May 27, 2024

The Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400023

Scrip No.534618

Sub: Transcript of Investors/Analyst Earnings Conference Call held on May 21 ,2024

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

Further to our communication dated May 15, 2024, and May 21, 2024, please find enclosed the transcript of the Earning Conference Call held on Tuesday, May 21, 2024 at 12:00 noon to discuss the audited financial results for the quarter and year ended March 31,2024

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.

Thanking You,

Yours faithfully,

For Waaree Renewable Technologies Limited

HEEMA KALPESHKUMAR SHAH
Digitally signed by HEEMA KALPESHKUMAR SHAH
Date: 2024.05.27 18:05:53 +05'30'

Heema Shah
Company Secretary
ACS 52919
Email id: info@waareertl.com

“Waaree Renewable Technologies Limited

Q4 FY’24 Earnings Conference Call”

May 21, 2024

MANAGEMENT: **MR. DILIP PANJWANI – CHIEF FINANCIAL OFFICER – WAAREE RENEWABLE TECHNOLOGIES LIMITED**
MR. MANMOHAN SHARMA –ASSISTANT VICE PRESIDENT, FINANCE & ACCOUNT – WAAREE RENEWABLE TECHNOLOGIES LIMITED
MR. ROHIT WADE – GENERAL MANAGER, INVESTOR RELATIONS – WAAREE RENEWABLE TECHNOLOGIES LIMITED

MODERATOR: **MR. VIRAL SANKLECHA – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Q4 and FY24 Earnings Conference Call of Waaree Renewable Technologies Limited. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Viral Sanklecha from Orient Capital. Thank you and over to you, sir.

Viral Sanklecha: Thank you, Neha. Good afternoon, ladies and gentlemen. I welcome you all to the earnings conference call of Waaree Renewable Technologies Limited to discuss the Q4 and FY24 business performance. Today on the call, we have from the management Mr. Dilip Panjwani, Chief Financial Officer, Mr. Manmohan Sharma, AVP Financial Account and Mr. Rohit Wade, General Manager, Investor Relations. Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties.

For more details, kindly refer to the investor presentation and the other filings that can be found on the company's website. Without further ado, I would like to hand over the call to the management for the opening comments and then we will open the floor for Q&A. Thank you and over to you, Dilip, sir.

Dilip Panjwani: Thank you, Viral. Good afternoon, everyone. I would like to welcome you all to the earnings conference call of Waaree Renewable Technologies Limited to discuss the fourth quarter and FY24 business performance. I hope you all have got an opportunity to go through our financial results and investor presentation which has been uploaded on the stock exchange as well as on the company's website. I wish to express my heartfelt gratitude to all those who dedicated their time to join the call and have consistently been part of our journey.

I have along with me Mr. Manmohan Sharma, AVP Financial Accounts and Mr. Rohit Wade, General Manager, Investor Relations and other members of the management team as well on the call. Let me begin by giving you a brief outlook on Indian economy and the solar sector. Amid global economic uncertainties, the Indian economy stands out as a symbol of resilience.

The Indian economy is projected to grow by 7.5% in 2024 according to the World Bank and it is expected to surpass Japan as the fourth largest economy by FY2025. This growth is backed by efforts to reduce fiscal deficit and government debt supported by strong output growth and government initiatives. India is on track to be the fastest growing major economy in 2024 thanks to increased interest from multinational companies eyeing India as viable manufacturing hub amidst global supply chain changes.

As a significant player in global power production and consumption, India is swiftly transitioning to a sustainable energy model to meet its growing power demands. The country recognizes the need to adopt renewable energy solutions amid climate change and rising energy expenses. The government's substantial investment and favourable policies are driving a shift towards solar power adoption specially as renewable energy costs decrease.

These government initiatives are pivotal in promoting the growth of renewable energy in India's dynamic energy sector. Through a range of strategic measures such as financial incentives, subsidies and regulatory frameworks, the government is fostering the widespread use of solar and other renewables. These actions not only attract investments but also encourage innovation, creating a conducive environment for sustainable progress in the energy sector.

The country has made significant strides in renewable energy with a record addition of 18.48 gigawatt in the fiscal year 2023-2024, marking a remarkable increase of over 21% from the previous year's 15.27 gigawatt as reported by the Ministry of New and Renewable Energy. In FY24, tenders for utility-scale energy projects exceeded the government's 50 gigawatt target, reaching a remarkable 69 gigawatt. This surge was driven by significant market growth opportunities, strong central government backing through targets and regulations and improved operating margins.

The increasing significance of SECI and other agencies involved in renewable energy tendering underlines the strength of India's renewable energy tendering ecosystem. Regarding energy storage, the country's energy storage capacity is poised to grow significantly, targeting 12 gigawatt by FY24 and 70 gigawatt by FY30. This aligns with the new renewable purchase obligations and energy storage obligation norms to support the country's renewable energy goals.

As of March 31, 2024, India's installed renewable energy capacity stands at 143.64 gigawatt. This means India must add approximately 310 gigawatt within the next six years, averaging at 50 gigawatt annually. The Ministry of New and Renewable Energy is actively targeting the bidding of around 50 gigawatt of renewable energy projects each year to meet this ambitious target.

Notably, solar installations accounted for 16 gigawatt of total renewable energy capacity addition in 2023-2024. And solar energy remains at the forefront with a total installed capacity of approximately 82 gigawatt, leading India's renewable energy landscape. In conclusion, India's journey towards sustainable energy future, particularly in solar and renewable energy, promises continued growth.

The alignment of technological progress, favourable policies and increased environmental consciousness is set to draw more investments into this sector. The government's ambitious targets for expanding renewable energy capacity demonstrate a strong dedication to achieving sustainable and reliable energy landscape for the country. Now I would like to take you through our business performance for this quarter and financial performance for the year ended FY24.

I'm pleased to report that performance has been strong in FY24. We have an unexecuted order book of 2.3 GW peak and we have successfully executed 700 plus megawatt peak in FY24. Revenue from O&M stood at INR10.42 crores in FY24. In this quarter we have secured significant order wins, totalling 1.8 gigawatt peak for ground-mounted solar power projects, reflecting our strong momentum in renewable energy sector. Fourth quarter performance. Revenue for Q4 FY24 stood at INR273.25 crores, representing a growth of 344% year-on-year as compared to INR61.49 crores in Q4 FY23. EBITDA for Q4 FY24 stood at INR75.3 crores as compared to INR22.29 crores in Q4 FY23, representing a growth of 237% year-on-year. Profit after tax for Q4 FY24 stood at INR54.18 crores as compared to INR12.28 crores in Q4 FY23, representing a growth of 341% year-on-year. FY24 performance for full year.

Revenue for full year FY24 stood at INR876.44 crores, representing a growth of 149% year-on-year as compared to INR350 crores in FY23. EBITDA for FY24 stood at INR207 crores as compared to INR83.75 crores in FY23, representing a growth of 147% year-on-year. PAT for FY24 stood at INR148 crores as compared to INR55.33 crores in FY23, representing a growth of 167% year-on-year. That's it from my end. Thank you for joining us today all and we look forward to your questions. Over to you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Good morning, sir. Sir, I just had a couple of questions. One, if I look at your current order book, which is very impressive, based on your presentation, you are saying upwards of 2,000 megawatts which need to be executed over the next 18 months. So that is multiple times what you've done cumulatively, right? Now, when your order book is such a large number, suppose tomorrow you get another 500 megawatt order for a project which is like fully funded, there are no problems from the developer side. In such a situation, sir, when would that project be executed? When would the execution start? Do you have enough execution capacity to actually cater to still more orders over and above your existing order book?

Dilip Panjwani: Okay. That's it? Or do you have any other questions?

Agastya Dave: I have one more question, sir.

Dilip Panjwani: Yes. Tell me.

Agastya Dave: In Q4, sir, this is again something that I've noticed with solo EPC players. Is Q4 a slightly lighter quarter compared to Q3?

Dilip Panjwani: Okay, Agastya, I would like to first attend your second question on Q4. Essentially, there's nothing called lighter or heavier or seasonal in our business. EPC business is actually a long-term business and not a quarterly business. What happens is that there's a lot of preparatory work that goes for a long period of time, and then suddenly you could witness one or two quarters which are very big, heavy quarters.

This has been happening in EPC for quite a long time, and we are not immune to the same. So what happened is that one probably 100 megawatt we couldn't finish invoicing to a customer, etc, and you could observe that that could have led to a fourth quarter not being up to a promising mark or etc. But that doesn't take away our execution capability or our strength on any front.

We have time and again mentioned this in most of our calls and presentations that EPC is a long-haul business, and a lot of supply chain marshalling one has to do, and exactly predicting how much you will do becomes a little bit difficult. Coming to your first question, and this has also come up in our previous earning call, and I would like to reiterate once again that our capacity is enough to execute more than even 2.3 gigawatts.

And we keep improving our capacity also. Unlike manufacturing where machinery is determines your capacity level, this is a platform business, and a little bit additional resources are required where the company has the capability to marshal them over once an order is received. So, 500 megawatt or further 1 gigawatt is indifferent to us as of now. But yes, capacity sometimes gets determined by your manpower to deliver the same.

Like some of the services remain common in the business like design, etc. From that perspective, you can deliver much more higher projects. You get limited by sometimes supply chain or sometimes project site personnel, which we need to marshal. So, if I get, on your question, if I get 500 megawatts, I would definitely like to take that up and execute. And when I will execute, that depends on how the client constructs a contract and when does he wants.

And it is a mutual agreement between both the parties, depending upon how the outlook is coming up and how his payment terms are, depending on that. But definitely, as a company, we are open to this 500 megawatt as an example, which you have mentioned.

Agastya Dave: Right. Excellent, sir. So one small follow-up. So, as of now, if you get an order book, a fresh order today of let's say 500 megawatts, how long does it take to actually execute that order, given that you have such a huge pile of orders already lying on your table?

Dilip Panjwani: This actually needs to be a little bit done a hair split. It depends on, number one, complexity of the EPC contract, whether it's a turnkey balance of systems or the scope. That's number one. And number two is the size of the project. So, if it's turnkey, land, module, balance of system, design, everything is our part. It could take a little longer. It depends on where to go and scout land.

Agastya Dave: Can you quantify it, a time range? Will you be able to finish it in one year or six months or more than one year?

Dilip Panjwani: Exactly, Agastya. I'm coming to that. So, I just started with a qualifying remark of the business complexity as to how long does it take. And then the size, I said, the smaller the size, the faster to execute. So, normally we classify 100 megawatt size orders and above 100 megawatt and then above 500 megawatt. Obviously, above 500 megawatt normally takes about 18 months, is what normally it takes. But normally, generally, we have observed that it is between 9 and 18 months, depending upon the complexity, which I mentioned in my previous conversation.

Agastya Dave: Got it. 9 and 18 months. Okay, great. So, I have one more question, but I'll go back in the queue. Thank you very much, sir.

Dilip Panjwani: Thank you.

Moderator: Thank you. The next question is from the line of Aman from Augmenta Asset Managers LLP. Please go ahead.

Aman: Hi, sir. Thanks for the opportunity. So, actually, sir, can you break down your order book? So currently, as we can see, we have an unexecuted order book of around 2.3 gigawatts. If we say precisely. So, per megawatt, we are realizing what? INR1.3, INR1.4 crores of revenue? Am I understanding it correctly?

Dilip Panjwani: Okay. So Aman, you know, the, per unit value for us always remains in the range of 1.2 to 1.3. But just to give a perspective, as I was talking to Agastya when I mentioned complexity, scope, etc. The turnkey contracts are between INR3.25 to INR3.5 crores per megawatt. And then balance of system could be anywhere between, you know, INR80 lakhs to INR1.5 crores also. For us, the average is INR1.1 crores to INR1.2 crores. If you want that breakdown as a company, that's our average.

Aman: Okay. And sir currently, apart from this unexecuted order book, so any other pipeline that we are envisaging? Like, for example, we would have some bid pipeline also that we will be bidding. This is the confirmed order book. But can you give us some things about the bid pipeline?

Dilip Panjwani: So Aman, as we speak, we are chasing 13 gigawatt of order book position. I would just want to reiterate that, what we mentioned in our previous earnings call. The ecosystem has been extremely good for us. And some of the statistics that have come out are very well, almost 16 gigawatt of tenders or orders have gotten out in the market in the last one quarter where they will come in the market in any way for execution.

Either the companies will do themselves or outsource it to companies like us. And for us, as of today we are talking to like, you know, 26-27 customers with 13 gigawatt of pipeline. That is up from 10 gigawatt that we were speaking in last earnings call. So, that's the number that you probably are looking at.

Aman: Okay. And typically, what sense of conversion we can sense over here? Like, for example, if the bid pipeline, if the market is of like, let's say, 13 gigawatt or the bid pipeline. So can we say that our conversion would be about 20%, 30% out of this?

Dilip Panjwani: Generally, our strike rate has been between, you know, 25% to 30%. So, if you look at 2.3 gigawatt and we were talking 10 gigawatt, then, you know, and if you look at it, it's a strike rate of roughly 23%, 24%. Actually, it was 25%. And that we have consistently observed in our company's case that we kind of go on to strike 25% to 30% of our pipeline as a conversion to order.

Aman: Okay. So, sir, this unexecuted order book of, if you look about the value, it comes at around INR2800 crores. So, this is executable over the next, what, 18 months?

Dilip Panjwani: 12 to 18 months.

Aman: Okay. Understood. And sir also, again, if I come to the bid pipeline thing, also, if I again come to the bid pipeline thing, so can you give a sense of the orders that which we are getting from, like, are these the likes of NTPC or is there individual power producers or what is the customer profile that we are targeting?

Dilip Panjwani: See, in pipeline mostly utility scale guys who have already got an order of PPA or they are setting up in some form, they come under the 13 gigawatt. The tenders whenever they are published then they enter the pipeline segment. So the PSUs should be over and above that and whenever we bid for that.

Aman: This 13 gigawatt doesn't include PSUs?

Dilip Panjwani: As of now not, but if and when the tender is published and we buy the bid document to bid for that then that will enter the pipeline segment.

Aman: And sir out of this unexecuted order book what is the percentage of PSUs in this?

Dilip Panjwani: Right now in terms of volume they are like 15% around and in terms of value they are around 35% odd.

Aman: Okay. And sir, any reason that you are not targeting PSUs or PSUs because of scale are not preferring us? What is the thing over here?

Dilip Panjwani: There is no hard and fast that there is a particular reason we were not chasing. We have been equally chasing PSUs and utility scale IPP from other segments and C&I segment. It's just that the strike was much more easier and faster. Going forward, if you look at India's target towards renewable energy segments specially the solar becoming the dominant play, we are inclined to chasing both utility scale IPP and the PSU segment as well. And if you look at the order book in the last quarter fourth quarter the biggest order has been actually from PSU.

Aman: The 980 megawatt?

Dilip Panjwani: No, the 450 megawatt DC from NEEPCO.

Aman: Okay. Understood, sir. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Rudresh Kalyani from Kalyani Private Business. Please go ahead.

Rudresh Kalyani: Okay. Congrats on the good quarter. So, I had a question that see looks like we executed somewhere around 230 megawatt power in this quarter, but number doesn't reflect that. So, can you throw light on that?

Dilip Panjwani: What makes this calculation that it doesn't reflect the 230 megawatt? Can you say that because…

Rudresh Kalyani: No previous quarter we executed somewhere around 210 megawatt power if I am not wrong, so this quarter we executed around 230 as per the presentation which you shared with us. So, going by that, I am -- since on a quarterly basis -- on a sequential basis we increased the megawatt power which we have executed, but the revenue number which you are talking about that's not reflecting?

Dilip Panjwani: See, Rudresh, as I told you EPC is a mix of milestones, the kind of scope etc. So, it depends on what exactly we went and executed for which customer. So, it becomes quite hair splitting to speak about each customer on the call, but definitely we executed the 230 megawatt and that's out over INR270 crores odd revenues that we have booked reflects the kind of scope of work that we have completed for our customers.

Rudresh Kalyani: Okay. And just a while back you told that you didn't invoice for INR100 CR. What was the reason for that?

Dilip Panjwani: I didn't say. I said it fell short by that kind of an amount and there's no reason as such. As I told you there's a lot of preparatory work that goes into an EPC play probably that we felt if we would have probably done that we would have done much more better is what I mentioned actually.

Rudresh Kalyani: And see, our receivable has short up by somewhere on 6x. So, can you throw light on that? Are we facing any difficulty with working capital?

Dilip Panjwani: No, there is no difficulty in working capital. It also reflects our revenue growth that we have been mentioning. Plus in receivable there's always a component of retention money also. So, whenever retention money gets released, our working capital will also get released.

Rudresh Kalyani: Okay. See, since I asked this because our revenue has gone by 3x, but receivables have gone by 6x. So, there was a mismatch between them. So, I asked that?

Dilip Panjwani: So, there could be a portion of not due also in that. That not due portion comes from retention money, Rudresh.

Rudresh Kalyani: And one more thing is O&M has come down by somewhere 400 megawatt if I'm not wrong. So, what was the reason for that?

Dilip Panjwani: So, some of the contracts could have got ended and however in our new order that we have announced there is about 900 megawatt to 1 gigawatt portion of O&M that will start as and when we complete the EPC portion.

Rudresh Kalyani: Okay. I will join back in the queue.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investments. Please go ahead.

Vivek Gautam: Yes, I just wanted to know what is the execution plan for 2024-25 and what is the status of the global expansion and any word as you can say on the 5B Maverick deployment also order books also, sir?

Dilip Panjwani: So, order book Vivek as we mentioned it is 2.3 gigawatt. What was your first question Vivek you said?

Vivek Gautam: The execution plan for 2024-25, sir.

Dilip Panjwani: So, execution plan as I mentioned in my opening question itself was that we plan to kind of execute between 1.8 to 2 gigawatt which should be seeing us through like another doubling of our revenues over the next year around 2,800 or 2,500 onwards, but we don't enter into guidance.

This is just a plan that we have deal with our customers that we need to execute into our entire EPC cycle.

Vivek Gautam: And, sir, what about the strategy for the solar rooftop opportunity? How are we placed and is it a very big opportunity for us also or the competition is very tough over here?

Dilip Panjwani: So, solar rooftop is a very significant opportunity and we are putting in place some of the structures that are required because these are below 5 megawatt kind of projects, but the market for them is also pretty good in that segment.

Vivek Gautam: What's the scope for the integrated place of module plus EPC plus storage and opportunity size for the company for next 1 year and next 5 years, sir?

Dilip Panjwani: So, if you look at some of the policy initiatives that the government has come out the storage is now forming a significant portion of the round-the-clock projects. So, that offers a good opportunity going forward as and when government comes out with firm initiatives instead of just policy papers. So, right now, the government is talking of 47 gigawatt of storage space over next few years. So, as and when, you know, government comes up, storage will become a significant opportunity for EPC players and that would be integrated with renewable play as well.

Vivek Gautam: And, sir, this green hydrogen, other new segment and 5G maverick deployment?

Dilip Panjwani: So, we haven't done any big progress on 5G maverick, but hydrogen, it's still in some of the research phases, but as and when the opportunity is becoming quite bigger. The government has declared, 5 million metric tons of hydrogen over next few years. So, as and when that opportunity comes, the green hydrogen always should have a component of renewable energy to produce.

That's how green hydrogen gets defined. Apart from green hydrogen, green ammonia, whatever that happens, it will also present a significant opportunity. Besides that, the government has dedicated 37.5 gigawatt of solar park, which will go in, producing this green hydrogen. So, that opportunity is also, a big opportunity in government's policy initiatives.

Moderator: Thank you. The next question is from the line of Jaideep, an Individual Investor. Please go ahead. Mr. Jaideep, your line has been unmuted. Please go ahead with your question. Hello, Mr. Jaideep. Can you hear us?

Jaideep: Congratulations on good set of numbers, sir. Sir, does the company, have any like pre-decided targets or do we have like, what FY '27, what our target should be owing to India's projections?

Dilip Panjwani: So, you mean to say the long-term plan of FY '27, Jaideep?

Jaideep: Yes.

Dilip Panjwani: You know, Jaideep, we don't give guidance for next 12 months. And, you know, but I can speak it in a different manner. The ecosystem that has evolved, not evolving anymore, it has evolved in renewable energy space is revolutionary right now. It's doing extremely well. I spoke some of the numbers of this year itself, which is like, out of renewable, 82 gigawatt is solar now. 143 is total renewable energy landscape in India.

Government's target is 500 gigawatt by 2030. If India has to do 2030, more than 50 gigawatt must be the annual deployment. And if you look at the tendering space, last year itself was 69 gigawatt. Last quarter, one quarter was like 8.5 gigawatt of solar energy kind of contracts that were rolled out, last one quarter. So, you know, it's going to be a very big opportunity for EPC players. And we are definitely going to participate Waaree Renewable. We are positioning ourselves to gear up to accept the opportunity that's coming in our way.

Jaideep: Thank you, sir. Sir, with regard to the mix of raw material, how are we procuring this raw material from, I mean, what is our dependency on these energies?

Dilip Panjwani: So, you know, we are not into manufacturing that we are in any way impacted by raw material purchase, Jaideep. And as regards purchase dependency on Waaree Energies. I told you, it depends on the type of the contract that we get. If we get this module, we tend to buy at arm's length from Waaree Energies. But if the contract is without modules and balance of system, then there are no dependencies at all.

Jaideep: Okay. And do you have any plans to merge the three companies in the near future, sir? Or do you want to leave as is? Could you throw some light on that?

Dilip Panjwani: As of now, the Board is not seized of any proposal of merger of any kind. Leave alone the proposal of merger of Waaree Energies or Waaree Renewable, etc.. The only merger that we concluded was, which we have informed Stock Exchange, was our merger of three subsidiaries, unlisted subsidiaries of Waaree Renewable itself. So, I don't think, you know, the board has any proposal in front of them on this count.

Moderator: Thank you. The next question is from the line of Sashi Kant from Brighter Mind. Please go ahead.

Sashi Kant: Yes, good afternoon. Congrats for the good set of numbers. Sir, I have three questions. Our unexecuted book is 2.3 gigawatts. So, we have a timeline of around 12 to 18 months. So, can it stretch further in our sense, right? So, can it stretch further in our sense?

Dilip Panjwani: See, it can stretch, it cannot stretch. You know, no one can assure that whether it will happen or not. But what we mention normally is the contractual deliverance that the company must meet. And the company is geared to meet 12 to 18 months of work of the 2.3 gigawatts that we have spoken.

Sashi Kant: Okay. Sir, I have another question. What is the sustainable margin we are seeing for these contracts as we have done in last year and last financial year? Is that the same level or will it increase or something like that?

Dilip Panjwani: See, margins should be in double digits only that we speak normally. Around 50% is what we have delivered in the past. On account of volume growth, there could be some bit couple of percentage points here and there. But the volume is absolutely much higher than what we have delivered in the past. So, one should look at it in that context.

Sashi Kant: Sir, since we need a lot of manpower to add, to execute these books in coming 12 to 18 months. So, what kind of manpower we need to add or what cost it can escalate into?

Dilip Panjwani: You know, cost as a percentage will remain the same in terms of labour cost. The manpower talent is two types basically. One is engineers who work as project heads, project managers and in design team who have worked on renewable energy projects. Then the one is on the ground which we mentioned that will go and actually put up these systems there.

Sashi Kant: Okay. Sir, can you elaborate something on your green hydrogen aspirations and all?

Dilip Panjwani: So the green hydrogen was a pilot with the PSU, but we haven't received anything further update from our PSU in terms of further progress on that. But as a company, as we keep mentioning that the group is already present in hydrogen and as and when opportunity arises, we are here to deliver the EPC element of hydrogen.

Sashi Kant: Thank you, sir. That's all from my side. Thanks a lot.

Moderator: Thank you. The next question is from the line of Ishita Lodha from Svan Investments. Please go ahead.

Ishita Lodha: Congratulations for a great set of numbers.

Dilip Panjwani: Ishita, can you be a bit louder?

Ishita Lodha: Yes. Sir, the company was planning to be in the range of 900 to 950 megawatts of execution in FY'24, but we are able to execute 704 megawatts. So, any specific reason for this?

Dilip Panjwani: See Ishita, as I told in my previous conversation also, we give a range and in that range, it's always kind of differs a couple of months here and there. Like even we are talking 2.3 gigawatt. We are not saying 2.3 gigawatt is to be delivered in next 12 months. It is 12 to 18 months kind of a range for that kind of delivery of projects. So, and we don't give guidance as well these are always the internal targets of the company. And also I mentioned in my first question when I covered with Agastya, that there's a lot of preparatory homework that goes into EPC and EPC is not a short haul business, it's a long haul business.

So, one cannot attribute that the company didn't deliver or the company didn't perform. It's how the sense of the project goes into that and with each customer how, what are the challenges that have been observed, how we are dealt with that customer. And any updates, we always keep disclosing to stock exchanges. I hope that clarifies your doubt on whether we have delivered and performed or not.

Ishita Lodha: Yes, understood. Another question. So, you said that maintainable EBITDA margins are almost double digits from 15% to 20%. But I know that competitors in EPC business have a single digit EBITDA margin. So, how is the company able to generate a higher margin?

Dilip Panjwani: That you should be actually giving us a free ropeway to get away actually you are actually putting us in a spot as to how do we deliver that margin higher than competitors.

Ishita Lodha: Another question that I have is the receivables were almost 40% of revenue in FY'24. I understand that it includes retention money. But can you quantify the amount of retention money?

Dilip Panjwani: I will park this question and I will get back to you because the data point question. Give me some time maybe while we are in the session, I will revert back to you.

Ishita Lodha: Okay. Also, if you can give us a sustainable, how much do you expect the receivables to be as a percentage of sales in FY'25?

Dilip Panjwani: Come back again. What is it that you want?

Ishita Lodha: The receivables expected as a percentage of sales in FY'25.

Dilip Panjwani: So normally we have explained our working capital cycle is that once you give bank guarantees, you get advanced mobilization money. And then there is a progressive milestone that we achieve and then we invoice the customer. And typically in 30 to 40 days, we do get paid our money. But in the end, then again, there is a retention of 5% to 10% depending upon customer and depending upon the type of contract that we have entered and that retention could range between 6 to 12 months as well. So specific as a percentage, it becomes extremely difficult to quantify in each year. But that's how our working capital cycle will function, Ishita.

Ishita Lodha: Okay. Thank you. Also, another question that I have is, in our current order book of 2.3 gigawatts, how much of these orders include modules as well?

Dilip Panjwani: So, we don't give that split of how much it gives, but we can give you a sense that, you know, typically, we have observed that it is a 70 to 30 split, 70% in favour of without module and 30% in favour of with modules.

Moderator: Thank you. The next question is from the line of Karan Sanwal from Niveshaay Investment Advisors. Please go ahead.

Karan Sanwal: Also, I wanted to understand, like, what would be the approximate, the operational O&M component in the existing order book? What potential do we have in the existing order book for the O&M component?

Dilip Panjwani: So, I have told already this, I have addressed this question. We have about 900 megawatts of potential in our existing contracts, but as and when that EPC portion is over.

Karan Sanwal: Okay. And also, we have, you know, created some solar generating assets as an IPP. So, I wanted to understand, what would be their potential for the fullyear basis?

Dilip Panjwani: So, we have got 39 megawatts of assets in our portfolio.

Karan Sanwal: What would be the revenue that we would be generating from that?

Dilip Panjwani: About, so about INR18 crores.

Karan Sanwal: Okay, understood. And also, looking at the size of the order book that we have, are we exploring any subcontracting opportunity to complete those contracts or would we do it internally only?

Dilip Panjwani : So, subcontract opportunity internally means?

Karan Sanwal: Say for example, we have an order book of 2.3 gigawatts. So, would it be prudent to, you know, subcontract those orders to someone else or would we do it internally only?

Dilip Panjwani: No, the plan is to execute with Waaree Renewable only. There is no plan to subcontract.

Karan Sanwal: Yes, understood. And also, the order book, the amount of PSUvolume and value-wise that you have given, was it a part of FY '24, 15% volume and 35% value?

Dilip Panjwani: No, that is going to be part of this 2.3 gigawatts.

Karan Sanwal: Okay, the unexecuted order book.

Dilip Panjwani: Yes.

Karan Sanwal: Understood. Thank you so much. That would be it from us. All the very best.

Moderator: Thank you. The next question is from the line of Rahul Kothari from Grit Equities. Please go ahead. We have lost the connection. The next question is from the line of Divyam Gupta. Please go ahead. We have lost the connection. The next follow-up question is from the line of Rudresh Kalyani from Kalyani Private Business. Please go ahead.

Rudresh Kalyani: Thanks for the follow-up. So, we have been growing on 10% year-on-year. So, do we foresee any headwinds for this growth?

Dilip Panjwani: As of now, as I said, is the government commitment and energy sector is where it's a regulated sector. So, energy demand is growing, government is committed. So, unless government initiatives come down or they falter on their commitments, you know, we don't see any headwinds as such. But the tailwinds are all in the favour of the sector.

Rudresh Kalyani: And one more thing is, we are more, don't you think we are more dependent on the solar, any de-risk with respect to it?

Dilip Panjwani: See, the company is in solar business. So, I mean, what is de-risking? We are in the business of solar. We have declared our intent to be in solar business.

Rudresh Kalyani: Okay. And I have a couple of questions on the balance sheet, on the P&L as well. So, other expenses as well as finance costs have upped compared to the previous year. So, previous year as well as previous quarter. So, what is the reason for that?

Dilip Panjwani: See, this is a very data specific question. The revenue has also increased. But if you have any such data question, you can write to our investor relations and we'll be happy to reply to you on the same.

Rudresh Kalyani: Okay. And the last question is, cash in any form has increased exponentially. So, are we looking for any acquisition? That's why we have cash for that or how is it?

Dilip Panjwani: See, right now we are focused on increasing our order book size and expanding the business, that's where our focus is right now. We do not have any focus as of now for acquisition.

Rudresh Kalyani: Okay. Thank you. That's it from my side. All the best.

Dilip Panjwani: Thank you.

Moderator: Thank you. The next question is from the line of Atul Kumar Chaubey from Abbott. Please go ahead.

Atul Kumar Chaubey: Thank you so much for the opportunity. My question is that you already have answered it. The question was about the receivable part. It has gone exponentially if you compare quarter-on-quarter or even year-on-year. So, you have already answered it. Thank you.

Dilip Panjwani: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question. I would now like to hand the conference over to Mr. Viral Sanklecha for closing comments.

Viral Sanklecha: Thank you, Neha. I would like to thank the management for taking out the time for this conference call today and also thanks to all the participants. If you have any further queries, please feel free to contact us. We are Orient Capital Investor Relations Advisors to Waaree Renewable Technologies Limited. 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. Thank you.