Execution with Pace & Comfort

June 06, 2023

The Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Dear Sir/Madam,

Scrip No. 534618

Sub.: Transcript of Investors/Analyst Earnings Conference Call held on June 2, 2023

Ref.: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Further to our communication dated May 31, 2023 and June 5, 2023, please find enclosed the transcript of the Earning Conference Call held on Friday, June 2, 2023 at 11:00 AM to discuss the audited financial results for the quarter and financial year ended March 31, 2023.

This intimation is also available on the website of the Company at www.waareertl.com.

We request you to take the same on your record.

Yours faithfully,
For **Waaree Renewable Technologies Limited**
(Formerly known as Sangam Renewables Limited)

HEEMA KALPESHKUMAR SHAH
Digitally signed by HEEMA KALPESHKUMAR SHAH
Date: 2023.06.06 14:27:48 +05'30'

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“Waaree Renewable Technologies Limited

Q4 FY’23 Earnings Conference Call”

June 02, 2023

MANAGEMENT:	**MR. HITESH MEHTA – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER** **MR. SUNIL RATHI – NON-EXECUTIVE DIRECTOR** **MR. ABHISHEK PAREEK – GROUP FINANCE CONTROLLER** **MR. ROHIT WADE – GENERAL MANAGER, INVESTOR RELATIONS**
MODERATOR:	**MR. AMAR YARDI – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY '23 Earnings Conference Call of Waaree Renewable Technologies Limited. 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 star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amar Yardi from Orient Capital. Thank you, and over to you.

Amar Yardi: Thank you. Good morning, ladies, and gentlemen. I welcome you all for the Q4 and FY '23 Earnings Conference Call of Waaree Renewable Technologies Limited. To discuss this quarter and full year business performance, we have from the management Mr. Hitesh Mehta, Executive Director and Chief Financial Officer, Mr. Abhishek Pareek, Group Financial Controller, Mr. Rohit Wade, General Manager, Investor Relations, and other management team as well on the call.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

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

Hitesh Mehta: Thank you. Hi, good morning, everyone. Myself, Hitesh Mehta. I would like to welcome you all for the first earnings call of Waaree Renewable Technologies Limited to discuss the Q4 and FY '23 financial performance. I would like to extend my gratitude to everybody who have taken time to attend this call and have constantly been a part of our journey. Also, I am pleased to welcome everyone who is looking at our company for the first time. I have along with me Mr. Abhishek Pareek, who is our Group Financial Controller, Mr. Rohit Wade, a General Manager, Investor Relationship, and Mr. Sunil Rathi, he's a Non-Executive Director on the company. Before I start the business update, I would like to take this opportunity to formally introduce the company to all the participants.

The company was incorporated initially as Sangam Advisor. And then we have changed the name to Sangam Renewable Limited in May 2018. Later, we changed this name to Waaree Renewable Technologies Limited in July '21. Waaree RTL, Waaree Renewable Technology, is a subsidiary company of the Waaree Energies, which is the holding company of Waaree Group. And this is mainly into the business of the EPC. We are technically advanced end-to-end EPC solution providers that finance, construct, own, and operate solar projects.

The company operating across the geography strategically targets the long-term investment within the commercial and the industrial customer segment. The main purpose of the company is to tap the growing renewable energy market. Starting with our order book position, we have an executed order book of 817 megawatts in the quarter as of today. To achieve these stated net zero carbon emission goals, it is crucial to embrace green hydrogen on a global scale. The national green hydrogen mission, which has been approved by the union cabinet, is a significant step in this direction. With an allocation of approximately INR20,000 crores, the mission aims to produce 5 million tons of green hydrogen every year by 2030. We have won a contract to set up a 1-megawatt green hydrogen plant, which aligns with our plans to explore new opportunity in the green hydrogen project.

We have an unexecuted order book of 817 megawatts as of today. We hope to continue this momentum in the FY '24. And we have a big pipeline of approximately 3 gigawatts over the next 12 months period. In terms of the outlook, we are witnessing encouraging trends driven by the continued decline in the solar model price and a favorable regulatory environment. The Indian market is positioned favorably with a noticeable surge in ordering momentum.

One significant development is the government recent decision to exempt the ongoing solar project from the mandatory requirement of procuring the module solely from the approved list of the module manufacturers, which is the ALMM, for a period of one year. This decision is expected to elevate the constraint associated with the local model availability and boost the on-ground project execution.

It is worth noting that India's ambitious target of reducing the carbon intensity by over 45% and achieve 50% renewable electricity by 2030 necessitates an accelerated pace of project execution, making this even more crucial.

Now I would like to take you through the consolidated financial highlights for the quarter and the FY '23. In quarter FY '23, in quarter 4 of FY '23, we have recorded a revenue of INR61.5 crores. And for the full year FY '23, we reported a revenue of INR351 crores, as compared to INR161.5 crores in FY '22, representing in year-on-year a growth of 117%. For the full year EBITDA was INR83.7 crores, as compared to INR23.5 crores in FY '22. And the EBITDA margin was at 24%, as compared to 15% in FY '22. We feel that we will continue this momentum in FY '24. In Q4 of FY '23, our net profit after tax was INR12 crores, as compared to INR6.8 crores in Q4 of FY '22, representing a growth of 81%. This full year FY '23, profit after tax was INR55.3 crores.

Now we open the floor for the questions and answers.

Moderator: Thank you very much. We have our first question from the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.

Apoorva Bahadur: So, I just wanted to know your thoughts on this government policy of delaying the implementation of ALMM, given that you are on both sides of the equation, right? So, you are the largest module manufacturer as well. Also, there were discussions around a possibility of new slowdown or possible reduction in the BCD for modules. So how do you see this playing out, and what do you think will be more beneficial, right, to take advantage of the declining polysilicon prices or to go ahead full steam with domestic self-sufficiency, even at a higher cost?

Hitesh Mehta: Thank you. Thank you very much for this. I think on the second part of your question, the MNRE has already clarified that there is no intention for the reduction of the duty from 40% to 20%, which there was a rumor going on for the last two, three days. But since we received the clarification from the MNRE, I think now it has been settled down.

On the first part of your question, on the ALMM side, I think the intention of the government is basically their target for the 2030, which they intend to achieve a 500 gigawatt by 2030. That is what the target for the government for the renewable energy, which includes the wind as well as the solar. And I think the government has given the relaxation for the one year for this particular, which will enhance definitely the more and more people will now go for the execution of their orders, which is pending.

Apoorva Bahadur: Sir, also on the second phase of the PLI bit, we saw that there was a reduction in the comparative intensity versus the first phase. What could this be attributed to?

Hitesh Mehta: So, I think there was a sufficient participation from the people also. It's not that there is a reduction. We find the number of the applicants where the has been reduced. But overall, if you see, there is a lot of interest from the people, even in the second PLI.

Apoorva Bahadur: Okay, understood. Sir, and lastly, if I may ask on this, the corporate and industrial market, how large of an opportunity do you see this to be? What could be the annual offtake over here?

Hitesh Mehta: I'll ask my colleague, Abhishek, to reply on this.

Abhishek Pareek: Hi, Abhishek, this side. So, I believe you're looking forward to have an understanding or market outlook on the C&I sector. That's been on the discussions quite a lot. So, we've seen a huge uptick in the demand side of the C&I sector, given the fact that the government has been pushing very hard every now and then for corporates to adopt and accelerate their move towards the carbon net zero and the ESG goals.

So, looking at that, we believe this market can be a gigawatt plus of installations within the C&I itself. And the overall installations, last year, were close to 14 gigawatts. We are really expecting this number also to go beyond 20 gigawatts, taking together the C&I sector as well as the utility scale of market.

Apoorva Bahadur: Okay, understood. Mr. Mehta one last question if I may and this is on the polysilicon capacity in the country, so while the both the faces had certain players bidding for end-to-end integrated capacity development, I don't believe any of the orders have been placed for setting up polysilicon capacity. Why do you think that? I mean, what's different with polysilicon? Is it too complicated a process? Or is it something that domestic players don’t really want to venture into?

Hitesh Mehta: So, I think it's not about the complexity. I think people in the country who have a good amount of the knowledge on the polysilicon side also. And I think the people who apply for the PLI, they will definitely go for this, maybe in the next six months to a year time. So, people are working on the activities for the polysilicon projects. And they'll be with their plans probably in the next six months to a year time.

Moderator: Thank you. We have our next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: So just I wanted to understand, first up, I mean, in terms of per megawatt, the order book that we have, so what is generally the per megawatt cost that is involved? And from that cost, what is our revenue share that we generally supply?

Hitesh Mehta: So, it depends upon the requirement of the customer, I think. So, there are some orders where you require to do the complete EPC, including the module. And there are some orders where the module will be supplied by the customer. And we will do the balance of the engineering. In that case, to decide on the per megawatt price is a bit difficult. Hence, we generally announce for the whatever the megawatt of the order what we receive.

Deepak Poddar: Okay, understood. But generally, there is some range that we can talk about, maybe INR1 crores to INR3 crores or in that range is what generally?

Hitesh Mehta: Depending, surely, on the pricing going on at present. So, depending mainly on the module price and the commodity price, it is ranging. The per megawatt price will be ranging anywhere between INR3.5 crores to INR4 crores.

Deepak Poddar: INR3.5 crores to INR4 crores rupees per megawatt?

Hitesh Mehta: Yes.

Deepak Poddar: Okay, but then, I mean, last year we did about 300 megawatts of EPC, right? And in that EPC project, and our revenue was close to about INR350 crores. So that per megawatt comes to about INR1.25 crores.

Hitesh Mehta: I mean, maybe around 85%, 90% of the project was not including the module. Hence, the revenue you find is around the INR350 crores.

Deepak Poddar: Okay, and then the order book that we have, so can you provide some more details of the 817 megawatts or how much percentage would be pure play EPC and how much percentage would include the modules or the component as well?

Hitesh Mehta: So, I don't have the figure right now available with me. But surely, we can provide you the details.

Deepak Poddar: Okay, Okay. A rough percentage also? I mean, some understanding if we can. I'm not the exact figure I was looking at. Maybe about 40%, 50% is EPC or more of that?

Hitesh Mehta: Maybe about 60%, 70%, I think, will be without module.

Deepak Poddar: Without module. Okay, fair enough. I understood. And then what sort of execution we are looking at in FY '24 out of these 817 megawatts that we have?

Hitesh Mehta: So hopefully, all the projects to be executed as per the contract in next 12 to 15 months' time. So, we'll try to do it in the 12 months' time.

Deepak Poddar: So, these 800 megawatts we might be looking to execute over the next 12 months, right?

Hitesh Mehta: Yes, maybe 12 to 15 months. That is what the contract is.

Deepak Poddar: Understood. And when we take this order, so what is the benchmark or threshold margins that we kind of look into or whenever we bid, this is the bare minimum margins that we kind of look for while bidding?

Hitesh Mehta: So basically, you know about the competition, which is good there in the market. But we always try to take the maximum out of it. So, it's not something which is pre-decided that we'll earn the x margin on the particular order.

Deepak Poddar: Correct. yes, so even if I see the last 3, 4 quarters of margins have been quite volatile, right? It has been as low as 10% to as high as 48%, 50%. So, to have an understanding, what should be a, I mean, a sustainable margin?

Hitesh Mehta: That is mainly on account of the basically. Yes, that is mainly on account of the, I think the change in the commodity price also and change in the module price also. And there is a, you see the volatility in the margin.

Deepak Poddar: But what should be, I mean, sustainable basis, what should one can ideally look at? I mean, some range, a sustainable range for us.

Hitesh Mehta: I think anything between the 15% to 25%, you can say will be just a sustainable margin.

Moderator: Thank you. We have our next question from the line of Vikram from Niveshaay Investment Advisors. Please go ahead. Sir, please use your handset.

Vikram: Thank you for the opportunity. Sir, I want to, if I calculate EBITDA per megawatt for the last year, this is around 27 lakhs per megawatt. So, I think in terms of megawatt, what can be sustainable per megawatt EBITDA for our business?

Hitesh Mehta: See, we were doing this business for the last one and a half years, or two years maximum. And we are profitable, and we will try to maintain momentum going forward also.

Vikram: So, okay. So, sir, there is any difference in per megawatt EBITDA for large products, large projects like 200 megawatts plus and small projects like 5, 7 megawatt projects? And, sir, what can be risk included in this? Suppose we have seen in this Sterling Wilson; they had huge losses in past due to commodity price fluctuation. The same kind of risk we have, or we don't have. How are we going to do this?

Hitesh Mehta: Yes, I'll ask Abhishek to reply for this. Abhishek?

Abhishek Pareek: Thank you. So, on your first question, on the difference of typically the margins between order sizing between 5, 7, 10 megawatts and orders of 150 to 200 on megawatt kind of size. So largely, when you are supplying to a small setup, say in our sector, when the overall turnaround of a project is between one to two months, definitely the exposure to the commodity price and other risk is much limited.

And being a retail supplier, that leaves some more edge for a little bit higher margin. And on larger projects, when we bid, it's more of a kind of supply chain that enables the profitability of any project of a large-scale size, which is between 12 months to 15 months. And then the rule of commodity.

So, if I were to conclude it, we can always say that the smaller projects may have more certainty and margin on the profit and the margins because of less exposure to the time and commodity risk compared to larger risk. So that's an answer to your first question.

The second question on the risk side, the kind of some competitors you named right here. So instead of committing anything onto that, we would restrict ourselves in saying that we are in our kind of business that we have been akin to, and we have been doing in the past. We are very cautious while bidding also.

And we are very selective in the kind of customers and the kind of projects and risk that we take. So, this is our appetite of a business. We really will try to limit our risk exposures. And we're not very keen to take on very, very high risky projects.

Vikram: Okay, so in with modular products, we have limited risk, right?

Hitesh Mehta: Sorry?

Vikram: In with modular products, we have limited risk? So, when customers supply module to us?

Hitesh Mehta: So, in that case, basically, the risk of module price stays with the customers and all kind of risk gets limited to the BOS supply only, Balance of Supply only, other than module. So yes, commodity risk reduces to some extent. And then, certainly, your profit also goes up.

Vikram: And then, what is the last question? What is the breakup of private and government orders? And I think we have maximum order books from private players. So why we don't take government orders, any specific reason??

Hitesh Mehta: As such, no, we are bidding for the orders. But then, generally, we do more on the private side than on the government side. So as of today, you can say around 85% of the projects are from the private side. And maybe around 15% of the projects are from the government. But we always take care while bidding that in case if the payment terms is on the negative side, then generally we don't go for that particular project. So, we always go for the positive cash flow. That is what the principle of the company is.

Moderator: Thank you. We have a next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Hello. Thanks for taking my question. And congrats for a good year. So, my first question is on the margin volatility. So, we do not book our raw material in advance. So hence, margin is volatile. Should I conclude that? Because last year, their quarters have been quite volatile in terms of margins?

Hitesh Mehta: So, it's not only because of the pricing of the commodity also, but it is because the nature of the EPC contract is so it's not that you can book everything in the same quarter, which is having the higher margin. So, depending upon the work, what we commit, the margin we will book. So, depending on you, we'll find some volatility on a quarter-to-quarter basis, depending upon the different execution of the contract, what we do.

Ankur Kumar: Got it. And so, in terms of seasonality, how should we think about it? I mean, which quarters are tend to be good, better quarters and which are tend to be worse quarters?

Hitesh Mehta: I think other than the rainy seasons, where there will be some slowdown on the work, the rest of the quarter will be similar.

Ankur Kumar: Got it. And sorry, in terms of fixed asset, we see there is a massive jump. So, can you please comment on that? Is there is a big capital work in progress?

Hitesh Mehta: So, we are doing some IPP projects also now. Hence, there is a particular work in progress, which is there. And even there is a higher amount of the fixed assets which you are seeing.

Ankur Kumar: Got it. And sir, last question. You said our margin for the order book of 817MW we can assume 15% to 25% margin on that order book.

Hitesh Mehta: So that's the range what we follow. That is what I'm saying.

Moderator: Thank you. We have our next question from the line of Sandeep Agarwal from Naredi Investment. Please go ahead.

Sandeep Agarwal: My question is regarding the unexecuted order book. So, what is the revenue term we will expect in 10 to 15 months?

Hitesh Mehta: So, we need to work on this because there will be, as I said, that around 60% to 70% of the product is order is without module and the rest is with module. We'll give the exact numbers on the order book. But the only...

Sandeep Agarwal: Yes, any range between INR1,000 crores to INR1,200 crores or something?

Hitesh Mehta: So, I have given you on the percentage wise around 60% to 70% is without module and the rest is with module.

Sandeep Agarwal: Okay. So, my next question is regarding the competitive intensity in the sector. You have to compete with very good large players. So, what is your plan and how to target the market? And in this specific market segment, you?

Hitesh Mehta: I think what we feel is the market is sufficiently available for all the people who are there in the competitions. So, we don't feel heat of the competition, basically. And generally, we are looking at the segment, which is the rooftop market, C&A segment, residential segment. And we are also looking at the utility scale project also in India as well as the outside India.

Sandeep Agarwal: Okay. So, what is your capex plan for the financial year 2024-25?

Hitesh Mehta: So, we are not much investing, basically, on the IPP business. But surely, we are doing some of the projects where we see there is a good margin available and a good IRR available.

Sandeep Agarwal: So, you have any amount, specific amount?

Hitesh Mehta: So, I think, as such, whatever the project is having, I think what you see in the capital work in progress. Other than this, we are not intending to do much of the project on our balance sheet.

Sandeep Agarwal: Okay. So, my last question is regarding the bidding pipeline and expected order we get in the financial year 2024?

Hitesh Mehta: So, the bidding pipeline, as I said, is around 3 gigawatts.

Sandeep Agarwal: Okay. So, what is the success rate as for the past experience?

Hitesh Mehta: We expect probably a minimum of 35% to 40% conversion out of this.

Moderator: Thank you. We have our next question from the line of Rishikesh Oza from Robo Capital. Please go ahead.

Rishikesh Oza: Hi, sir. Thank you for the opportunity. So, when we say our order book is around 800 megawatt and around 12 to 15 months of execution, where 70% of order book is without module. So, if you make a broad calculation with the per range for both the without module and with module, so fair to say that we can do approximately INR900 crores to INR1,000 crores of revenues for FY '24?

Hitesh Mehta: I have not worked out the actual number, but maybe on the basis of what I have said, what you have calculated should be right. So, I'm not confirming this, but as I said that with the module, the cost is anywhere between INR3.5 crores to INR4 crores. And without module, the cost will be anywhere between INR1.25 crores to INR1.50 crores.

Rishikesh Oza: Okay, got it. Thank you very much, sir.

Hitesh Mehta: All that depends upon the location and the scope of the project also.

Moderator: Thank you. We have a next question from the line of Ravi Naredi from Naredi Investments. Please go ahead.

Ravi Naredi: Sir, in other financial liability of INR29.56 crores you've shown as 31st March '23 versus INR1 crores in 31st March '22. So, what is the difference of that amount?

Hitesh Mehta: Which you are saying?

Ravi Naredi: Other financial liabilities or balance sheet?

Hitesh Mehta: Which is INR20 crores, right?

Ravi Naredi: INR29 crores -- 21.6. INR29 crores?

Hitesh Mehta: Yes, one minute. INR 29,56,507. And earlier year it was INR102.32 crores. This is the balance sheet item. You see in the balance sheet. Consolidate balance sheet.

Management: So, this is mainly on account of the outstanding relating to the capital goods, which is the amount to be payable?

Ravi Naredi: Capital goods, you paid advance payment?

Hitesh Mehta: No, this is not the advance payment. This is the amount to be paid.

Ravi Naredi: Advance payment if you give, then it will come in assets, right?

Hitesh Mehta: Yes, yes. I'm saying this is payable. This is not paid.

Ravi Naredi: Payable, Okay.

Hitesh Mehta: Yes, yes, yes.

Ravi Naredi: And second, you opted for one megawatt green hydrogen plant. How much it cost and what is this? Can you say a few words on this matter?

Hitesh Mehta: So, I think this is the first project which has been awarded to, I think, any of the players in India as of today. So, this is a receipt…

Ravi Naredi: I don't -- to hear a few words from you.

Hitesh Mehta: Maharashtra only, and we are working on the other things now on the cost side and the margin side. So, we'll come back with you on this particular. So as of today, I don't have any reply on the cost side for this particular project.

Moderator: Thank you. You may join back the queue for follow-up questions. We have our next question from the line of Kanv Garg from Garg Advisors. Please go ahead.

Kanv Garg: Hi, sir. Congratulations on a good set of numbers. Sir, I was looking at the order book that you have, and I think we have orders ranging from 6.5 to 222 megawatts. So, do we have any preference of what type of the minimum size that we bid for?

Hitesh Mehta: I'll ask Abhishek to reply you.

Abhishek Pareek: So basically, if you see the order book range, it ranges right from 5-odd megawatts goes up beyond 200 megawatts. So, the message is clear. We are really do all sort of customers that we have been catering to, and we continue to do that. So, you may continue to have a few large orders and few main sectors, C&I, or specific customers. But the common, in all these orders would be, you know, the niche segment that we cater to wherein the project should be cash positive. So that's what's up.

**** Note: During the call, Other current liabilities figure was inadvertently said as INR. 29,56,507 in FY23 & INR 102.32 Crores in FY22, please note that Other current liabilities should be read as Rs.29.56 crore for FY23 and 1.02 crore for FY22 as a factual figure, as reported in the financial results and other disclosures.**

Kanv Garg: Okay. Thank you, sir. So, my second question is, I was listening to one of the competitors' call, that is Adani Green. So, they have clearly said that they won't be competitively bidding for large projects, right? So, does it reduce competitive intensity for us?

Yes. So, my second question was, I was listening to one of your last competitor conference calls, that is Adani Green. So, they have clearly said that they won't be bidding aggressively for EPC projects, right? And they are the largest players, right? They were just trying to understand, have you seen any reduction in competitive intensity in larger projects?

Hitesh Mehta: So not really. I cannot comment on any of the other players. But I think there is a sufficient market which is available for everyone.

Kanv Garg: Okay. So, you mean to say that there is no change in competitive intensity, and we have a large landscape available?

Hitesh Mehta: Yes.

Moderator: Thank you. We have our next question from the line of Mayur Liman from Profitmart Securities. Please go ahead. Since there is no response, we'll move on to the next question from the line of Girish Gupta, a CA. Please go ahead.

Girish Gupta: I have many questions, but you have given the answer of the question. I have only two questions. Whether there is any reverse merger plan with the parent company in your mind, or you will give a separate IP of the Waaree Engineers? And the second one is whether you have any plan to list on the NSE?

Hitesh Mehta: So, we cannot comment on the first question of your list. It will depend upon definitely the consultant and whatever they advise will be received from all the experts. And on the second question, yes, we intend to list on the NSE as the earliest, depending upon their regulations.

Girish Gupta: Okay, sir. Can you give a little bit of a highlight on the hydrocarbon project, which you have one megawatt, which you have been in the tender? Can you highlight something on this? Because this is a very big opportunity, I think, in the years to come.

Hitesh Mehta: So, I think this is the first project that has been awarded in India. And so, as such, we are working on this. We don't have any further details available on this. So, we'll come back to you once we finish our work on this.

Moderator: Thank you. We have our next question from the line of Karan Sanwal from Niveshaay. Please go ahead.

Karan Sanwal: I wanted to understand that going forward, would we be able to execute around 2, 3 gigawatts of orders in a year? Like right now, we are having an order book of 800. And you are telling that we will be able to execute those orders in around 12 to 15 months. So, in future, would we be able to execute more orders by 2, 3 gigawatts?

Hitesh Mehta: So, we have a team available. And we are, I think, competent enough to whatever the execution is there, whether it's just 2 gigawatt or 3 gigawatt or even more than that. So, this should not be a problem. So, depending upon whatever the contract we have with the customer, we'll be able to execute the orders.

Karan Sanwal: Great. That helps. Thank you so much for that. And I wanted to understand that what would be the execution time for the green hydrogen project that we have?

Hitesh Mehta: So maybe Abhishek will reply to this.

Abhishek Pareek: Yes, so currently, we have around 18 to 24 odd months kind of a time to execute the entire project. So, the team are deployed. We are working on it. But we have a good amount of time to complete the project.

Karan Sanwal: Okay. And one last question. So, I wanted to understand what would be the margin differential of projects like you mentioned, that there's a project with module and there's a project without module. So, is there any margin differential that you could highlight so it would give us more clarity on the order book that we have?

Hitesh Mehta: So, this is a bit dicey. Why? Because when you do a project with a module, you also run through the additional risk of commodity module, which is around 2x of the other part of the project. So that way, yes, you are exposed to a larger risk. But then there's an opportunity to earn a little extra pie than the previous projects. So difficult to give exact number on the difference of margin. But certainly, there's an opportunity and upside to have some additional margin if you have modules as well in the books.

Moderator: Thank you. We have our next question from the line of Amit Chordia from World Foods LLP. Please go ahead.

Amit Chordia: Hi, I wanted to ask you, what would be some of the challenges when we are scaling up so fast and this being kind of a service industry? Could you highlight some of these challenges?

Hitesh Mehta: So, challenges will be there on the part of the executions. And we need to work hard on the execution side. And we need to require the more and more skilled manpower for the execution. So, I think that is the main challenge. Other than this, we don't see any challenges for this.

Amit Chordia: All right. And your presentation also talks about some new technology for battery storage, a 600-kilowatt project that you did. Could you explain some of what this project is about?

Hitesh Mehta: Just a moment. Yes, hello. So, the battery basically is not covered in this company. So, I think this is to be handled by the different company only. So, we don't have any more details available for this particular project as of today.

Moderator: Are you through with your question, Mr. Chordia?

Amit Chordia: Yes, I'll come back. I'll join the Q&A.

Moderator: Thank you. We have our next question from the line of Nitin from Kifs Trade Capital. Please go ahead.

Nitin: Thanks for taking my question. Are there planning of a parent company to go public? And what is the time frame?

Hitesh Mehta: If you're told if you're planning. Basically, this call is for renewable technology. We'll have a separate call for the Waaree Energies also. And we'll reply to all the questions relating to the Waaree Energies in that call.

Nitin: I was just intending to know, plan to go on. Yes or no, that's all.

Hitesh Mehta: Surely, we'll go with the public.

Moderator: Thank you. We have our next question from the line of Mayur Liman from Profitmart Securities. Please go ahead.

Mayur Liman: Good morning, all. Thank you for the opportunity and the congratulation on a good set of numbers. I just want to ask or need a guidance from the, we see the opportunity in the green hydrogen business. And what kind of step or resources is made for the entering into the green hydrogen business? And what kind of initiatives we are taking towards in this segment?

Hitesh Mehta: Yes, Abhishek will reply for this question.

Abhishek Pareek: So basically, green hydrogen is something that has taken place recently. And there's an ample of opportunity for all to launch from their side. So, we have already taken up a big one-megawatt project on the green hydrogen side. And we are looking forward for a successful accomplishment. And this is going to be a pilot project also from our side.

So, we find this opportunity to be very, very large in terms of the plans that we have. The government has also laid down our intent of producing 5 million tons of green hydrogen by 2030. And that leaves a point that there's a huge opportunity. I think all we need to do is scale up and acquire the required skillset to scale onto this business.

And we strive to do that. Hence, we have taken up this pilot project also. So very, very large pie. There are a lot many people, entities who are intending to go ahead. Whomever can scale up early and fast could be one of the early in the line.

Mayur Liman: Okay, sir. And my next question on the lithium side. Do we make the lithium batteries or any kind of battery product which use the lithium in the product?

Hitesh Mehta: So, we do make. Surely, we are into the lithium batteries. But again, not in this company. That we do through the other company.

Mayur Liman: Okay, sir. And my last question is, how do you see the financial year 2024? What is your expectation from the next financial year? And what is the outlook for the next financial year?

Hitesh Mehta: So, as I said, we have a pipeline of around 3 gigawatts. We intend to convert probably around 35%, 40% of this. And we have an unexecuted order of around 817 megawatt, which we intend to finish in next 20 to 15 months' time. So probably, we'll do 100% better than what we have done in the FY '23.

Moderator: Thank you. We have our next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Yes, just wanted to check where the government is considering this import duty cut on solar panels. How is that going to impact us?

Hitesh Mehta: I think there's already a clarification from the MNRE side on this. They are not intent to close this particular duty.

Ankur Kumar: Okay, so there won't be any impact. There's no more duty.

Hitesh Mehta: Yes, yes.

Moderator: Thank you. Ladies and gentlemen, due to constraint of time, that was the last question for today. I now hand over the call to Mr. Amar Yardi for closing comments. Over to you.

Amar Yardi: Thank you, participants, for having us today. It has been a pleasure. If there are any further questions or queries that we have not been able to answer, please feel free to reach out to the Orient Capital team. Thank you and have a great day.

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