at the pace at which we are growing, we will have subsidiaries and step-down subsidiaries which get created. And over a period of time, we might actually think of consolidating some of them as well. At this point in time, predicting how it is going to be would not be a good thing to do. I think internally, those discussions will continue to keep going on and whenever there are concrete decisions made, we will come back to you and we will talk about it.

Chirag Shah: Just one thing. So, if you would like to talk about the module expansion in Indosolar that you are looking at or what you are looking at Indosolar as such, after the acquisition that you have made over there?

Sonal Shrivastava: Yes. So, thank you for the question, Sonal here. I think Indosolar is a great opportunity for us. Right now, what we are totally focusing on is how to ramp up the capacity. So, there is a bit of -- a lot of ramp up is left.

Second is, as you know, it is located in a market where it can easily access retail sales. So, it's going to become – it's almost in the market plant for us. So, we are right now focusing on optimizing the operations and increasing the profitability and any subsequent back, like Amit said, we will come back.

Chirag Shah: And would you like to call out what is the utilization currently?

Amit Paithankar: Utilization of the facility is in the region of around 75%.

Chirag Shah: Of Indosolar. Okay. Great.

Amit Paithankar: Exactly.

Moderator: The next question is from the line of Karan Sanwal from Niveshaay.

Karan Sanwal: Yes. Great. Thank you so much for the opportunity and answering so many questions and patiently. Congratulations on the results as well. So, wanted to understand like we touched upon expanding our capacity at Indosolar. So, if you would highlight what is the reason of the such high margins in that company? Is it more because of the retail focus that we have? We are enjoying those margins and are those margins expected to maybe stay the same or reduce in future if you can comment on that part?

Sonal Shrivastava: Yes. Certainly, retail is one answer and there are some good orders that we are executing in Sangam Solar. So, these two elements are helping us and we will see how it goes. Plus, there's a lot of efficiency work that we have to do there.

Karan Sanwal: Understood. Also, regarding our cell facility at Chikhli, if you could highlight what is the current capacity utilization and could we expect to be at optimum by maybe the next quarter or so?

Amit Paithankar: Yes. So, we were waiting for a very important event where the capacity would jump and that event has happened. So, we will make sure that now the amount of production jumps quite dramatically. And yes, within this quarter, we will see that it kind of gets to 80%, 85% utilization pretty quick.

Karan Sanwal: Understood. One last question, you highlighted the increase in other expenses. I actually miss that part. Why have the other expenses increased significantly this quarter?

Sonal Shrivastava: Yes. I had also answered this earlier. So, basically, the other expense also consists of freight and duties, and we have a good mix of our exports this time. So, that has come into play. Normally, you will see when there is a normal spread in terms of the segment, it ranges about 6% and 6.5%. And so, now, this quarter, it is 9%. But of course, we eventually expect it to come down.

Karan Sanwal: Understood.

Moderator: The next question is from the line of Nirali Gopani from Unique PMS.

Nirali Gopani: Yes. Hi. Thanks for the opportunity and congratulations on excellent set of results. So, I have a few questions on the battery energy storage system. So, just wanted to understand how is the technology evolving there? So, as you said, in module and cells, the technology changes every three years, four years and you depreciate the assets. So, is it similar when it comes to battery energy also? And secondly, if you can also explain some financial metrics, will it be similar to what Waaree Energies do today, margin-wise, return ratios-wise, something on that side will be very helpful.

Amit Paithankar: So, Nirali, thank you very much for the question. Let me address the first part of the question and then I'll hand it over to Abhishek for the financial piece. From a technology perspective, Nirali, it's very, very similar to solar. It's a continuously evolving technology. The key pacing item as far as battery technology is concerned is the energy density. How much energy can you pack in a given volume? And that keeps getting better and better and better. And that's why you're seeing that smaller, lighter batteries can actually hold the same or more power than yesterday. And that is going to be constant. Also, the battery chemistry itself changes. The chemistry of cathode, the chemistry of anode that go into it itself also changes. And the line that

we have is actually fairly ambidextrous. It's able to take care of many of these components of technology. In fact, it's configured for lithium-ion, but we may have a situation where it might move to sodium-ion. And those times, we would actually be in a position to move it to sodium-ion as well. So, that's the kind of construct we have used. From the various ratios that you're talking about, will it be similar to what we have in Waaree Energies at this point in time? I'm going to have Abhishek join in.

Abhishek Pareek: Yes. So, Nirali, thanks for this. Basically, on the financial matrices, as you see, whatever capex that we announce, it goes to the board and post the deliberation, it gets approved. In general, our paybacks are always in between three years to five years range. So, whatever capex that we do on the manufacturing front, we believe this should be no different than what it is today. So, you may continue to see the similar range of ROCE and ROE that you see over a period of time at Waaree Energies level. So, the financial matrices should not significantly change as far as return ratios are concerned.

Moderator: Thank you. The next question is from the line of Shrenik Mehta from IndoAlps Wealth. Please go ahead.

Shrenik Mehta: Hi. My question is more about long term. You're getting into a lot of different parts of the value chain away from just a solar module manufacturer. So, in the next three to five years, how do you see yourself evolving as a company? What is the vision? What are the components that will be a significant part? And how do you see -- this will be a $10 billion company, $20 billion company? How do you see yourself in the next three to five years?

Amit Paithankar: So, from a vision perspective -- Shrenik, great question by the way. From a vision perspective, it's very clear. We want to be the energy transition major of choice, right? So, whatever technology, whatever components, whatever ideas are required for energy transition, we should be there and we should be the supplier or vendor of choice. That's the vision.

That's where we start with solar, we go into adjacencies of battery energy storage systems, we go into hydrogen, the component levels like transformers, smart meters, inverters, and many more to come. So, that's the grand vision. Now, in terms of numbers, I would love to have a crystal ball with me and tell you, but I don't have the crystal ball. So, unfortunately, I'll not be able to tell you.

Shrenik Mehta: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Digant Mehta, an Individual Investor. Please go ahead.

Digant Mehta: Good afternoon. Congratulations to the company for an outstanding Q2 performance. I just wanted some clarification regarding standalone cash flow statement on Page 5 of the financials. On the cash flow from operating side, I assume the profit on sale of investment refers to the profit of Indosolar OFS, and the same has been reduced from the operating activities. But cash flow from investing activities, the proceeds from sale of the same investment in subsidiary has been shown as an outflow. Can you please elaborate on the same? Thank you.

Sonal Shrivastava: No, no. So, basically, of course, whatever we have sold in our subsidiary is an inflow. But outflow for subsidiaries, that's the investments that we've made in our subsidiary. It's not one-to-one.

Digant Mehta: No, that is shown under the different head, investments in subsidiary at INR 300 crores.

Sonal Shrivastava: Yes.

Digant Mehta: And I'm talking about the line item about that, the proceeds from sale of investment in subsidiary that is INR 532 crores. I assume that is the profit from and the proceeds from Indosolar OFS, correct?

Sonal Shrivastava: Yes, yes. So, basically, it's a reclassification because we start from the cash flow of the operating profit, which includes this non-operating income as well. So, we reclassify it from the operating and take it in the investing activity.

Digant Mehta: Correct. You have rightly classified as a negative figure in the operating section. But investing activity, it should be a kind of inflow, right? So, it should be on the positive end, if I'm not wrong, and not on the negative side.

Sonal Shrivastava: Yes, you're right. You're absolutely right.

Digant Mehta: So, does the cash flow statement change accordingly or it remains the same?

Sonal Shrivastava: No, no, that will not change. The cash flow, the net investing activity remains the same.

Digant Mehta: Okay.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Yes, thank you for the opportunity and congratulations for great set of numbers. So, my question is, what are the top three risk management is closely monitoring?

Amit Paithankar: Amit, great question. You know, we have all seen what has happened to Jaguar Land Rover. And so, cybersecurity tends to be one of the very important discussions that we have internally to ensure that it is taken care of. ESG and the various elements that go with it is the second risk that we track. And the third risk is the regulatory environment changes that are required -- I mean, that happen all around us and have a direct impact on us. So, these are the risks that we closely monitor and ensure that we deal with it.

Amit Agicha: And, sir, second question is, how is the company preparing for margin normalization risk once PLI incentives taper off?

Amit Paithankar: So, the way in which we actually have configured most of our models is we don't take PLI at all. And up until now, the PLI actually has not kicked in. So, whatever you are seeing is without the PLI. And even after PLI kicks in, it's going to be, like I said in one of my earlier questions, it is going to be a cherry on the top. It is not going to be the main business. It is not the main course.

Amit Agicha: Understood, sir. And thank you and all the best for the future. Thank you.

Amit Paithankar: Thank you very much, Amit. And thanks for the compliments that you gave.

Amit Agicha: Thank you, sir.

Moderator: Thank you. The next question is from the line of Amit Kumar Singh from VVID. Please go ahead.

Amit Kumar Singh: Yes. Hi. So, I have two, three things. One is, sir, for your present cell capacity, so that cell capacity with respect to your module, are they going to become equal that the number of cells and the number of the gigawatt, they both will match? Second is, how are they going to impact the margin? And my second question is related to your…

Moderator: Sorry to interrupt, Amit. If you have a follow-up question, then rejoin the queue. At a time, please ask one question.

Amit Paithankar: So, directionally, yes -- directionally, Amit, yes, we would definitely like to keep investing in a manner in which our supply chain is completely balanced. So, the answer to your question is yes. So, we would like to move in that direction. And margin impact is always going to be very favorable because when you make a very large investment and a large portion of your raw material actually comes from in-house, the margin expansion will most certainly happen.

Amit Kumar Singh: So, like we see that there is a 30% PAT margin in some of the cell manufacturing companies. So, you mean to say that in that 30%, when it comes to module, it becomes half because your top line increases. So, that means that approximately 15% impact should be there in the overall margin, whatever is it as of now, like say 15% to 20%. So, 20 plus 15. Is it going to be that?

Sonal Shrivastava: No, no, no. I'm not sure where the numbers are coming from. So, again, go back to this question that I've answered previously. What's the sustainable margin what we call on the modules and composite aspects? We are looking at a margin up to 25% to be sustained even when the cells come into play.

So, of course, module is going to be ranging between something like 18% to 19% and then plus a kicker for the cell. The cell today is going into a very, it's a DCR segment and you know that segment will grow. It will become a full market in India soon enough for next year. So, that's the kind of margin that we are looking at from our cell perspective as well.

Amit Paithankar: Yes, there's a 300, 400 is what we are looking at, Amit.

Amit Kumar Singh: Okay. Sorry, sorry. Sorry. Please continue. I did not hear. Sorry to interrupt.

Amit Paithankar: No, no, go ahead. You had a question, please.

Amit Kumar Singh: Yes, yes. So, I said that just to say that there will be some 6% to 7% only the margin improvement because of this solar cell addition.

Moderator: Sorry to interrupt again, Amit. Hello.

Amit Kumar Singh: Yes.

Moderator: Yes, if you have a follow-up question, then please rejoin the queue. Sorry to interrupt again.

Amit Kumar Singh: No, there is no follow-up. This is the continuation of that. But thank you. Thank you.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Diva Investments. Please go ahead.

Bharat Sheth: Yes, thank you for taking my question. My question is, I mean, I would like to just understand about this solar cell ALMM, which is going to be effective from June '26. And correct me if I'm wrong, I think the cell capacity would be around, say, around 40 gigawatts or thereabouts by March or June '26.

So, all the projects or all the solar new projects which are going to be commissioned after June '26, under the PM Kusum or even the otherwise, they have to buy these cells and modules only from the ALMM list, guys? Is it correct to understand that? If you can throw some light on this?

Amit Paithankar: Yes, yes, Mr. Bharat, that is absolutely right.

Bharat Sheth: So, then, I mean, what's the expected figure of solar cell capacity by March or June '26 overall? I mean, how many -- yes.

Amit Paithankar: We are right now at around 20-25 gigawatts. And as you said, it will be in the region of 35-40 gigawatts by that time.

Bharat Sheth: Okay. So, the guy who are able to successfully commercialize cells by June or thereabouts, June '26 or thereabouts, would be at a clear, distinct advantage. Is it correct to assume that?

Amit Paithankar: That is absolutely right. Yes.

Bharat Sheth: Okay. Thank you so much. Thank you so much, sir. Thank you.

Moderator: Thank you. The next question is from the line of Siddhant from SK Securities. Please go ahead. Siddhant, your line is unmuted. Please proceed ahead with your question. There is no response from the participant. So, we'll take the next participant. The next question is from the line of Arul from Ksema Wealth Private Limited. Please go ahead.

Arul: Hi. Thanks for the opportunity. Am I audible?

Amit Paithankar: Yes, Arul, you are audible. Please go ahead.

Arul: Yes. Regarding this battery energy storage system, I would like to know what will be the potential revenue in the next 2 years coming because we are going to be 20 gigawatts per hour in the FY28, like you mentioned. What will be the maximum potential revenue from this segment?

Amit Paithankar: So, Arul, it is a little early in the cycle of the business. It is a very nascent business. So, to really predict and put a number there and give a forward-looking statement to that effect will not be appropriate for us at this stage.

Arul: Okay. Okay. Thank you. Thank you very much. That's the only question.

Moderator: Thank you. The next question is from the line of Shrey Gandhi from CR Kothari Stock Broking. Please go ahead.

Shrey Gandhi: Hi. Thanks for the opportunity. My question is regarding the capacity utilization which we are having currently at Indosolar, and how do we plan to ramp it up by this year, by the FY27?

Amit Paithankar: Mr. Gandhi, thank you very much for the question. I answered this question a little earlier as well. Our capacity is in the region of – I mean, capacity utilization is in the region of around 70% to 75%. And typically, the way you ramp up is, number one, as your people get more and more trained and understand how to manufacture, it goes up. So, training is a very important component of that.

Retention of talent is a very important component of that. So, whole talent piece is very important piece. The second is fine-tuning of the equipment that you have, making sure that that is working. And the third thing, which is a very Noida-specific thing, is you have a situation where there are lots of power outages there. So, how do we ensure that from the grid itself, we get some help from local government there to stabilize the supply? At the same time, we make our own arrangements to have some bridge power supplies as and when the supply goes down. So, it's a permutation and combination of all of these that will help us ramp up.

Shrey Gandhi: Okay. Okay. And my second question is regarding the -- like, if we have any future plan regarding capacity expansion at Indosolar from current 1.3 to maybe double it?

Amit Paithankar: So, at this point, again, it will be a forward-looking statement. Since we have not talked about it in the past, it will be difficult for me to foretell the future. But the moment we have any of those thoughts, we will get back to you.

Shrey Gandhi: Okay. And what kind of realization are we seeing from…

Moderator: I'm sorry to interrupt. Sorry to interrupt, Shrey. If you have a follow-up question, then please rejoin the queue. Thank you.

Shrey Gandhi: Okay. Okay.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, this was the last question for today. I now hand the conference over to Mr. Amit Paithankar for closing comments. Thank you and over to you, sir.

Amit Paithankar: Ladies and gentlemen, thank you very much for being a very, very patient listener and sticking around with us for almost 2 hours. So, we really appreciate that. We really appreciate all the questions that you have all asked.

It shows the desire for all of us to know about the business more, to participate in the business, to understand the business, and to invest in the business. And so, we really, really are very happy for all of you folks to have participated.

I would like to seize the opportunity once again to wish a very, very happy Diwali to everybody. Yes. And again, Happy Diwali, safe Diwali, prosperous Diwali. And if at all there are any questions left out, we don't want anybody to feel that we have not answered your question.

Please send them out to our IR department and you can find the email address on our website. And we'll be more than happy to address any questions. Once again, thank you very much. Happy Diwali, safe Diwali, and a very, very prosperous new year ahead.

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