

May 02, 2025

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001  <b>Scrip Code: 542760</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051  <b>Symbol: SWSOLAR</b>
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**Sub.: Investors Call Q4 FY 25- Transcript**

**Ref.: Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

In continuation to our letters dated April 18, 2025 and April 25, 2025, please find enclosed the Transcript of the Investors Call held on Friday, April 25, 2025 at 10:00 a.m. (IST) on the Audited Standalone and Consolidated Financial results of the Company for the quarter and financial year ended March 31, 2025.

The same is available on the Company's website at [www.sterlingandwilsonre.com](http://www.sterlingandwilsonre.com).

Request you to take the same on records.

Thanking you,

Yours faithfully,  
**For Sterling and Wilson Renewable Energy Limited**

**Jagannadha Rao Ch. V.**  
**Company Secretary and Compliance Officer**  
Encl.: As above



## “Sterling and Wilson Renewable Energy Limited Q4 & FY '25 Earnings Conference Call”

**April 25, 2025**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 25<sup>th</sup> April 2025 will prevail.



**MANAGEMENT: MR. CHANDRA KISHORE THAKUR – GLOBAL CHIEF EXECUTIVE OFFICER  
MR. AJIT PRATAP SINGH – CHIEF FINANCIAL OFFICER  
MR. SANDEEP THOMAS MATHEW – HEAD, INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day and welcome to Sterling and Wilson Renewable Energy Limited Q4 and FY '25 Earnings Conference Call.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in 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. Sandeep Thomas Mathew – Head, IR, for his opening remarks. Thank you, and over to you, sir.

**Sandeep Thomas Mathew:** Yes, good morning, everyone. And welcome to our Q4 FY '25 Earnings Call. We have with us today Mr. C.K. Thakur – our Global CEO; Mr. Ajit Pratap Singh – our CFO; and SGA, who are our Investor Relations Advisors.

We will start today's call with the key operational highlights for the quarter and the fiscal year, and the industry outlook by Mr. Thakur, followed by the financial highlights by Ajit, post which, we will open the floor for Q&A.

Thank you, and over to you, CKT.

**Chandra Kishore Thakur:** Good morning, everyone. Thanks, Sandeep. And a warm welcome to all the participants on this call. We are very happy to welcome our new CFO – Mr. Ajit Pratap Singh, to our team. Ajit's illustrious career spans 29-plus years, with the most recent being at Transrail Lighting Limited, wherein he served as its CFO, and was instrumental in getting the company listed in India through a successful IPO. Earlier, he handled leadership roles at OPG wherein he served as a Group CFO and Executive Director, along with leadership roles at large industrial conglomerates like JSW, Vedanta, Jaypee and Lohia Group. We wish him a bright and successful future with us.

Let me begin with a quick update on our business operational outlook. Beginning with our order book position, we closed the full year with the total order inflow of Rs. 7,051 crores. Of the total order inflows, the domestic market contributed nearly Rs. 5,900 crores or approximately 84% of the total order inflow in FY '25, with the rest coming from the international market comprising the two South African projects we won earlier during the fiscal year. The domestic order inflow represents a healthy year-on-year growth of nearly 21% this fiscal year compared to the Fiscal Year '24.

In terms of order value, private IPPs contributed nearly 55% of the total domestic order inflow, while PSU contributed nearly 45%. Apart from our growing domestic solar EPC business, FY

'25 also marked our entry into two new important growth market; battery energy storage solutions, and the wind EPC. With more and more projects in the renewable space moving towards the hybrid model, we believe a well-rounded offering, like we currently provide to our customers, is crucial to tap into the growth.

We bagged three new projects in the domestic EPC market in the 4th Quarter. We received our first order for wind EPC from a private IPP for a hybrid project in Rajasthan. The scope of work includes engineering, procurement and constructions of a 69.3 megawatts wind Balance of the Plant and 55 megawatts AC (75 megawatts DC) solar BoS, along with 132 kV/33 kV pooling substation. Our entry into wind helps us provide holistic EPC solution for hybrid projects and opens up a new exciting segment for us.

The company achieved L1 status for a turnkey solar project of 200 megawatts AC (260 megawatts DC) PV plant in Gujarat, India, from a leading PSU developer. The company has also received a Letter of Award for a PV plant in Rajasthan, India, from a domestic IPP.

Looking ahead, our India order pipeline continues to remain very strong, and we expect nearly 22- 23 gigawatts of orders to be bid out during this calendar year alone or in the next six to nine months. Over and above the solar EPC pipeline, we will continue to target BESS projects and select wind projects as well.

In the international market, our efforts are becoming more focused on select projects in select geographies, including MENA and Europe. And our pipeline has also, therefore, become smaller to devote our resources accordingly, which has resulted in a small decline in our overall pipeline compared to December 2024. Our unexecuted order value now stands at over Rs. 9,096 crores and continues to provide good P&L visibility for the forthcoming quarters. Over 84% of this order book comprises domestic Indian projects, while the international UOV comprises primarily two projects each in Europe and South Africa.

In terms of execution, our scale-up plans continue to remain on track, and the improved top-line of Q4 is a sign of our efforts, and we are committed to address challenges of increasing non-fund-based limits and achieving better open credit terms with the key suppliers. Thanks to our associates, partners, vendors and subcontractors, and our internal team members, for relentlessly working to achieve the Q4 top-line. We continue to judiciously evaluate projects in India and overseas and are mindful of having to remain patient in order to target profitable orders.

Moving to the Nigeria project, we are still awaiting final order signing and closure. Also, as has been mentioned in earlier calls, post order signing, we expect the project to take six to nine months to achieve financial closure.

We would like to reiterate that the lumpiness in order inflow is to be expected with EPC companies like ours, and timelines for achieving projects' closure could vary depending on a host of factors, including finalization of contractual terms, financial closures, etc.

Our O&M portfolio outlook remains strong, and our portfolio stands at 8.7 gigawatts as of March 2025. As stated in the previous call, our large stream of EPC projects, which are nearing completion in the next couple of quarters, will also feed a good pipeline of new projects for O&M, which should aid a meaningful pick-up in revenues in this segment from second half of Financial Year '26.

Moving to industry outlook. The Indian renewables story continues to make strong progress, and India will continue to be our single largest focus market. According to MNRE, the country's installed solar capacity reached 105.6 gigawatts as of Financial Year '25, just 35% of 300 gigawatts target set for 2030. Financial year '25 witnessed record-breaking additions of nearly 24 gigawatts in solar capacity, sharply up from 15 gigawatts in Financial Year 2024. This surge was largely driven by utility-scale projects, which contributed nearly 17 gigawatts and is our core focus market. Despite the record achievement, the pace still falls short of annual run rate needed to reach 2030 target.

On the regulatory front, the Greenhouse Gases Emission Intensity Target Rules, 2025, sets a specific emissions intensity threshold across industries, reinforcing India's ambition to achieve Net Zero by 2070. There is a substantial financial and strategic incentive for industries, especially in steel, cement and aluminum to transition to renewable-based electrification, which, in our view, can continue to drive the private IPP market and C&I space.

As India integrates higher shares of intermittent solar and wind power, the importance of grid stability has grown exponentially. Battery Energy Storage Systems (BESS) are now pivotal to balancing supply and demand and ensuring a resilient grid. In a decisive move, the Ministry of Power has mandated that all upcoming solar projects include co-located solar storage systems with at least two hours storage capacity equating to 10% of the installed solar capacity. This initiative aims to improve grid reliability and will be essential to integrate the anticipated 500 gigawatts renewables capacity by 2030. The sharp decline in the cost of lithium-ion battery, bolstered by advances in technology and expanded manufacturing capacity, has also made BESS projects more viable. Central Electricity Authority's National Electricity Plan outlines India's scale of storage ambitions, and the market is expected to grow exponentially in the next five years.

India's wind energy sector is also seeing a revival. A noticeable shift is underway in the structure of wind tenders. Increasingly, new capacity is being awarded to Firm and Dispatchable Renewable Energy (FDRE) projects, which combine solar and wind components and is a market we are increasingly looking to target.

While there are several positives, yet challenges remain. Competition in domestic EPC sectors has been pretty strong this fiscal, but we have continued to hold our own with patience and discipline. Domestic manufacturing of solar modules and cells have been trailing demand, and the DCR content requirement of cells poses a risk of pricing and availability. Proposed U.S. tariff has added another layer of complexity, especially for our suppliers. And we are closely monitoring and working with our suppliers to mitigate pricing risk to the extent possible. With

a fast growing domestic market, and a strong balance sheet, we believe we are positioned to tap the growth.

With this, I will ask Ajit to take you through the consolidated financial highlights. Thank you very much.

**Ajit Pratap Singh:**

Thank you, CKT. Thanks a lot. We are very pleased to report that the company achieved its highest quarterly revenue since listing, that's a big achievement. And our revenue has grown by around 114% year-on-year, that's more than doubled basically from last year, and 37% quarter-on-quarter to Rs. 2,519 crores, primarily aided by higher execution in domestic EPC projects and the new international EPC projects. For the full year also, we have seen substantial growth, and our revenue has grown more than doubled, by 108% year-on-year to Rs. 6,302 crores. In respect of our gross margin, our consolidated Q4 gross margin was approximately 10.4%, while our full year gross margin was 10.1%.

Looking at the segment-wise result. Our full year domestic EPC gross margin has trended back to our target range of 10%, while our international EPC gross margin was approximately 8% because of certain legacy projects. Our O&M margin for the full year, if you see, that was approximately 21%, and there was a write-off of around Rs. 4 crores in the last quarter.

Our operational EBITDA, that is operating revenue less recurring overheads, was Rs. 158 crores this quarter, that's around 6.3% EBITDA margin; compared to approximately Rs. 90 crores in Quarter 3, and that is reflective of the operational leverage achievable through improving execution pace in the company. For the full year, we have achieved an operational EBITDA of Rs. 291 crores, viz-a-viz a loss of Rs. 13 crores in the last year. Reported Q4 EBITDA was Rs. 116 crores, that is 4.6% EBITDA margin, and that also got impacted by certain FOREX loss in the month of March 2025. For the full year, reported EBITDA was Rs. 276 crores; that's a growth of impressive 411% compared to the last fiscal.

Quarter 4 profit before tax was Rs. 87 crores, and that's a growth of around 112% sequentially. And for the full year, our Profit before Tax was Rs. 163 crores, vis-a-vis the loss of Rs. 172 crores in the last year. Reported Quarter 4 PAT was Rs. 55 crores, and that's significantly high compared to last year. There was non-cash deferred tax asset charge of Rs. 18 crores in this quarter. We have been incurring this charge since Quarter 4 FY '24 due to standalone profitability. The remaining deferred tax asset on the books is approximately Rs. 23 crores. And we reported full year PAT of Rs. 86 crores compared to loss of Rs. 211 crores in the previous fiscal. As CKT alluded to in his opening remarks, we have continued to make positive strides in our execution scale-up as seen in Q4 results, and we will continue to do the same.

Now coming to balance sheet, our net debt has seen a marginal increase of Rs. 3 crores compared to last quarter and was at Rs. 178 crores at 31st March 2025. Gross debt, however, has increased. We have taken a fresh term-loan from a bank worth Rs. 200 crores, and the disbursement was done towards the end of March '25. And that has also led to higher cash balance because that

loan was disbursed and we were keeping it in our books, and we have not utilized as on 31 March 2025.

With this, now we can open up the floor for questions-and-answers. Thank you.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Rohit Natarajan from Aditya Birla Sun Life. Please go ahead.

**Rohit Natarajan:** Thank you for this opportunity. My first question has more to do with a lot of projects of almost like 40 gigawatts of renewable energy is pending for PPA. So, will this impact the order inflow for FY '26 as such?

**Chandra Kishore Thakur:** So, the pipeline that we have indicated in my initial remarks, so the projects close to 22- 23 gigawatts are slated to be bid out in Q1, Q2, that are not impacted because of the any other issues, PPA signing and other issues. I mean, the next quarters onwards it may, but in Q1, Q2 this does not have any impact on our order inflow.

**Rohit Natarajan:** If I look at the historical market share as such, would it be fair enough to say maybe we can clock out of this 22-23 gigawatts total serviceable market, maybe 30% market share, 6 gigawatts kind of order inflow should be possible?

**Chandra Kishore Thakur:** It's difficult to guide you at this stage because, historically if you see, the Q1 had been, I mean, witnessing the closure of the projects, which has spilled over from the Q4, right. So, there if you look at, I mean, out of 22 gigawatts, no new projects seem to be tendered out, only those projects are there in the market. And looking at our hit ratios, we are hopeful of getting better share out of, I mean, out of the projects that have been bid out.

**Rohit Natarajan:** Got it. On the international front, the Nigeria order, we have been reading something about there are some import restrictions, local content policies, financial and currency challenges within Nigeria. And obviously, this has led to a prolonged delay and all the renewable energy projects in slow track in that country as such. And there do not seem to be like a near term fix for that, is that a cause for concern? Or do you see that probably we should expect further delays in this region to get further order inflows as such?

**Chandra Kishore Thakur:** I appreciate your concern. So, there have been delays, I mean, in the countries like African region, the things move slowly. But there is no negative news as such, even after the Trump tariff policy announcements, it's progressively getting delayed, that's it. So, I cannot say at this stage that the project is, I mean, has any negative news, should not really be a concern going forward.

**Ajit Pratap Singh:** So, U.S. EXIM is still committed to the project; this is being funded by U.S. EXIM, and they are still committed for the project. So, there are delays, but there is no major concern we believe.

**Rohit Natarajan:** No, I was reading somewhere like the Nigerian Government was trying to promote the local manufacturing. So if you do not have the module and panels in there locally made, things can

possibly get further delayed. Plus, obviously, you have had Nigerian idiosyncratic issues like the currency issues, fiscal incentives not adequate enough, so I am talking about the country-specific issues that's the thing been lingering for a while?

**Chandra Kishore Thakur:** No, Mr. Natarajan, so I mean, since this is EXIM-funded project, right, and the supplies have to come from U.S. and other markets. And therefore, any local regulations on these supplies, I do not foresee that it will be deviating from the original terms and condition of the contract, that we have been discussing with them.

**Rohit Natarajan:** Got it. And sir, my final question is more to do with the financial results part on the non-recurring overheads, currency fluctuations part. I understand some 15% of the order backlog we still have in international exposure. If you could give us some guidance or some color on how these non-recurring overheads will pan out in FY '26? Plus, also the DTA impairment, how much further it is to be impaired in FY '26, will we get back to the normalized tax rate as such?

**Ajit Pratap Singh:** Sure. So, in terms of non-recurring overheads, basically the portion is one-time write-off of bad debts and certain ECL provisions we have taken in the current quarter. In terms of FOREX losses, because the currency was very volatile in March, and these are primarily mark-to-mark translation losses, these are not the transaction loss, because of our exposure to our other subsidiaries in Dubai. So this is basically only a book entry, not the transaction loss. And what was your second question, sorry?

**Rohit Natarajan:** The deferred tax assets impairment.

**Ajit Pratap Singh:** Yes. In deferred tax, as of now, we have - basically this is due to the difference of the expenses which are not allowed in tax. Primarily, as of now these are like provision for bad debts, leave encashment, provision for gratuity and provision for bonus. And as of now we have an outstanding amount of around Rs. 22 crores, Rs. 23 crores that is expected to be utilized next year or next one or two years.

**Rohit Natarajan:** Sure. That's it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Ganeshram Rajagopalan from Unifi Capital. Please go ahead.

**Ganeshram Rajagopalan:** Thank you for taking my question. I have two. This is just in follow-up to what Rohit had asked. The first one is on the foreign exchange loss, could you please detail that a bit more for us? Because my understanding is that there are some hedges on the projects that you undertake and there is some amount that you give in terms of loans to subsidiaries that you do not hedge, but how come there is, I mean, this foreign exchange loss that you have incurred this quarter? And is this a cash loss or is this something that eventually, if the currency stabilizes, will be written-back? That's the first part.

The second is, on the deferred tax asset, could you please help us understand in more simpler terms as to exactly what this charge is? And maybe if I think ahead next year, what could be the extent of this charge? Just these two questions, please.

**Ajit Pratap Singh:** Yes. So, the FOREX loss, this is only translation loss, it is not the transaction loss, and it is not related to our operations. Basically, it is the exposure of what we have as a standalone entity to our subsidiaries in Dubai. So the loans and advances given to them, that has been translated as on 31 March. And it is only a book entry, the moment this currency will get stabilized, this will get squared off and will come back.

And on the second question on deferred tax, this has been created out of the expenses which are allowed as per the Companies Act, but not allowed as per taxation. And these are primarily the provisions which has been created for leave encashment, gratuity bonus, certain carry forward losses are also there. And this outstanding amount is around Rs. 23 crores, which will be utilized in next one to two years.

**Ganeshram Rajagopalan:** Understood. So, essentially you are saying another Rs. 23 crores that will be, I mean, prorated and extended over the year. So next year, if I look at FY '26, maybe Rs. 12 crores or something like that, that's what you are saying, is my interpretation correct?

**Ajit Pratap Singh:** Yes. That will depend finally on the profitability how it is, but yes, we have Rs. 23 crores available to be utilized in future years.

**Ganeshram Rajagopalan:** Understood. And maybe if you could just tell us the non-fund limits, right, have the drawable limits and sanctioned limits changed?

**Ajit Pratap Singh:** Yes. So, as of now, we have a total non-fund-based limit of around Rs. 4,500 crores, as against the appraised limit that's very high, around Rs. 10,000 crores. Because now business is improving and margins are better, we are in constant touch with our lenders as well as some new banks to get sanction of some additional non-fund-based limits to help the operations.

**Ganeshram Rajagopalan:** Is there a timeline as to when that will be materialized?

**Ajit Pratap Singh:** So, it will be gradual. We expect something to materialize in this month itself, basically in May, and in 1st Quarter some more limits might come.

**Ganeshram Rajagopalan:** If that happens, will you be able to execute around Rs. 2,500 crores a quarter sustainably, if you could highlight?

**Ajit Pratap Singh:** So, that will have multiple factor. Execution will be through non-fund-based limits as well as the open credit which we get from the vendors. So, depending on the execution speed and other factors, we can do the execution. So, non-fund-based limits is one of the factor. That will also help in getting new contracts. Basically, our non-fund-based limit is generally interchangeable between LC and bank guarantee. So, we can use judiciously wherever it is required to get new

projects and offer the bank guarantee for them or to give LC to our vendors and get more supplies.

**Ganeshram Rajagopalan:** I am sorry, I know it's a follow-up, but maybe let me just ask this another way, right? So, assuming you get the non-fund limits through, does this mean in Q1 and Q2 you can exceed your Q4 run rate, or will be muted compared to that?

**Ajit Pratap Singh:** So, last quarter, if you see, we executed more than Rs. 2,500 crores. It means we can execute even with the current limit Rs. 2,500 crores, if other factors are favorable to the company.

**Ganeshram Rajagopalan:** Okay, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Kunal Shah from DAM Capital. Please go ahead.

**Kunal Shah:** Yes. Hi, sir. So, a couple of questions. Now, the first bit, as the base has been like, reset for the company for F '25, how are we expecting the order inflow and revenues for F '26 in a base case scenario? Any revision or changes to the previous guidance?

**Chandra Kishore Thakur:** Yes. So, as you are aware that the renewable industries depends on host of factors. And while the Quarter 1, Quarter 2 pipeline seems to be visible, a clear visibility for Q3 and Q4, project-by-project, is still to be worked out. While you can clearly see from the National Growth Plan perspective, I mean, the overall opportunities in FY '25-'26 will be better than the last fiscal. And therefore, I mean, based on our trend, abilities and we, now, expanding into the wind and the solar, we clearly can foresee that, I mean, our order book position should be better than this fiscal.

**Kunal Shah:** Okay. Understood, sir. Just thinking a bit differently, let's say, we close with the Rs. 9,000 crores order book now. Out of this Rs. 9,000 crores, how much will get reflected in the F '26 as revenues based on the timelines?

**Chandra Kishore Thakur:** We can overall say that we will be exceeding this year's revenue target by 15%, 20% from the UOV that we have on 1st of April and the new orders will be coming. This is primarily because of many factors that is impacting the project commissioning and other things. But the growth prospect seems to be definitely better than this year's and, say, the growth would be something better than, I mean, in the range of 15% to 20%.

**Ajit Pratap Singh:** Yes.

**Kunal Shah:** So, F '26 over '25 should be 15% to 20% revenue growth, essentially?

**Chandra Kishore Thakur:** Yes.

**Kunal Shah:** Okay. Now, secondly, you mentioned on the fund and non-fund-based limits, like, now just when we start the year with this Rs. 4,500 crores non-fund-based limits, what is the revenue

potential basis that and some assumptions with respect to the open credit, etc.? And secondly, for this 15% to 20% growth in terms of revenues, what are we factoring in in terms of our limits going up, basically during the first half of F '26, if any?

**Ajit Pratap Singh:** So, as of now, the limit is sufficient to meet our target. However, the moment we will get additional limits, our open credit we will reduce that because that's more expensive. Non-fund-based limits come at a better cost. And we expect some additional limits to come in 1st Quarter itself before June. And then, maybe some more limits will be tied up in Q2. So, we are speaking with the banks, existing lenders, as well as the new lenders. And we expect a good progress in terms of getting new non-fund-based limits. Fund-based limits we do not require. In fact, we do not get drawing power also because we are a negative working capital. So, we will require only non-fund-based limits for our business growth.

**Kunal Shah:** Understood. And is there any assumption of the open credit business that you will be doing for F '26? And what was it during F '25, if you could just help with that?

**Ajit Pratap Singh:** It's a mix of both, basically. Sometimes, like LCs, sometimes we give for three months, but we will get it paid in one month. So, we keep a judicious mix of both, open credit as well as the limits available. There's not a specific percentage that this much will be open credit, this much will be under non-fund-based limits. It depends on the availability, basically. And non-fund-based limits also, because it is interchangeable with bank guarantee and LC, so we use wherever it is required both, for the growth. If we require more towards new business, we give bank guarantee instead of LC, using LC to vendors, and we get support from vendors to get the open credit.

**Chandra Kishore Thakur:** And that also depends on the project timeline, etc., right.

**Kunal Shah:** Got it. And just lastly, there appears to be this constant volatility in the O&M gross margin business, like until last quarter, you thought we're nearing that 25%-odd steady state, but now there's some bit of dip this quarter again. Is there a one-off over here?

**Ajit Pratap Singh:** This is one-off for the quarter, but this O&M business, you have to see holistically for full year. For full year, we can safely assume this year we have done around 20% gross margin in O&M business; safely we can presume that we will be in 20% to 25% range in terms of O&M margin. This year, there were certain one-off expenses which we booked in the last quarter. That's why quarterly O&M margin is low, but full year it is 20%.

**Kunal Shah:** Understood. Yes, thanks. That's it from my side.

**Moderator:** Thank you. The next question is from the line of Sagar Parekh from OneUp Financial Consultants. Please go ahead. As there is no response, we will move on to the next question. It is from the line of Puneet from HSBC. Please go ahead.

**Puneet Garg:** Yes. Thank you so much. Just a follow-up on this, if you can elaborate on what kind of one-off expenses do you have to book in the O&M, which led to the fall in margins here?

- Ajit Pratap Singh:** So, there are certain provisions and one LD in one of the projects.
- Chandra Kishore Thakur:** Provisions in receivables.
- Ajit Pratap Singh:** Yes, certain provision in our receivables, that's what we booked in Q4, and there was some LDs also which was booked in Quarter 4, that has resulted in reduced margin for O&M.
- Puneet Garg:** Okay. Okay, sir. That's right. But you are saying 22% to 25% is the normalized margins one should run within O&M part of the portfolio?
- Chandra Kishore Thakur:** Correct. That's correct.
- Puneet Garg:** Secondly, if you can also talk a bit about any additional work that you are seeing from Reliance Industries?
- Chandra Kishore Thakur:** Yes. So, I mean, last time also we discussed and all of you are aware that we are doing their pilot project. So, for the portion of the project that was allotted to us, that is almost completed, under commissioning. A few of them have been commissioned. New parcel of land has been given to us for say, around 9 megawatts, which is under construction now. So that's basically another pilot project. On the bigger size utility scale projects, we have submitted our offers, and they are under different stages of the planning and trying to understand that when the projects can be launched and all. But from our side, we have only submitted the offers. So, this is in the progress, you can say.
- Puneet Garg:** Okay. And is there an understanding that the project will come to you? Or can it go to the other vendors as well?
- Chandra Kishore Thakur:** Last time also I told you, this can go to other vendors, this can come to us, because the kind of pipeline they are discussing about, I mean, no such vendors in the country has that kind of capacity to, I mean, claim that he will be the only sole vendor - so it's not possible. So, they can decide based on the merit. And we believe that we are, I mean, very strong on our merit and therefore will get major portion of the orders should be coming to us. That's what I can tell you at this stage.
- Ajit Pratap Singh:** And just to add what CK said, the revenue guidance what we are giving, it is excluding Reliance and excluding Nigeria, without these two.
- Puneet Garg:** And lastly on the battery front, there have been a lot of new battery bids coming in at very low tariffs. Are you seeing the benefits of that, both in terms of newer orders and also lower cost on the battery prices for projects which you are executing?
- Chandra Kishore Thakur:** So, basically, the development of the projects that have been bid out, right, around 9 gigawatts kind of projects have been allocated, right, to the various IPPs, but only a few of them have taken off. It is true that the lithium-ion battery prices have gone really historically down and that's the reason that the Government of India and the others, in fact, in the other groups also

people are trying to move from intermittency to the fixed power kind of thing. So, either through the solar battery or through only BESS as an obligation in the existing solar plant, or the other establishments, or through maybe the solar, wind and battery. So, market tractions will happen, I mean, through these segments, that is for sure. And if you see the tariff, the fixed tariff, basically round-the-clock power tariff, if I say, so that is comparable to this, I mean, better than the fossil plant, that's what the people are claiming. So, market traction definitely will be seen in these segments.

**Puneet Garg:** No, no, what I am trying to understand is, other than the BESS projects with JSW, which is in the limbo currently, do you have anything else which you are executing on the BESS side?

**Chandra Kishore Thakur:** So, we have executed a few smaller projects for Reliance; we have executed a few projects outside India. So, currently, other than JSW, no. But frankly speaking, now there are a few tenders which are in the bidding stage. And having, I mean, got the very sound experience for the BESS projects domestically or internationally, we believe that we should be getting a few.

**Puneet Garg:** And can you give us a size of this opportunity here currently, which is available for tendering?

**Chandra Kishore Thakur:** So, see, currently the bids which are out, under process, they are around 100-megawatt hour to 300 megawatt hour kind of things, few projects. But I mean, like NTPC is talking about 10-gigawatt hour of the pipeline in next few years, so everybody is trying to understand that how it's going to impact the market, what kind of pricing will be there, so all those things. But since this obligation of 10% storage has come along with the solar plant, the market will definitely see the traction.

**Puneet Garg:** Understood. And lastly, one clarification, the JSW order is a part of your order book or is it still an MOU?

**Chandra Kishore Thakur:** It's a part of our order book.

**Puneet Garg:** It's a part. Okay. And what is the value of that?

**Chandra Kishore Thakur:** It's around, I think, Rs. 234 crores. Around Rs. 250 crores. I do not remember the exact number, but it is, I mean, around Rs. 250 crores.

**Puneet Garg:** Understood. That's really helpful. Thank you so much and all the best.

**Ajit Pratap Singh:** Thank you.

**Moderator:** Thank you. The next question is from the line of Nirav Vasa from ASK Investment Managers. Please go ahead.

**Nirav Vasa:** Hello, and good morning, sir. Sir, my question pertains to the non-signing of PPA. The quantity of projects for which the PPAs have not been signed is quite huge. So, I wanted to understand your perspective, according to your understanding, why are the PPAs not being signed?

And the second part of my question is, like, how strong is the transmission and evacuation capacity in the country? The pace at which we are increasing the renewable capacity, is the transmission and evacuation capacity is working with the same length? These are the two questions that I have. Thank you.

**Chandra Kishore Thakur:** So, basically, this question does not pertain to EPC company, right, because EPC business comes only when the projects are basically in the market. So, you are right. But as the overall business, macro level if you analyze, then signing of PPA, which is tariff adoption, and the connectivity issues, so those are two areas which have been, I mean, primarily from the last couple of quarters, if you see, those have been impacting the expeditious development of the project.

So, why is it happening is maybe basically because of, I mean, it's not our area to answer this question, but, I mean, just for the macro perspective I can answer you. That's basically the tariff adoption takes place in the state government, right, so it is for them to adopt the tariff. And some of the states, they feel that, I mean, because of the declining price and all, it's becoming difficult for them to adopt that. So, they are just taking a little, longer time. But the Government of India has been harping on every state government to expeditiously sign and adopt all the tariffs, right? So, that is one area.

On the development of the transmission systems, so there is a committee set up, I mean, Nodal Committee and all. So they are trying to ensure the grid stability, how the green corridors can be maintained. I mean, huge investments are there, all those pipeline projects are under advanced stage of construction and all. It will take some time. But temporarily, I mean, you are right that there is a jerk on the development of the PPAs that are stuck up because of the tariff reductions or some of the projects because of the transmission lines.

But otherwise, I mean, if you see that this year's target, the target was a little more than what, at a country level, that people have achieved. Otherwise, the solar capacity could have easily gone beyond 24 gigawatts that has been achieved this year. So, those are the micro things that are impacting the business development, but it's okay. I mean, other than that also, there are enough business pipeline that is being seen.

**Nirav Vasa:** Sir, but on one side, around 40 gigawatts of capacity doesn't have PPA, 26 gigawatts is what we add through the year. Maximum 30 gigawatts, 35 gigawatts of solar capacity can be added in a year as per my assessment. So, effectively, we have practically one year's capacity, for which PPAs has not been signed. So, according, in the light of this scenario, what are the chances that the impact of this can come on the entire ecosystem, including EPC contractors? Any delays in projects, any changes in terms, how do you see that?

**Chandra Kishore Thakur:** So, the number of projects that we have in hand, they are not impacted, right, the UOV. The number of projects that we are targeting in this financial year, they are also very clear. I mean, our share, if you see there from IPPs and from C&I sectors, the C&I sectors are not impacted, the open access projects are obviously impacted. But then there are enough number of PPA and

connectivity already signed, like NTPC and all. So, they are all in the solar park, so they are all, I mean, through. So, the government tenders are not impacted because of that.

So basically, at the minor level if you see, yes, there is jerk. The people are worried about, for sure. But then, on the broader levels, then companies do not have any options, we have to meet the target of, 300 gigawatts by 2030. That calls for around 50 gigawatts of bidding every year, and execution of say, 35 gigawatts to 40 gigawatts, right. So even if there is a shortfall, there would be enough space for all us to play, right? So, that's basically the point.

**Nirav Vasa:** Thank you very much, sir.

**Chandra Kishore Thakur:** There will be a shortfall, but then we have enough space to play around.

**Nirav Vasa:** Thank you very much, sir.

**Moderator:** Thank you. The next question is from the line of Purva Jhaveri from OneUp Financial Consultant. Please go ahead.

**Purva Jhaveri:** So, I wanted to ask, how much of the order book is in Khavda? And what is the risk to the project execution if there is India-Pakistan war?

**Chandra Kishore Thakur:** India-Pakistan is a very --

**Ajit Pratap Singh:** Highly speculative.

**Chandra Kishore Thakur:** It's a very interesting question. I think, I mean, it's not, I mean so far logical to discuss this question in this call, right? I think I will skip this question, I am sorry.

**Purva Jhaveri:** But at least can you say how much is the order concentration in the Khavda order book concentration?

**Chandra Kishore Thakur:** Order book concentration is around 4-plus gigawatts in Khavda, and they are at different stage of the project. Yes, mostly completed, correct.

**Ajit Pratap Singh:** Our project is mostly completed in Khavda, so we are in advanced stage of execution.

**Purva Jhaveri:** All right. Thank you.

**Moderator:** Thank you. The next question is from the line of Subhash B. from Value Investments. Please go ahead.

**Subhash B.:** Okay. Sir, my first question was about the wind EPC order that you have got, the hybrid order. So, I think, three quarters ago I attended your concall and I asked you a question, whether you would be interested in wind EPC sector as well. But you clearly said that you are concentrating only on solar EPC and not on wind EPC. So, what changed this decision for you to take the

hybrid order? And also, I think the wind EPC has lesser margins than solar, right, so do you still stick with the same margin guidance of 10% odd, if you win more wind EPC orders?

**Chandra Kishore Thakur:** No. So if you can recall, I mean, we would have discussed this point. So, risk in the wind is basically from the wind turbine side, right, so land-related risk, access risk and the performance of the wind turbine. Our strategy for wind business is very clear, we are not going for procurement of the wind turbine or doing the land access. And it's only the BoS that we are, I mean, concentrating on. And this order is also for the BoS. So this is ample space. The wind business overall growth is seeing, a huge traction. The BoS part which could be around 30%, 40% is also a good space for us. So, there is no risk as such. So, that gives the USP to basically provide a holistic solution to our customers.

**Subhash B.:** So, are the margins similar to our EPC or does it change, does it reduce?

**Chandra Kishore Thakur:** You see, the margin in the BoS, it's a similar job. So, solar BoS or the wind BoS, I mean, the equipment remaining same, the business remaining same, the margin remaining same.

**Subhash B.:** Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** Hi. Good morning, sir. And thanks for the opportunity. My question is on, what is the progress on NTPC execution? And how much is the order still to be executed? And have we commissioned the Khavda 1.3 gigawatts in this quarter?

**Chandra Kishore Thakur:** This quarter means, you say before June, right?

**Ajit Pratap Singh:** Yes.

**Mohit Kumar:** Before June, are you expecting to commission in this particular Q1 FY '26?

**Chandra Kishore Thakur:** No, so out of the total 3 gigawatts, yes, you are right, so slightly over 3 gigawatts. So, around 2 gigawatts for sure it will be commissioned. And another 1.2 gigawatts, they are at various stage, but then, we are still expecting modules to be supplied by them, right? So, if they are able to supply the modules in next couple of weeks, this can be seen, right, the commissioning is possible before, I mean, June. Otherwise, this may spillover. This is not basically because of our side. Our side, we are almost, you can say, we are in the advanced stage of installation of other things. Some of the interrelated work which can happen only after module is installed, that is only left out, like some cable connections and all those stuff kind of things. So, we are expecting the modules to be supplied soon, so that we can finish the project. But from our side, all civil works, everything, to that extent, is complete.

**Mohit Kumar:** Just to clarify, you are talking about 1.2 gigawatts commissioning in Q1 FY '26 and the balance later, is that right?

**Chandra Kishore Thakur:** So, I say that over 2 gigawatts will be commissioned before June, in June, and 1.2 gigawatts can spillover.

**Mohit Kumar:** Understood, sir. My second question, if I may ask, how is the opportunity looking in the Middle East? Of course, given that we understand that the opportunity is very high, do you have the appetite to participate in the region again or can you just please throw some light?

**Chandra Kishore Thakur:** We are just evaluating this Middle East market. So, I mean, no doubt there is a huge opportunity; the project size also, it is a huge project size they are coming up, particularly in Saudi and the Middle East, right, Abu Dhabi and Dubai and all those such places. Two reasons that we are now keeping away from this market is that a lot of Tier 1 EPC players got into this market, and they are operating at a very lower margin. That is not our appetite. Number one.

Number two, the terms and condition of the contracts, they are not conducive. So, it is basically a lenders-driven market, right? It's very stringent terms and condition in terms of penalties, acceptance or in terms of the BG requirement and all. Therefore, we are just watching the market to get corrections. And then, as far as experience is concerned, we have huge experience. We were the first to get the largest site of project in Sweihan, you know, you are aware, over 1,000 megawatts capacity. So, we have the office, we have our team, but right now, we are not bullish in this Middle East market.

**Mohit Kumar:** Understood, sir. Thank you, and all the best, sir. Thank you.

**Moderator:** The next question is from the line of Rishikesh from RoboCapital. Please go ahead.

**Rishikesh Oza:** Yes. Thank you for the opportunity. Sir, my first question is, if you could guide just what should we have as interest expense for FY '26?

**Ajit Pratap Singh:** So, if you see, current year, this has ranged between 1.2% to 1.7% of revenue and we believe that will be in the same range for next year also. The interest expense, what you see in the balance sheet is not exactly only on the debt, there are certain other interest also which includes interest on advances, interest on LC discounting and some bank charges, vendor financing. So all those interests are there. So, interest cost you cannot per se link with the debt outstanding. Interest has a lot of other components also, as I mentioned. And overall guidance will be in the same range, 1.2% to 1.7%.

**Rishikesh Oza:** Okay. Secondly, on Nigeria, could you update exactly what is the status there? And by when can we see the agreement to happen?

**Chandra Kishore Thakur:** So, I have just explained some time before, I am not sure whether you were there. I mean, it is very, clearly spelt out that, I mean, these things are getting delayed procedurally and it may take some time, right. But the project is on. It is difficult to say when to sign off the contracts. But I mean, it will take six to nine months after signing the contract for financial closure and then to get the NTP.

- Moderator:** Thank you. Sorry to interrupt. I would request you please come back in the queue for further questions. The next question is from the line of Bhavik Shah from MK Ventures. Please go ahead.
- Bhavik Shah:** Sir, I have few questions. Sir first is, what will be your order inflow in FY '26 ex of Reliance? And sir, how much time does it take for an order, like Reliance, to achieve financial closure once we get the order? And the third is, sir, what is the repeat of indemnity we are aiming in FY '26? And my last question is, why is the other income negative?
- Chandra Kishore Thakur:** So, I will answer for the first question first, and then Ajit will take up further another two questions. So, financial closure is not something which pertains to me. So it's basically, Reliance, once the project is concluded, the EPC order that we will go for. And I do not think that's basically an hindrance for Reliance projects to come up, right?
- Bhavik Shah:** So, you can immediately start with the project --
- Chandra Kishore Thakur:** Come back again, please.
- Bhavik Shah:** So, will you be able to start with the project immediately as you get the project?
- Chandra Kishore Thakur:** For us, yes, the moment the project is awarded to us, as per the project timelines we can start doing the work.
- Bhavik Shah:** Okay. Yes. And sir, the other questions?
- Chandra Kishore Thakur:** Ajit, other two questions for you.
- Ajit Pratap Singh:** Sorry, can you repeat, if you do not mind?
- Bhavik Shah:** Yes, yes. So, what will be your order inflow for FY '26, excluding Reliance? How much repeat of indemnity we are able to get in FY '26? And why is the other income negative?
- Ajit Pratap Singh:** So, as we indicated, FY '26, we are looking for a growth of around 15%, 20% in terms of overall order intake.
- Bhavik Shah:** And I think that was for revenue, not for order intake.
- Ajit Pratap Singh:** Order intake also the same growth we are looking at, around 15% to 20%. In terms of indemnity, nothing has been crystallized. And yes, so crystallized indemnity is not there, but around Rs. 850 crores we can expect to receive, that has been intimated to the promoters and that should be due in September.
- Chandra Kishore Thakur:** No, so that will be based, I mean, it's the outflow from the project.
- Ajit Pratap Singh:** Rs. 850 crores is the current outflow from the project?

**Chandra Kishore Thakur:** So basically, I mean, the number that we see, that Rs. 850 crores is the outflow from the project, which is at the various levels of the litigations, understanding and all those things. Once crystallized, I mean, our expectation from the client is Rs. 850 crores. So, if out of Rs. 850 crores if something is falling short of, that will go to indemnity. And once the order comes in our favor, it will go to the project company.

**Bhavik Shah:** Understood. And sir, why's there negative other --

**Moderator:** I am sorry to interrupt, Mr. Bhavik, please come back in the queue for further questions. The next question is from the line of Faisal Hawa from H.G. Hawa & Company. Please go ahead.

**Ajit Pratap Singh:** And yes, one more question was there linked with other, other income is negative because of the FOREX loss that got configured over there. The FOREX loss has been adjusted against other income, that's why it came negative, for the quarter, not for the full year. For the quarter, it is negative. For the full year, if you see, it's a positive Rs. 39.6 crores other income positive.

**Moderator:** Yes, sir. Mr. Faisal, please go ahead with your question.

**Faisal Hawa:** Sir, what is the kind of reduction we are expecting from our fixed cost, like our central office expenses? In view of so much competition coming on from other players in EPC, is there any chance that these expenses could be cut down, so that we are much more competitive for newer orders?

**Ajit Pratap Singh:** We will work on that, but as of now we will not indicate any reduction. We will continue with the same trend what we had in the last year.

**Faisal Hawa:** And sir, are there any international orders that we are bidding for also? And what is the size of those orders that we have already bid? And have you budgeted for any wins there?

**Chandra Kishore Thakur:** Yes. So as I have told you that, I mean, our focus is more in the domestic market. International market, we are very select in a very select geography. And only those orders we are targeting which are very conducive to our requirement, right? So, good terms and condition, better payment terms, not much risk. So, having burnt our finger in past, so we are very careful. So, if you see the last year, the order inflow, it was over Rs. 1,000 crores, before that in previous year also it was over Rs. 1,000 crores. So we are targeting the range of Rs. 1,000 crores to Rs. 2,000 crores orders if it keeps on coming from Africa and the European market. European market means, we say that the Iberia, Balkans regions where not many players are there and then you can still command some better margins. So, only those regions we are targeting.

**Faisal Hawa:** And after appointing the new CFO, are we also trying to plug-in positions from people who have resigned in the last six to seven months? Or we will let those posts be vacant mostly or just promote from the organization upwards?

**Ajit Pratap Singh:** So, I am reviewing the entire org chart and there would be some new recruitments also in certain key positions. And whatever we can manage with the additional resource, we will continue to manage it then.

**Faisal Hawa:** And is there a chance that Reliance --

**Chandra Kishore Thakur:** Just to supplement Mr. Ajit's answer. So basically, the organization is not starved off, so few people leaving us here and there does not impact the business - day-to-day business, right? But always, as you grow in size, there would be always requirement to see that if the fresh blood is required or something like this. But there has not been a mass exodus kind of situation and that's not really alarming us, very frankly speaking, yes.

**Faisal Hawa:** And is there a chance that we could get some large orders from Reliance in the first half itself because we have done the first pilot for them?

**Chandra Kishore Thakur:** No. So we have done the first pilot, a few projects are under bidding stage. It's difficult for us to assess at this stage that it will come in 1st Quarter or 2nd Quarter. But yes, the team is working from their side, from our side. We are engaged, again, fully. And we are working on this.

**Faisal Hawa:** Thanks for answering my questions so well, sir.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today's conference call. With that, we conclude today's conference call. On behalf of Sterling and Wilson Renewable Energy Limited, that concludes this conference. We thank you for joining us. And you may now disconnect your lines. Thank you.