STERLING & WILSON

October 26, 2025

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **Scrip Code: 542760**	**National Stock Exchange of India Limited** Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051 **Symbol: SWSOLAR**

Sub.: Investors Call Q2 FY 26 - 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 October 11, 2025, and October 17, 2025, please find enclosed the Transcript of the Investors Call held on Friday, October 17, 2025, at 05:30 P.M. (IST) on the Unaudited Standalone and Consolidated Financial results of the Company for the quarter and half year ended September 30, 2025.

The same is available on the Company's website at www.sterlingandwilsonre.com.

Request you to take the same on records.

Thanking you,

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

VENKATA JAGANNADHA RAO CHUNDURU

Digitally signed by VENKATA JAGANNADHA RAO CHUNDURU
Date: 2025.10.26 12:53:09 +05'30'

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

"Sterling and Wilson Renewable Energy Limited
Q2 FY26 Earnings Conference Call"
October 17, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 17th October 2025 will prevail.

MANAGEMENT: **MR. C.K. 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 Q2 FY26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sandeep Thomas Mathew, Head Investor Relations for his opening remarks. Thank you and over to you, sir.

Sandeep Thomas Mathew: Yes. Thank you and good evening, everyone. We have with us today Mr. CK. Thakur our Global CEO and 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 industry outlook, followed by the financial highlights by Ajit, post which we will open up for Q&A. Thank you, and over to you, sir.

C.K. Thakur: Thanks, Sandeep. A very good evening and best Diwali wishes to all the participants on this call. Before we move to the operational and financial highlights, I would like to begin by addressing certain important legal and financial developments during the quarter that have had a material bearing on our results.

During Q2 FY '26, three legal matters concerning our U.S. subsidiary, Sterling and Wilson Solar Solutions, Inc. (SWSS) reached critical stages. These pertain to legacy projects executed a few years ago.

The first issue is the Conti LLC arbitration. As previously disclosed, Sterling and Wilson Solar Solutions Inc. was engaged in arbitration proceedings with Conti LLC USA relating to a project executed a few years ago. During Q2 FY '26, the Arbitral Tribunal issued an interim award under which the claims filed by SWSS amounting to USD55.06 million, approximately INR485.64 crores were dismissed and Conti LLC was granted an award of USD6.44 million, approximately INR56.8 crores plus interest.

As this amount of INR485 crores was reflected as receivables in our consolidated books, we have fully written off this amount during the quarter. Consequently, this resulted in a one-time non-cash impact on our profit and loss statement for Q2 FY '26 and the corresponding reduction in our consolidated net worth. Accordingly, we have written off an amount of INR580 crores in our books for the award value, including applicable interest and approx legal charges payable towards the amount awarded to Conti LLC.

Second issue -- the second matter pertains to our earlier disclosure regarding a customer of SWSS in the United States. During the quarter, the customer invoked a Standby Letter of Credit (SBLC) amounting to USD7.19 million, approximately INR63.47 crores, which was subsequently honoured by the issuing bank and reimbursed by SWSS.

The SBLC invocation was related to a contractual dispute for which litigation is already ongoing with the said customer. We will seek recovery of the amount paid through the ongoing legal proceedings.

Lastly, we have concluded a mutual settlement with OEG Inc., another U.S.-based counterparty, thereby closing another litigation matter. As per the terms of settlement agreement signed on October 9, 2025, SWSS will make a settlement payment of USD2.25 million, approximately INR19.95 crores, to OEG Inc. (as against their claim of approximately USD7 million) in two tranches payable during October and November 2025. This settlement has been accounted for in Q2 FY '26, leading to a one-time financial impact of INR19.95 crores.

To summarize, the cumulative impact of these three matters, comprising the write-off of INR580 crores and the settlement payment of INR19.95 crores has materially impacted our Q2 FY26 reported results, primarily as one-time non-recurring items. While these are largely legacy project-related issues in our U.S. subsidiary, their resolutions, while financially painful in the short term represents a significant step towards cleaning up the balance sheet and enabling management to focus squarely on operational performance and profitable growth going forward.

Now moving to the operations. Our order inflows have picked up a lot of momentum. We have bagged five new orders since Q1, including our first order from international market this year and four projects from domestic market. Our cumulative order inflow this fiscal now stands at approximately INR3,775 crores and we have already picked up orders of nearly INR3,000 crores since Q1.

In the international market, we received an LOI for a 115-megawatt turnkey project in South Africa valued at approximately USD120 million. As we have stated in the call before, South Africa continues to remain a key focus market for us and this will be the third project that we will be executing there. In addition to these three projects, we continue to be in close dialogue with a few large players there and are hopeful of concluding a few more projects soon.

Our domestic solar EPC market has continued to grow at a rapid pace. And we have been able to bag new projects primarily from PSU space this fiscal. There was a slight pushback in the reverse auction calendar, which meant a large number of these auction happened in late September or towards early October and many more continue to be in the pipeline.

We have been awarded a 304-MWp turnkey project in Khavda worth INR818 crores. In addition, we were also declared L1 in two Balance of System projects of a leading PSU in Rajasthan and Uttar Pradesh respectively. The combined EPC value of these two BoS projects is approximately INR760 crores for 943 MWp. In addition to the PSU order wins, we also received an order from large private IPP for a 421-MWp BoS project in Rajasthan worth INR372 crores. The values I have indicated are excluding taxes and O&M and refer to the attributable EPC order value to our EPC order backlog.

Now coming to our unexecuted order value. It currently stands at INR9,287 crores compared to INR9,096 crores as of March '25 and approximately INR8,348 crores as of June 2025. About

84% of our current order book comprises domestic Indian projects, while the international UOV comprises primarily two projects in Europe and three projects in South Africa.

As I had indicated in the previous call, financial year '26 is stepping up to be a very good year for the domestic solar EPC market with the strong bid pipeline. Awarding activities from both PSU and private IPPs is expected to gain strong traction in the second half. And despite healthy ordering activities seen in first half, we are still seeing a pipeline of nearly 25.2 gigawatt with over 17 gigawatt slated for ordering in the second half of this fiscal in India alone. Over and above the solar EPC pipeline, we will continue to target BESS project and select hybrid wind EPC projects as well.

In terms of execution, our scale-up plans continue to remain on track and execution remains steady despite the seasonal challenges associated with monsoons and the improved top line of Q2, which has grown 70% year-on-year is reflective of the same.

I would like to reiterate that we continue to remain patient and careful and carefully evaluate projects in India and overseas and are focused in targeting profitable orders.

Our O&M portfolio outlook remains strong. Our current portfolio stands at 9.1 GW as of September 2025. We are hopeful of bagging a few large third-party O&M orders as well as benefit from our internal large stream of EPC projects, which are nearing completion, which will feed our O&M portfolio and should aid a meaningful pickup in the revenues.

From the financial perspective, our Q2 FY '26 results include the full recognition of onetime exceptional items arising from the legal matters discussed earlier. Excluding this, the core business performance continues to remain operationally strong. We continue to maintain our overall target margins, including O&M, in the range of 10% to 11% with the O&M segment sustaining margins of over 20% to 23%. Our focus remains firmly on timely execution, cash flow discipline, working capital optimization and profitability.

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

Ajit Pratap Singh: Thank you, CKT. Happy Diwali everyone. Our operational performance has been largely in line with our expectations during the first half. Execution continued to improve despite monsoon-related disturbances in Rajasthan and Gujarat.

Our second quarter revenue grew by 70% year-on-year to INR1,749 crores as against INR1,031 crores in second quarter of FY '25. Our first half FY '26 revenue are up 80% to INR3,510 crores as against INR1,946 crores in first half of FY '25. Our top line performance in the first half is fairly indicative of what we set out to achieve at the start of the fiscal year.

On the gross margin side, our first half FY '26 gross margin was 10.3% compared to FY '25 gross margin of 10.1%. Sequentially, our gross margin dipped to about 8.9% this quarter versus 11.7% in Q1 as domestic EPC margins were impacted by commencement of revenue recognition in a few large turnkey projects, including module in our scope, which tend to have overall lower margins compared to sole BoS projects.

Our operational EBITDA, which is operating revenues, less recurring overheads amounted to INR62 crores this quarter compared to approximately INR23 crores seen in Q2 of FY '25 and INR123 crores seen in prior quarter. Our recurring overheads saw a marginal increase this quarter at INR94 crores, primarily due to higher legal expenses.

As CKT has alluded to in his opening remarks, we had to provide for certain large one-off expenses related to U.S. arbitration ruling and final settlements, which pushed up non-recurring expenses to over INR637 crores and resulted in the reported EBITDA loss of INR470 crores during the quarter. Consequently, our PAT also was a loss for INR478 crores during this quarter.

In addition, in the standalone results, the company's investment in a subsidiary, loans given along with accrued interest thereon and other receivables aggregated to INR3,196 crores. Considering the unfavorable outcome arising from the Conti arbitration order, which we've spoken earlier, resulting in loss of amounts that were considered recoverable and the outflow towards honouring settlements, INR600 crores are considered non-recoverable from the wholly-owned subsidiary and hence the company has written off the loan to that extent.

Further, considering the inordinate delays with respect to the Nigeria project, we have made an impairment provision of INR2,038 crores from the wholly-owned subsidiary during the quarter in our standalone financials. The said amount aggregating to INR2,638 crores has been classified under exceptional items in the statement of unaudited financial results for the quarter and six months ended 30th September, 2025. This was already considered in consolidated results as prior year losses from international business. With this exceptional provision in the standalone financials, net worth of our standalone and consolidated financials will get aligned.

Now coming to the balance sheet. Our gross borrowings have increased to INR1,194 crores due to a fresh INR475 crores term loan that we availed and got disbursed from IREDA during Q2 FY '26. Our cash and bank balances stand at INR452 crores. Our net debt increased during the quarter due to higher payment of vendors from the term debt of IREDA and Bank of Maharashtra and stands at INR742 crores.

We've also raised an indemnity claim for September 2025 on the promoters, SP Group and Mr. Khurshed Daruvala for approximately INR178 crores which is expected to be paid by November 30, 2025. We continue to make progress on our banking limits front and have cumulatively been able to obtain sanction of fresh credit lines to the tune of nearly INR2,000 crores, since the start of this fiscal, including surety bonds. With this, we can now open the floor to questions-and-answers.

Moderator: First question is from the line of Pratik Jalan from Tradex Capital.

Pratik Jalan: Yes. Greetings for Diwali. My first question is regarding Nigerian project. What is the update on Nigerian project and the Reliance project?

C.K. Thakur: Hi, Pratik. On Nigeria, status quo remains, although there was been some development. The development is like the earlier in the last call, we probably discussed that the agreement was signed between the utilities of Nigeria Government, large utilities like NTPC in India and all with -- and Sterling and Wilson. Now the SPV has been formed and the terms of the agreements are -- procedurally it is taking a little time, but the project is still on, but I mean it is getting delayed unexpectedly.

Pratik Jalan: If you don't mind saying, the Nigerian project is on the book from past two years, and that's also creating a misleading to investors. Because a lot of people are investing just because of the Nigerian order and it's been delayed from past two years.

C.K. Thakur: That is true. So, the project is still not abandoned.. And once contract agreement was signed up between Sterling and Wilson and the utilities. So then thereon, whatever time line was slated for, that is procedurally taking a little longer. That's the concern basically, but then the project is still on.

Moderator: Next question is from the line of Saurabh Srivastava from Arista Consulting.

Saurabh Srivastava: Sir, since you people are present in Khavda in a big way and Adani Green is also present in a big way. Is there any possibility that you may take their some part of OEM maintenance part going forward in a bid or is there any plan of that sort?

C.K. Thakur: Yes. So basically, not only Adani. Adani, for sure. So they have invited us for the participation in the bids for the O&M portfolio. Other than the Adani, there are other IPPs which may also look for the third-party O&M services. And we've been the largest there, we will be looking for these kind of business opportunities.

Saurabh Srivastava: That was my first question. What's the status about the Reliance new energy project? By what time can we see some sort of start?

C.K. Thakur: Yes. On Reliance, yes, so, I mean, I'm sorry, Pratik, you had asked on the Reliance also. I missed responding to that question. So good that Saurabh has asked. So on the Reliance side, on -- in the Khavda regions, in the Kutch region, I will say, not in Khavda, in the Kutch region nearby. So the prelims work, I mean they have started. But while the modules manufacturing have commenced, I mean it's difficult to say at this stage that when exactly project will start.

But now it is expected that maybe Q1 of next financial year, they will start tendering activities. So I mean, it is more or less in line with the announcement that they have made in their press release on the various calls and other things, right. So now the Reliance projects are getting momentum and the traction is happening now.

Saurabh Srivastava: And then the last question, sir. There is a lot of buzz about this battery storage thing. So are we getting there also in a big way, sir?

C.K. Thakur: Yes. So basically, yes, I mean the dynamics of the business today is that the few contracts are being -- RFQs are being floated for the hybrid projects. So hybrid with solar and battery or maybe wind and battery like this. And also the policy states that the 10% of the capacity of the solar plants necessarily have to be from this.

So we have advantage of earlier starting one of the largest BESS projects in India with JSW and a few projects on hybrids in international market. So the tenders are being out and a few of these projects are still stuck up because of tariff adoption. But then, yes, we are well placed for participating in all the bids that are going to be floated.

Saurabh Srivastava: What margins can we expect going forward in this segment?

C.K. Thakur: It could be similar to the solar, I mean.Yes, around 10% or so.

Moderator: Next question is from the line of Maitri Shah from Sapphire Capital.

Maitri Shah: I just have a few questions. Firstly on the clarification, how you are calculating the operational EBITDA, the number that you gave INR62 crores in the presentation, if someone can clarify that?

Ajit Pratap Singh: So operational EBITDA is basically after our cost of material and services and recurring overheads.

Maitri Shah: So sir, the guidance that we gave about 5.5%, 6% EBITDA margins that we want to maintain. Is this the operational EBITDA percentage that we are guiding for?

Ajit Pratap Singh: That's right.

Maitri Shah: Okay. Any reason why there was a dip in the operational EBITDA barring the exceptional items, that huge exceptional one-time loss that we had, there was still a dip in the operational EBITDA. Any reason for that?

Ajit Pratap Singh: Yes. As I mentioned in my opening remarks also, a lot of revenue during the quarter came from the projects, which are including module. And in those cases, the revenue is high, but the margins are low. So that's the reason operational EBITDA for the quarter was less.

Maitri Shah: So the current -- I would say, the current order book that we have of around INR9,200 crores, could you give us a split of the projects that we would need to include our modules and in the projects that we don't include our modules, what sort of split do we have in the order book?

C.K. Thakur: Yes. So out of the total 5 projects, 4 are from domestic in this quarter and 1 is the turnkey EPC contract, which includes the module supply as well. And 1 international which is completely turnkey. So there also the module supply is part of the scope. Now since the module market is pretty stable, so we may expect better margins, in fact, going forward.

Maitri Shah: So now that we have a higher percentage of order book with modules included, do we expect the EBITDA margins to go down, maybe like even if the module market is pretty stable, do we expect the margins to even dip any further?

C.K. Thakur: Not to go down. You can expect around the same level.

Ajit Pratap Singh: 4% to 6%.

Maitri Shah: Any quantification? Could you give me a range?

Ajit Pratap Singh: 4% to 6% you can consider.

Maitri Shah: The next question I had was on the guidance. So we have been guiding for a 20% growth and we had exceptional growth in the first and the second quarter. And considering the 20% growth, we are seeing a 7% degrowth in our second half. So are we going to reiterate our guidance or like maybe increase it for the second half of the year?

Ajit Pratap Singh: We continue to maintain the same guidance what we indicated in the start of the year, around 20% growth in terms of revenue.

Moderator: Next question is from the line of Jayesh Shroff from Cask Capital.

Jayesh Shroff: So my first question is on the write-offs. So we've written off the investment and the loan amount. But there is still a hanging sword of corporate guarantees that we've given to the subsidiary to the tune of INR1,700-odd crores. So what is the status of that? I mean, it could be revoked in the future? I mean, is that still working?

Ajit Pratap Singh: So now if you see the net assets in our foreign subsidiary, FZCO, that amount is recoverable. So there is no risk or negligible risk on the corporate guarantees being invoked because the difference between stand-alone and consolidated net worth, we have already made a provision.

Jayesh Shroff: I didn't get it. Can you -- if you can clarify...

Ajit Pratap Singh: I'm saying earlier, there was a difference between net worth of consolidated and stand-alone financials, because the losses whatever international operations have incurred, those losses were accounted for in consol balance sheet, but that amount was considered good and recoverable in stand-alone balance sheet.

Now, because we have made a provision against the investments and loans given from Indian entity to Dubai entity, those losses have been accounted for. And now the net worth has been aligned between stand-alone and consolidated. So that's why the corporate guarantees whatever have been given, primarily doesn't have a big risk of invocation or doesn't have any big risk of having any future impact on our financial stand-alone.

Jayesh Shroff: So these guarantees are given to the banks or these guarantees are given to our customers or counterparties who may actually -- as in the past. So our customers can still revoke those guarantees. I mean that risk still remains, right?

Ajit Pratap Singh: So to that extent -- as I'm saying, to that extent, we have already incurred the loss and that loss has already been booked.

Jayesh Shroff: No, no, that loss has been booked, but I mean, customers cannot claim additional amount?

Ajit Pratap Singh: Like, one of the customers, they have invoked the bank guarantee. And the money is already out. They have been paid.

Jayesh Shroff: Okay.

Ajit Pratap Singh: They got the amount. So that's why I'm saying because the amount has already been paid to the customer against the bank guarantee whatever was issued by US subsidiary. So there is no risk on corporate guarantee of Indian entity to be invoked because the amount has been paid to the customer.

Jayesh Shroff: Right. So that may be one part. But like that, there may be many other customers who may still come and claim that, right?

Ajit Pratap Singh: Not exactly. All the litigations whatever are there, those have already been accounted for and disclosed appropriately in the financials.

Jayesh Shroff: Okay. But you earlier said that there is a very less chance of this getting revoked. So it is not a zero-chance situation or something like that.

C.K. Thakur: No. So basically, there is no fresh cases now. So all those old cases, legacy cases that we were discussing. So they are -- this kind of situations we have already accounted for. So going forward, all the orders that we are executing, they are all sound orders.

Jayesh Shroff: Completely agree. I'm saying that legacy customers cannot come back to claim liquidated damages or whatever kind of damages, additional damages from us?

C.K. Thakur: So they have whatever -- I mean damages they were supposed to claim, that they have only encashed the bank guarantee and now the cases are under the legal, right? So a few of them were under arbitration, a few of them in the court. So -- I mean the consolidation of the cases have already happened. So there is no fresh legacy cases where the -- I mean, the new course of the legal actions need to be initiated. So to that extent, we said that the cases are known. We know what was the impact to be taken, we have already taken, right?

Jayesh Shroff: Okay. My second question is regarding the Reliance -- delay in Reliance orders. So, if Reliance has started manufacturing the modules and our understanding was that the large amount of that module manufacturing included in the initial phase was for capital consumption. So are they selling that in the international market? Or -- and what is -- I mean, is there any technical issue because of which the projects are getting delayed?

C.K. Thakur: No, not really. So I mean, we are really not sure about strategically, maybe -- they may be out. But since the technology is HJT, right, so the domestic market, on the price parity point of view, I mean they have to really reference them out, right? So, I mean for the domestic participation, they have to seek some kind of references for the plants that they have supplied and the performance is okay.

But for international market, they have been supplying either from the Singapore factory and the other factories. So, I don't think this is a concern because HJT is, I mean, one of the best technologies that have to happen. Slightly, it is costly at this stage of time. But going forward, for sure, they should be picking up the pace, right? And initially -- yes, you are right. Initially, I mean those will be used only for the domestic consumption, for their own captive conversions, right?

Jayesh Shroff: Right. And there is no plan on their side to take up EPC on their own or anything like that, right?

C.K. Thakur: This is difficult to answer at this stage, but then the kind of the megawatt level that they are planning. So I mean definitely, they would be distributing work. So -- and they will follow some kind of system, right?

So the system of selecting the EPC companies. So we will also -- we will stay at the arm's length distance, but no reason that we should not be competing, So for any other clients that we are competing, we are getting the largest share, right. So here also, then we are confident of getting, yes, absolutely.

Jayesh Shroff: All right. All right. I think that's it from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Mohit from Hem Securities Limited. Please proceed.

Mohit: Yes. Sir, apart from these three legal cases for which we have given this provision or the exceptional item in profit and loss account, what are the other legal cases that are still pending for which we haven't made the provisions yet? And if the outcome of those come against us, what will be the amount that will be charged to the profit and loss account?

Ajit Pratap Singh: So all these legal cases, whatever is going on has been appropriately disclosed in our financials. At this point in time, based on the legal advice and the status of those legal cases, we don't feel any amount will be charged in our profit and loss account. We are already out of money in certain cases where our bank guarantees have been encashed. So we are fighting for that, along with our claims against the wrongful invocation of our bank guarantees.

Mohit: In case if those are charged against us, then what is the amount that will be covered from indemnity?

Ajit Pratap Singh: Most of the legal cases whatever are going on are covered under indemnity. This Conti was the largest case which was not covered under indemnity, and that's why the hit came on Sterling and Wilson.

Mohit: Sir, can you explain how this INR580 crores has been charged to profit and loss account? Is it the write-off of amount which you were expecting from our clients plus this INR56.80 crores, which we are supposed to pay to them?

Ajit Pratap Singh: The largest amount was already sitting in our receivables because we already executed the work and did the invoices. So that amount was lying in our receivables. Because we lost that case, the recoverability of the receivable has been written off, along with likely legal expenses and the interest cost in the said case.

Mohit: And last question from my side. What will be the guidance for FY '27? If we have the order book of around INR9,000 crores in your books. So you have the visibility. So what will be the guidance for FY '27?

C.K. Thakur: So I think it will be better if you can wait for some time for the next quarter and then see finally. Otherwise, normally, you can expect the similar growth that we have been witnessing, this quarter, last quarter, the balance quarter or the next year. So I mean, the industry is doing good. So we should be expecting the similar growth.

Mohit: And are you planning for any fund raise like QIP or through loans?

Ajit Pratap Singh: Not at this point in time. We have already raised some debt, as I mentioned in my remarks. So at this point in time, we are not planning to raise any fresh equity.

Mohit: Okay. That's it from my side. Thank you.

Moderator: Thank you. Next question is from the line of Ishita Lodha from SVAN Investments. Please go ahead.

Ishita Lodha: Thank you for the opportunity. So the two L1 positions that you announced in Uttar Pradesh and Rajasthan, is it included in the order book of INR9,300 crores or it does not include?

C.K. Thakur: Yes, they are included.

Ishita Lodha: Okay. So when are we expecting the LOIs to come?

C.K. Thakur: Normally, after the L1 announcement, it takes around two to three weeks. Intimation has already come and intimation for the award positions or our -- I mean, L1 positions have already come for these projects. Detailed LOA and contract signing will happen in two to three weeks' time.

Ishita Lodha: Okay and apart from the INR600 crores of exceptional item, any other non-recurring overheads charged in P&L in current quarter?

Ajit Pratap Singh: No.

Ishita Lodha: Okay. So this INR600 crores is already paid and reflected in our cash flow or is it to be paid in next half of the financial year?

Ajit Pratap Singh: No, it is not a cash outflow of INR600 crores. The cash outflow would be around probably USD8 million to USD10 million. So this is basically a reversal of receivables, whatever is not recoverable because of the adverse ruling from the Arbitral Tribunal.

Ishita Lodha: Okay, got it. So the legal expenses and the interest cost that is already paid or yet to be paid?

Ajit Pratap Singh: That is yet to be paid. That is yet to be finalised actually. So as of now, we got the interim order. The moment they issue the final order, that will be with the legal cost.

Ishita Lodha: Got it. And can you give the split of the order book, INR9,300 crores. How much of this is BOS and how much of this is with modules?

C.K. Thakur: As I've told sometime before, so out of the projects, five projects, right? So two projects, let's say, the first one is which module which is around INR800 plus crores. And the second ones which have come from South Africa. So that would be around close to INR1,200 crores, right? Rest all are the BOS projects.

Ishita Lodha: Okay. And this time, we have seen that your creditor days have decreased to 130 days. So I remember, we were talking earlier up in the call that we were getting support from the vendors in the form of supplier credit. So right now, what is the scenario?

Ajit Pratap Singh: So what happened during the quarter, we raised a debt, INR475 crores from IREDA and that has helped us in payment to creditors and reduction of creditors days. Now we have -- over and above, we now have sufficient non-fund-based limits from the banks, bank guarantees and LCs. And we are also optimally utilizing our non-fund-based limits to get the credit period wherever we need.

So we can get the LC issued for 180 days where the vendor can get the discount -- the LC discounted and get the money upfront, whereas we'll give the credit of around 180 days. So that flexibility is available because of our additional credit lines available.

Ishita Lodha: So currently, how much of our non-fund-based limits are not utilized, which we can use for future order inflows?

Ajit Pratap Singh: So our utilization is around 80% total -- utilization changes every time - but around INR1,000 crores would be the unutilized limit. And we are also getting support now from insurance companies in the form of surety bonds. So we have availed surety bonds from 5 insurance companies, put together the value would be in the range of INR400 crores to INR500 crores. So there is another option available to us. So we can -- based on the cost and availability of credit lines, we can use our limit, banking limits or surety bonds.

Ishita Lodha: And what is the cost of this new IREDA term loan.

Ajit Pratap Singh: It's 11.15%.

Ishita Lodha: Thank you. That’s it from my side. All the best.

Moderator: Thank you. Next question is from the line of Faisal Hawa from HG Hawa and Company. Please proceed.

Faisal Hawa: So sir, this will lead to a whole cascading effect now to us because our net worth is eroded and banks will now downgrade our credit ratings. So again, the liquidity will become tight. So how do you propose to take even more orders? And how will you execute those orders? Because even now our suppliers will be wary of supplying to us.

Ajit Pratap Singh: So generally, we have not seen bankers taking back the lines, whatever they have sanctioned, particularly the PSU banks. And if you see the recent sanctions, our sanctions are from PSU banks. So as of now, we don't foresee any major issues in terms of availability of credit lines...

Faisal Hawa: No, no, generally, credit rating agencies are slow on this. So they will downgrade you in maximum 30 days from today. And when that happens, the interest rates will go higher and the projects that you have already taken, will get difficult to execute. And what I'm not able to understand is that there are three promoters sitting in this. But yet, there is no one promoter who puts up his hand and says that I'm going to take charge of the situation and get this company out of the mess it is into.

Ajit Pratap Singh: So in terms of cash flow, we will also get the amount from erstwhile promoters in the form of indemnity payment, which is likely to come in November, around INR175 crores. So cash flow wise also we feel that will be quite good and strong. And as I said, in terms of credit lines, even if the rating changes, we don't foresee any issue in withdrawal of existing credit lines, whatever we have, because these are from PSU banks.

And earlier also, we have not seen PSU banks withdrawing the limit. So we are hopeful that there won't be any significant impact in our credit lines as well as in terms of business forecast whatever we get there.

Faisal Hawa: And sir, I mean if at all, there is some problem with the credit line, do we then expect that our turnover will just remain stagnant at what we are at or because taking more orders would then be extremely risky.

C.K. Thakur: No. So not really. I mean, business growth will happen. So because of this onetime impact and as Ajit has already told that it has not majorly impacted on the cash flow side. And I mean, the apprehension of rating reduce and all, that in any case, it is not going to impact our -- the limits and other things, then we have ability to expand further and the business growth will happen.

Faisal Hawa: Thank you, sir.

Moderator: Thank you. Next question is from the line of Naveen from Sai Investments Limited. Please go ahead.

Naveen: Yes. So I don't have any questions, but I have suggestion because I'm following all the calls in the last three to four years. So I'll point out specific things. So I think that management should take care of it. So this onetime cost, which happened just now. So from last few years, I think when we were clearing the balance sheet for -- like we were saying there will be no any this kind of write-off again, I think, before three years. So the same thing happened three years before, and I think the same story is repeating.

And previously, I think 2 quarters back when we have this war kind of situation, one of the person in the call, he pointed it out that what will be the impact in situation of a war. Then, I think the CEO laughed and then they say, no, there will be not any impact but when the next quarter come and the impact has been shown.

So this shows and one more is like when we removed or say we say we -- the CEO, he stepped down, they promised over and then delivering less. So I think something is not setting up right. So we are here just to support or it's our benefit also, but we are thinking betting on the company and to the management. But we don't think things are what you are delivering, saying and what is executing is all on the same page or either you are not able to see what is coming. Yes, that's all from my side.

Moderator: Thank you. Ladies and gentlemen, we will take this as a last question for today. With that, we conclude today's conference call. On behalf of Sterling and Wilson Renewable Energy Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.