

May 31, 2025

To,

The Manager

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051

Symbol: SOLEX

Sub.: Submission under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Transcript of Post Earnings Conference Call.

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find enclosed herewith the transcript of the Post Earnings Conference Call held with the Investors/Analysts on May 27, 2025.

Kindly take the same on the record.

Thanking you,

Yours faithfully,

For, Solex Energy Limited

[illegible]

Chetan Sureshchandra Shah
Chairman & Managing Director
DIN: 02253886

CORPORATE OFFICE

301-303, Trinity Business Park, Madhuvan Circle,
L.P. Savani Road, Pal, Surat - 395009, Gujarat, Bharat

+91 261 3559999



solex.in

☎ 1800 572 8787

✉ info@solex.in

☎ +91 2692 230317

REGISTERED OFFICE

Plot No. 131/A, Phase - 1, H.M.Road, G.I.D.C.,
Vitthal Udyognagar, Anand - 388121, Gujarat, Bharat



SOLEX ENERGY LIMITED

H2 & FY25

POST EARNINGS CONFERENCE CALL

May 27, 2025, 05:00 PM IST

Management Team

Mr. Chetan Shah - Chairman & Managing Director

Mr. Piyush Chandak - Whole Time Director

Mr. Vipul Shah - Director

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the H2 and FY25 Post Earnings Conference Call of Solex Energy Limited. Today on the call from the management team we have with us, Mr. Chetan Shah, Chairman and Managing Director; Mr. Piyush Chandak, Full Time Director, and Mr. Vipul Shah, Director.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended 31 March 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Chetan Shah:

Okay, hello everyone and welcome to this con-call for Solex Energy Limited. Basically, like we have, I think, interacted earlier also and we have discussed about our vision, the industry outlay, the Solex vision and the roadmap and everything. So just giving a brief about Solex, just to not repeat all the points, but still we are celebrating our 30 year in the renewable energy business. We started our journey in 1995 and now basically we started as a thermal technology manufacturer, got into the photovoltaic in 2007 and so we are one of the oldest photovoltaic module manufacturers in India. Of course, with a very small capacity with the focus of majorly on the EPC, particularly on the government sector.

Post 2021, we diverted ourselves into -- as a module manufacturer and so today, in fact, we are operating at 1.5 gigawatt capacity of the P-type and N-type modules. We have two production line operational and another 2.5 gigawatt is getting added from September end, which will be the beginning of October. So we will have a cumulative capacity of 4 gigawatt by that time. And so, as per our Vision 2030, which we declared in October 2024, Solex wants to establish 15 gigawatt of module and 5 gigawatt of cell manufacturing, which includes 2 gigawatt of N-type TOPcon and 3 gigawatt with other technology. So this is the quick background, in fact, which we have given, which is our major focus on manufacturing.

Our subsidiary, Solex Green Energy Private Limited, which is focused on EPC business. So, we have done wonderfully well in the previous financial year. And so the major focus was set to the ground-mounted utility scale projects and that is how, like it shows -- it is reflected in our results also. There are many other projects are yet to be executed in this financial year and new projects are also getting added in this. So I think current financial year also we will have good numbers coming from EPC and of course, from modules also. So as per market requirement, we are expanding and in terms of technology also, like our all production lines are upgradable to cope up with the back-

contact technology and HJT technology, which so we will be able to provide the very high efficiency modules for the Indian projects and overseas projects as well.

Currently, our major focus is on the India market. Previous year, we did export small numbers to Europe, particularly Germany and Africa and now we have set our focus to the USA market. And so basically, we are looking forward to have some good orders coming in from the US market next year. And so basically, we will have two major markets where we will have a presence, which is one is India and another is US market. So, that is the briefly which I have summarized this.

Now regarding our previous year results, Vinay, are we discussing previous numbers or it is just an introduction that -- which I had --?

Vinay Pandit:

No, you can do that sir, definitely, previous year numbers and the business developments also.

Chetan Shah:

Okay, right. So as far as previous years are concerned, we had a wonderful year last year, and which was quite a growthful year, in fact. Although our second production line, we could not generate numbers, we could not put it in a production in January because of the technological changes and other challenges. So, which got operational in the month of March. So the numbers will get reflected in this year. Though we have been able to generate revenue of INR665 crores, which is 81% more than the previous year revenue, which was quite encouraging numbers for us. And of course, which has helped us to increase our EBITDA margin to 157%, which is growth compared to previous year.

So, last financial year, we reported INR73 crore EBITDA, which is almost equivalent to around 11% of EBITDA. Vipulbhai? And our PAT margin has increased to 390% compared to previous year. So, INR42 crore was a PAT, which is almost equivalent to around 6%. And of course, the earning per share, which has increased by 301% compared to previous year, which is INR43. So I think these are the numbers which we have already shared and displayed previously. So, these numbers are basically quite encouraging numbers for us. And this will basically, you know, the new expansion and the second production line, the numbers will be reflected in first half, H1 of current financial year and H2 current financial year. So I think this is where Solex journey is and the future roadmap is. Yeah.

So, just to give you the further detail on breakup of the revenue, that is INR665 crore, which we have discussed. The breakup is like the revenue from module, which has increased of INR283 crore (in H2-25 and yearly) to INR497 crore. INR283 was -- sorry -- so, there was a change of revenue, which has 32% increase (from H1-25 to H2-25). The revenue for FY24-'25 was INR497 crore from module. From EPC, the cumulative revenue was around INR166 crores. And the other revenue, other sales and the job work revenue was somewhere

about INR2 crores. So, out of INR665 crores, this is a breakup, INR497 crores came from module and INR168 crores came from the other revenue. And so, this is a breakup of our revenue.

(Note: there are corrigible error in mentioning some figures which have been corrected in line with actual business highlights.)

These are the consolidated numbers. So yeah -- so, I think that's it from my side. In case just we can take up other things in a question and answer. Or in case anything which is missed out, Vipulbhai, you can add or Vinay, you can add.

Vipul Shah:

So, good evening, gentlemen and ladies. Like Chetanbhai said, the second module line, which we had estimated to start in Jan '25, it started in March '25. And that's the reason we have not been able to reach to the estimated turnover, what we had targeted around INR800 crores. So, precisely if you calculate the loss of production for two months and some challenges in the month of March when we started, had we been able to start in Jan, we would have easily achieved a turnover of INR800 crores.

Also would like to mention that the numbers what we have achieved is only through one line, because second line, we just started in the month of March. So next year, we will be having 1.5 gigawatt for full year and the additional expansion what we are doing, we have targeted to start it from October onwards. So 1.5 gigawatt for the full year and the remaining for six months. That's it. Plus, as Chetanbhai informed that we have a dedicated subsidiary for EPC business.

So all private sector business like C&I, ground mounted rooftops for private sector will be dealt by the new subsidiary what we have incorporated. And government EPC business because of the government norms and the tender criteria will be continue to execute in the holding company. And with regards to expansion, we are also planning for setting up a 2 gigawatt cell line and a lot of things are under development. As and when concrete things happen, we will inform in the public. That's it. Vinaybhai, we can start the Q&A or --

Question-and-Answer Session

Moderator:

Sure, So, all those who wish to ask a question, may use the option of raise hand. We will invite you to ask the question. In case you are unable to do that, please drop a message on chat and we will call you to ask the question. We take the first question from Pranjal. Pranjal, please go ahead.

Pranjal:

Am I audible?

Moderator:

Yes, yes.

- Pranjal:** Okay. So I have only one question. So, earlier the company had guided for revenues of INR2,400 crore in financial year '26 and INR3,200 crore in '27. And considering the shortfall in financial year '25 performance due to some delays, would you like to revise or reaffirm the revenue guidance for this year?
- Vipul Shah:** So hello, Pranjal, Vipul Shah this side. We have mentioned that why we have not been able to achieve the financials for the financial year '25. For the current year, we are not seeing any major issues and we are targeting the turnover to range between INR2,200 crores to INR2,400 crores.
- And so, you can say INR2,200 crores plus which will include the EPC business also. And looking to the production capacity of 1.5 gigawatt for the full year and the balance for the six months, we feel that we will be able to achieve the projections. So we don't think any...
- Moderator:** Pranjal, there is some disturbance in your background. Can you? Yeah, go ahead Vipulji.
- Vipul Shah:** Yeah, that's it. So, I don't think so. We need to change do major changes to it. It can vary between INR2,200 crores to INR2,400 depending upon the market and the price range. And similarly, for the next financial year that is FY27.
- Pranjal:** Okay, thank you.
- Moderator:** Thank you, Pranjal. We will take the next question from Vikram. Mr. Vikram, you can unmute and go ahead please.
- Vikram:** Good evening, sir. I have two questions. Sir, if you look at our margins, it's around 10%, whereas the competing companies have a better margin. May know the reason for that, sir?
- Vipul Shah:** So, currently... Yeah, Chetanbhai, please.
- Chetan Shah:** Yeah. So, what is that better margin? So, that needs to be defined. And --
- Vikram:** Sir, I see around 15% to 16% is the margin achieved by other listed companies, module manufacturers, whereas our company has achieved a 10% margin.
- Chetan Shah:** Yeah, Vipulbhai.
- Vipul Shah:** Yeah. So, Vikram, firstly, current financial year our EBITDA is around INR11.5% and PAT is 6.4%. So, I think so we have outperformed what was our estimate. We had estimated the EBITDA margin between 9% to 11%. We are at 11.4. Similarly, PAT we had identified around 5%. We are at 6.4%. So, according to us, how other players are doing it, we don't know. But according to us, looking to the industry and this, for Solex, we feel it is a number which we try to maintain that will be good for Solex.

- Vikram:** So the current margin will be a long-term sustainable margin for our company?
- Vipul Shah:** Yeah. So a lot of things depend upon the market dynamics. And if the dynamics change, it will change for the entire industry. But at present, we see we should maintain this range.
- Vikram:** Yes. Okay. My second question is that you have guided us a revenue of INR2,200 crores to INR2,400 crores for FY26. Do you have an order book for this?
- Vipul Shah:** Yes. So our existing production lines are completely booked. We have firm orders for the new lines also. And a lot of MSAs have been signed. But in the industry, you need to give the exact delivery schedules. So when the machines start arriving at the floor, then we can give the exact concrete date and we can sign the POs. But as and when we have got confirmed POs, we have been informing in the public domain.
- Vikram:** Sir, my third question is cash flow from operations is negative and I see increase in receivables and inventory. Can you throw some light on it, sir?
- Vipul Shah:** Yeah. So Vikramji, as you are aware that the second line just started in March. So when you compare, you are comparing the inventory and everything for the one line, whereas we have to build the raw material backup for second line also. So that's the reason you are seeing increase in the inventory.
- Chetan Shah:** So, our basically -- yeah, I mean, our inventory is high just because of the inventory which we have procured to operate the second production line and which is not reflected into numbers and which was not billed to the client. That is the reason you are seeing that inventory. The production line which is not commissioned and not put to in as a commercial production, though like we have to procure inventory. So that's how it is high. Yeah.
- Vipul Shah:** Similarly, for debtors in the month of March, our turnover was INR135 crores and a lot of EPC has also contributed to it. And there are some debtors which we are recovering in the current April and May month. So one more reason for higher debtor you see is because of the very good sales in the month of March. And this is a common feature across the industry. Generally, February and March are the months whereby there is a huge sales are there.
- Vikram:** Yeah.
- Vipul Shah:** The reason.
- Vikram:** Thank you, sir. And all the best. Thank you.
- Moderator:** Thank you, Vikram. We'll take the next question from the line of Rajesh Sain. Rajesh, you can unmute and go ahead please.

Moderator: Hello, Rajesh. We'll take the next question from the line of Hardik Gandhi. Hardik, you can unmute and go ahead please.

Hardik Gandhi: Hello. Yeah. Am I audible?

Chetan Shah: Yes, Hardik, you are audible. Please go ahead.

Hardik Gandhi: Yeah. So a couple of questions. Just I'm looking at this recent CRISIL report and there it was mentioned that we are highly concentrated on the single client to the span of INR1,020 crores like INR1,300 crores from the single client of the total order because INR1,450 crores. So could you share some light on who the client is or why are we concentrated so much on to a single client?

Vipul Shah: So Hardik, this data you are quoting from the rating, this rational, right? So,

Hardik Gandhi: Yeah, CRISIL report from 8th May, which is like --

Vipul Shah: So, again, by the time that this was announced by CRISIL, we have some other orders also, which we have published, which we have informed to the exchange. Similarly, we don't mention small orders, which are 3 megawatt, 5 megawatt, 10 megawatts, the smaller ticket size, we do not announce. So, there is there are a lot of other smaller orders also. And this particular order is being taken, keeping in mind the new lines, the third and fourth line, which is coming on. So, that's the reason. But the current order book is very much stable. And there are a lot of inquiries, not only inquiries, we have signed the master sales agreement.

But unless we receive the POs or we sign the POs, we are not announcing it. So whenever we update within one or two months, the other orders which are in the pipeline, you will see this dependency on this single order will come down to 40%, 50%, 40% or maybe lower than that.

Hardik Gandhi: Understood, sir. Sir, I can see there is a good debt which is being brought up.

Vipul Shah: You are not audible. Can you raise the volume?

Hardik Gandhi: Yeah, is it?

Chetan Shah: You have to be a little loud on this. Yeah.

Hardik Gandhi: Is it louder?

Vipul Shah: No, this is fine.

Hardik Gandhi: Yeah. So, I see there's a good amount of debt which is there in the books, INR150 odd crores. And given that we are doing a side-by-side CapEx and we

are planning to do a solar cell expansion also, what do you think will be a good CapEx plan? And second is the debt levels which we are going to go up to?

Vipul Shah:

Like, you know, if we are planning for a cell line of 2 gigawatt and we are also planning, like looking to the demand, additional 2 gigawatt of a module line also. So we consider an average INR1,200 crores cost for the cell line, INR200 crores for the module line and approx INR100 crores for the working capital, which comes to around INR1,500 crores. This is the ballpark numbers, obviously things will depend upon how much Chinese line and the utility German or the European technology we go for. But this is the number at present. We are working on the technology part in this. Out of this INR1,500 crores of CapEx, we target INR1,000 crores of debt and INR500 crores through equity.

Hardik Gandhi:

Understood. So there will be further dilution of equity. And approximately what will be the timeline of this expansion? I think we've been mentioning the solar cell expansion from some time now.

Vipul Shah:

Yeah. So you see there's a lot of development happening in this segment. A lot of existing players were struggling in achieving the desired output and efficiency. So, at Solex, we give very importance on the technological tie-ups and evaluating how things are happening with the other players. So now we have reached a very comfortable level. We have identified some 2, 3 parcels of land. Some very key technical person has also joined. So within a month or two months, you will see very good development happening at the cell manufacturers.

Hardik Gandhi:

And what is the time required to start?

Vipul Shah:

It takes 18 months, you can consider from the zero date.

Hardik Gandhi:

Understood. And what would be a good revenue bifurcation on a going forward basis where given that we are doing EPC as well as manufacturing. So will it be an 80-20 split where manufacturing is the 80% or what will be the good split?

Vipul Shah:

EPC, we have kept the targets of around INR200 crores to INR300 crores for the EPC.

Hardik Gandhi:

For annual basis?

Chetan Shah:

Non-annual basis. Yeah. So, it will be anyway around 10% to 12% of total revenue.

Hardik Gandhi:

And what would be a maintainable PAT margin if we can expand? Given that we are expanding, so there will be a benefit of scale which we'll achieve. So any guidance on the PAT margin, what would be at least a sustainable one?

Vipul Shah: Yeah. So like you have heard in the last calls, we were telling it around 5% of PAT and we have achieved 6.4% this time. Similarly, with the scale of operation and this, it should improve. But still, we like to mention that it will be between 6% to 7%. But we are sure looking to the efficiencies ratios what we follow at our production level when it comes to cell efficiency or the module manufacturing efficiencies. We are sure that it should improve. But from your perspective, you can consider it between 6% to 7%.

Hardik Gandhi: Understood. And just one last question if I can just squeeze it in. Given that there is expansion on multiple levels by a lot of big players as well as the small players. Do you think in a year, year and a half, solar modules will just be a commodity? Like it will commoditize given -- I know there's a huge demand, but at the same time, people are ramping up their production levels on a very big scale. And along with that, given that in the US, since we are targeting US as an export, a lot of Chinese companies already have their foot placed in the US. And given that how big, I think one of the biggest players has a 100 gigawatt capacity.

So the economies of scale even after tariffs for them would not be so high. So just wanted to have your perspective on the industry as a whole, if it will be commoditized and will there be pressures which we will receive in a year, year and a half going forward?

Vipul Shah: Chetanbhai?

Chetan Shah: Pratik, basically, the industry has Indian manufacturers. They have seen the toughest time previously, which was like where the 90% of the modules which were installed in India were imported from China, majorly from China. And that is the time that industry has seen. Till 2019, the Indian capacity was 6 gigawatt, cumulative capacity. I'm talking about the module manufacturing capacity, which was 6 gigawatt. Then we had two years, disturbed years due to the pandemic, which was 2020 and 2021. And so after this 2021, India, Indian capacity, now today it is 100 plus gigawatt. So that means what, 6 gigawatt to 100 plus gigawatt in three years time. That is the growth that India has seen.

Indian installation, which was anyway between 8 gigawatt to 12 gigawatt annually, which has increased to almost about 28 to 30 gigawatt per annum. So the demand has surged drastically. And basically, now if you look at the complete global market, then after India, the US is also one of the very big market.

Now USA is a challenge. In fact, USA is a challenge. Why I'm saying the challenge, it is because the costing of modules. There are some of the factories which are already operational in USA. First thing is, which are not sufficient to, I mean, fulfil the demand of US, number one. Number two, the cost of operation of US factories are much higher than the cost of operation in India.

And then giving a tariff and export to the USA market, though Indian modules are cheaper.

If we have to compare the Chinese price, there is no export happening from China to USA and to India. So because of this in Indian market of ALLM, I think it has opened the door for Indian manufacturing and domestic manufacturing and to export to the other continents. So the current capacity and the capacity which is being expanded are sufficient enough to fulfil the demand of Indian market and as well as the overseas market as well.

Overseas market, I am referring to US will be the major, but then other continent as well. So I don't see any challenges in -- anyway, the product is already the way it is being sold and I mean, it is a commoditized market, but still like, you know, the capacity that is still there is a demand of capacity.

Apart from that, this, whatever that gigawatt we call, these are the nameplate capacities. So there is a gap between nameplate and the actual production capacity due to the technical reasons, various technical reasons. So when we say we have a 100 gigawatt module manufacturing capacity, the actual throughput will be much lesser than 100 gigawatt.

And these are the new players which are coming. So they will take their own time to ramp up and reach to that optimized capacity. So at present, for coming few years, I don't see a challenge in the pressure due to the multiple manufacturers. Everybody will have a sufficient business. And particularly for Solex, since we are quite ahead in terms of technology, and we have established ourselves as one of the most reliable manufacturer globally, because of our manufacturing standards, which we have established, we have an edge over other manufacturers.

So it is just a matter of how fast we ramp up our capacity and take the maximum pie from the cake. That's how it is. Obviously, now, this will give an edge once we have a cell line. So most of the module manufacturers there is a huge gap between the supply and demand for cell. And government is also planning to introduce, they have already announced, so they are planning to introduce ALCM very soon. ALCM is for the cells. So that means, after ALLM for modules, the ALCM will be there in a picture then those who are having a cell line will have an edge over, the people having only module lines.

So for Solex also, it is very important for us to execute, get into the cell manufacturing. And we already initiated our work on that. Thank you.

Hardik Gandhi:

It will be an incentive, it will be a period, it will be a production bonus. Okay, sorry. I will just leave that.

Moderator:

Yeah, please I would request to please join the queue. And I would also request other participants to please limit yourself to questions since there are many in the queue. Thank you. Mr. Dhawal Bari, you can unmute and go ahead, please.

Dhawal Bari: Very good evening, sir. I am having two questions. The first one is how much is the current capacity utilization? And what is the conversion per megawatt?

Chetan Shah: No, what do you mean? What I mean, what do you mean by the conversion per megawatt?

Dhawal Bari: Like per megawatt, installed in your factory, how much revenue you are getting? The realization per megawatt.

Chetan Shah: Realization per megawatt. Okay, fine. So the current efficiency which we are working with right now is almost about 70%, 75% of our capacity because of our order book. And where the other manufacturers are basically, as per the numbers which I have, they are operating somewhere about, obviously, good manufacturers are having 70% efficiency. And then some of them, some of the manufacturers are working, operating at around 50%, 55% of efficiency. So that is the answer to your first question.

And when it comes to conversion, it is basically a market dynamic and order-based, the same. We used to do OEM for some of the leading brands on a conversion model previously, which you can see this year, most of the products were sold with the Solex brand only. So there is no job work which we do. So conversion is always, it's a market dynamic. But the numbers which we have declared, which itself says the EBITDA margin and the PBT margins. I hope I have answered your question.

Dhawal Bari: Sir, so as per my knowledge, you are doing one shift in your factory. So the 70% to 75% utilization is from one shift, right?

Chetan Shah: No, we are doing three shifts in our factory. We are operating 24 hours.

Dhawal Bari: Like in three lines?

Chetan Shah: Means?

Dhawal Bari: Like in your factory, are you doing one assembly line or like three assembly lines?

Chetan Shah: No, we are having two production lines and both production lines are operational 24 hours.

Dhawal Bari: Yeah. Okay, sir got it. And so my second question is, how will the company be able to source its cell once the ALM List-2 is implemented? Like if the supplier increases the price, there will be a threat on your margins level, right?

Chetan Shah: Just come again, Dhawal.

Dhawal Bari: Okay. So like, how will the company source its cell line once the ALM List-2 will be implemented? Like if the supplier increases the price of the cell, there will be a lot of like margin threat on your EBITDA margin and PAT margins for EC--?

Chetan Shah: No, there won't be. See, market is so dynamic. So if the cell supplier increases the price, the module price will also get increased. All the contracts are, having the clause of change in a government laws, a change in fluctuation in prices and the dollar, with these are the all orders are linked to the dollars also. So for module manufacturer, there is no price series if there is a fluctuation, heavy fluctuation in raw material pricing. This is a standard market practice.

Vipul Shah: That was also what Chetan mentioned is, so when there is a price rise, the price rise will be for the entire industry. And what we have observed is that up till now, whatever price rise is there, it is easily passed on to the customers. So I don't think so there should be any major challenges.

Dhawal Bari: But like right now you are not DCR manufacturer, right? You are also like importing raw material from outside the country. So once this list will be implemented, there will be like increase in your raw material, right?

Chetan Shah: By the time we will have our own cell lines.

Vipul Shah: Dhawal, also at present the manufacturing capacity for cell line is very less. So we are very much sure that the date will extend because unless you have an operational cell manufacturing capacity in the country, ALCM cannot be implemented. So as and when India has a sufficient cell manufacturing capacity, ALCM will come because you see the historic data. ALMM was announced in 2019. But since we were not having proper -- the desired number of manufacturing capacity, ALMM was imposed in 2024. So MNRE and the government is having real time data of the industry and the production capacities.

So we are of the opinion that government will see the real time data and the ALCM will be implemented.

Dhawal Bari: Yes, got it. Thank you.

Moderator: Thank you, Dhawal. We will take the next question from Mr. Karan. Mr. Karan, you can unmute and go ahead, please.

Karan: Thanks for the opportunity. I hope I am audible.

Vipul Shah: Yes, you are audible.

Karan: Great. Congratulations on a good set of numbers Chetanbhai.

Chetan Shah: Thank you.

Karan: So the question was, do we receive the advances for the orders that we receive?

Chetan Shah: Do we -- Karan?

Karan: Do we receive advance payments for the orders that we receive?

Chetan Shah: Yes, yes, yes. All orders are backed by the advance from the customer.

Karan: Would it range around 5%, 10% of the order value?

Chetan Shah: Normally, it is around 10%.

Karan: Understood. Also, one clarification that the credit rating report mentioned that our order book was INR1,450 crores, but while in the PPT, it was mentioned that it is INR1,756 million. So was it just a typing mistake in the PPT or --?

Vipul Shah: Can you repeat the numbers? What?

Karan: Yeah, so --

Chetan Shah: INR1,756 million.

Karan: INR1,756 million was mentioned in the credit rating report, while in the presentation on page number 28, it is mentioned that the closing order book is on 31 March is INR1,756 million.

Vipul Shah: I think so there should be some numbers mismatch. The number published with the rating agency is the latest number. Obviously, as of date, it has increased.

Karan: Yeah.

Karan: So it must be crores, I guess, in the PPT. Understood. Yeah. Also, just to confirm, you talked about the CapEx of INR1,500 crores for the cell and the module line, and the other INR1,000 crores was to be sourced from debt, right?

Vipul Shah: Yes.

Karan: Okay. Well, understood. Great. That would be it from my side. All the very best.

Chetan Shah: Thank you.

Moderator: Thank you. We'll take the next question from Mr. Swamy. Mr. Swamy, you can go ahead, please.

Swamy: I just wanted to confirm, earlier expansion was expected in June, but now it's mentioned as October. Has there been any change in the plan?

Chetan Shah: There is no change in the plan. It is basically a change in technology, the frequent change in technology, which is where like we are considering the most modern equipment. Some of the equipments are not ready to be shipped out of the manufacturer's country, particularly China. It requires a lot of testing locally. And we don't mind changing our execution plan, without compromising having the latest technology. So this change is happening just because there is a change in the technology of equipment, drastic change in the technology of equipment and upgradability part.

So which is safe for Solex, particularly when we go for the most advanced equipment and upgradable equipment for the future technology. And the way the technology is changing now, from N-Type to TOPcon the industry is, moving to back contact technology and HJT, mostly the back contact will lead the market, considering its price competitiveness, over HJT. So, all our equipments, all the new production lines also, they are all the most advanced machines.

The new machines, which we are getting, we have ordered. These are the very highly, you know, robotized and automated machines with full control of MES and everything. So this is how it is. So basically, the shipment and everything will begin from July and the shipment time and installation time. That's the reason we say like commercial products will be out from October.

Swamy: Okay. My second question is, can you please share what loan has been already taken? We need a INR210 crore for expansion of 2.5 gigawatt, right?

Chetan Shah: Yes. It's not a loan. It's a total CapEx.

Swamy: Okay.

Chetan Shah: Now it is around INR190 crores CapEx, which we are doing for 2.5 gigawatt. Yes.

Swamy: Okay. How the fund is sourced?

Vipul Shah: So out of the INR150 crore we are asking for the term loan and balance INR150 crore for the working capital, out of which INR100 crore will be fund based and INR50 crore will be non-fund based. So, we are raising INR300 crores of debt. Like these numbers are on a higher side. Like last CapEx also, we did almost INR13 crores, INR14 crores lower than what we had estimated. So these are the initial quotes we have taken. We are negotiating with the suppliers and everything.

But yes, for as of now, you can consider term loan of INR150 crores and working capital of INR 150 crores, out of which INR 100 crores will be fund

based and INR 50 crores will be non-fund based. And Swamy, just to add, like we have been mentioning that the line will be operational from the beginning of the second half year. And obviously, the machine delivery will start from July 1st week.

And as Chetanbhai mentioned, the machines which are coming, like the first line could manufacture module in 28 second, the second line in 22 second, and the third line, the third and the fourth line, which is one of the most latest and modern line, which will produce modules in 16 seconds. So, every 16 seconds, there will be one module.

Swamy: Okay, sir. My last question is, sir, I would like to visit your factory if possible. Let me know when it will be suitable.

Chetan Shah: Yeah, definitely. We'll let you know as there are audits going on continuously. So whenever we have free slots, we'll let you know. Swamy, you can send us your contact details. We'll update you with our available slot. Thank you.

Moderator: Thank you, Swamy. We'll take the next question from Kiran. Kiran, you can unmute and go ahead, please. We'll take the next question from Chandrasekhar. Mr. Chandrasekhar, you can unmute and go ahead, please.

Kiran: Hello. Hello. It's Kiran, sir. Am I audible?

Moderator: Yeah, yeah, you're audible.

Kiran: Sorry for the delay. My first question is on the receivable side. Can you show some light on how much receivables from EPC and how much receivables from solar module and cell manufacturing?

Vipul Shah: That data is not readily available. I'll tell my team to check and come back. Meanwhile, you can ask any other question as well.

Kiran: That's the only. And another thing is, we are on the CapEx, and another 2.5 gigawatts. At presently, at what stage we are in that?

Chetan Shah: As I said, like currently the factory building and everything is constructed, everything is over. The orders, I mean, the equipment orders are already placed. Our team is traveling to China for the inspection of equipment. Equipments are ready, in fact. And so we are visiting China for the inspection of those equipments and the shipment will be done. So we are all set for setting up another line 3 and 4, which is 2.5 gigawatt and which will be operational by October.

Kiran: Okay. Thank you, sir. Thank you very much.

Moderator: Thank you, Kiran. And we'll take the next question from Mr. Chandrasekhar. Chandrasekhar, you can go ahead, please.

Chandrashekar: Congrats on the very good numbers.

Chetan Shah: Thank you, Chandrasekhar.

Chandrashekar: Yeah. So first question is, sir, is there any improvement possible in the EBITDA numbers going forward? So right now we are at 11.6. So does that number stay same or will it improve?

Chetan Shah: Like, you know, any, I mean, it is all the working efficiency and our focus is always, it remains on working efficiency. Whatever capacity that we have, we try to utilize that capacity at the max with large scale orders. Large scale orders gives a consistency which helps in improving the efficiency of production. This efficiency will definitely, help us to increase our margins, operating cost, reduce the operating cost, which leads to the higher margins. So I'm looking forward to have a better EBITDA margin in days to come. But whatever that numbers that we have given, there are also very like efficient numbers in terms of what you call the industry standards.

Even if you look at the China factories, then also they are operating nearby these numbers only, sometimes lower than these numbers. The Indian numbers are much better than those companies. So now if, somebody is giving some different numbers, which are not as per the industry standards, then I have nothing to say on this. But like if you look at the other industries, there are very few listed companies in fact. There are so many unlisted companies in this peer. If you look at the numbers, which are coming from them, these are all the similar numbers. Solex has a better margin.

Chandrashekar: So from this quarter onwards, can we expect quarterly updates? I think we are on track to get into main board.

Chetan Shah: We will have quarterly numbers from this same quarter, that is April, May, June you will have a number.

Chandrashekar: Final question, sir. So I think, I mean, is it intentionally we are going slow on the EPC or you can go aggressively?

Chetan Shah: No, we have a choice to go aggressively. But being our focus is major on manufacturing, we are a module manufacturer. So you know, that is always like, you know, we go very selective on EPC part because EPC is a different domain altogether. And most of our customers are EPC companies. So they have to go very carefully on this track.

Chandrashekar: Okay. Thank you, sir. And very all the best for FY26.

Chetan Shah: Thank you.

Moderator: Thank you. We will take the next question from Shubham Agarwal. Shubham, you can unmute and go ahead, please.

Shubham Agarwal: Hello. Hi, am I audible?

Moderator: Yeah, Shubham.

Shubham Agarwal: Okay, thank you. Sir, I just had a question. I think initially we had planned in the second half.

Chetan Shah: Shubham, can you be a little bit louder?

Shubham Agarwal: Yeah, can you hear me now?

Chetan Shah: Yeah.

Shubham Agarwal: Yeah, I just wanted to ask, initially, I think in the second half of the year, we had scheduled a 2.5 gigawatt expansion. And I think in the press release, it was decreased to 2.2 gigawatt. Was there any reason for this 300 megawatt shortfall?

Chetan Shah: No, it is basically, 2.2 gigawatt and 2.5 gigawatt, it is the same thing. It is basically what you produce. So basically, if we go for 585 wattpeak modules, which is, you know, N-type TOPcon 585 wattpeak modules, then it is 2.2 gigawatt. And then if we produce 625, 650 wattpeak modules, G12R technology modules, then it is 2.5 gigawatt. So it all depends upon the numbers, like I can understand, you're confused with these numbers. So basically, it is what we produce from this production line. These production lines are capable to produce G12R and the M10R also. So these are the same numbers.

Shubham Agarwal: Okay, thanks for the clarification. Just one more question. I was checking your current liabilities, which has increased from INR9.27 crore last financial year to INR62.25 crore. Could you please share some light on what is the reason for this?

Vipul Shah: So the increase is due to sundry creditors. So because if you have seen, we have a good amount of inventory and debtors. So apart from bank working capital limit, there are some sundry creditors plus there are customer advance. So that also we classify under this head. So there is almost I think so INR55 crores of advance from customers is there. These have contributed to it.

Shubham Agarwal: Okay, thank you so much.

Moderator: Thank you, Shubham. We'll take the next question from the line of Mohsin Alam. Mohsin, go ahead please.

Mohsin Alam: Hello, sir. Am I audible?

- Moderator:** Yes, Mohsin, go ahead.
- Mohsin Alam:** Sir, so my question was regarding the solar cell line, which you said that total CapEx will be around INR1,500 crores. So is there any debt to equity ratio in mind of the company that they are trying to keep or are we going heavy on the debt side?
- Vipul Shah:** So Mohsin, this includes 2 gigawatt of cell line and 2 gigawatt of module line plus working capital margin. So we like to keep it in the mix of, you can say, two-third, one-third. So one-third of equity and two-third of debt.
- Mohsin Alam:** Okay. And sir, regarding the 800 megawatt line, which was delayed by 3 months, so are we expecting some delay in the coming 2.2 gigawatt line or things have been taken care of this time?
- Chetan Shah:** Things are taken care of this time. So the machines are ready, in fact, just to let you know. It is just like inspection and shipment and installation at this place. So we are practically at the end of May. We have June, July, August, September, 4 months are sufficient to take care of this thing. So October, whatever the commercial availability of production line that we have informed, we will stick to that.
- Mohsin Alam:** Okay. Thank you, sir.
- Moderator:** Thank you, Mr. Mohsin. We'll take the next question from the line of Sarang Joglekar. Sarang, you can unmute and go ahead, please.
- Sarang Joglekar:** Yeah, thanks for the opportunity and congrats on a good set of numbers. So, sorry if I'm asking this again, on the gross margin, I saw there was a significant expansion compared to last year and the year before that. So trying to understand what led to that and what are the normal gross margins that you expect?
- Vipul Shah:** So Sarang, as you have observed that the margins have increased. The main reason is, when we started, we were doing a lot of OEM and Solex brand modules were less. In the current financial year, the maximum is Solex own modules. So this has helped us in increasing the margin plus with the increase of scale and everything. So that has also contributed plus increase in the EPC business has also contributed in the increase of the overall EBITDA and PET.
- Sarang Joglekar:** Got it. Sir just to get a sense of the margin split, if assuming that you do full 100% Solex brand, then what kind of gross margin do you see on modules?
- Vipul Shah:** So we have always said that it varies between 9% to 11%. Fortunately, with the good market and this view and with the EPC business. So but according to us, 9% to 11% is the margin it ranges between.

Sarang Joglekar: No, sir, gross margin I'm talking about, not the PAT.

Vipul Shah: No, I'm talking about the EBITDA margins.

Sarang Joglekar: Okay. Can you give any color on gross margins?

Vipul Shah: I don't think so. We are not readily available with it.

Chetan Shah: Yeah, we'll get back to you on this gross margins.

Sarang Joglekar: All right. All right. Thank you.

Moderator: Thank you, Mr. Sarang. We'll take the next question from the line of Kunal Shah. Kunal, you can unmute and go ahead please.

Kunal Shah: Hello. Is it audible?

Moderator: Yeah, Kunal, go ahead.

Kunal Shah: Congratulations, sir, for Solex team for good numbers.

Chetan Shah: Thank you, Kunal.

Kunal Shah: Sir, my question was that till 2030 how much revenue will you get from this and how much profit are you assuming?

Chetan Shah: See we have kept a vision till 2030. We are following that vision. And there are lot of changes in it due to technology and geopolitical factors. So it is too early to comment on the margins and revenue of 2030. But yeah, we have already put the capacity and the investment we want to make we have already put in public domain, which was till 2030 15 gigawatt of module and 5 gigawatt cell line with different technology, where we are investing around \$1 billion around INR8,500 crores in manufacturing, we are going according to that commitment. But yes, being very technology driven business and company we mould ourselves according to the market situation and the technology which comes to the market in the best interest of our company and the shareholders.

Kunal Shah: Okay, thank you sir.

Moderator: Thank you, Mr. Kunal. We'll take the next question from the line of Mr. Aman Makhija. Mr. Aman, you can unmute and go ahead please.

Aman Makhija: Yeah. My team, thanks for the opportunity. So sir, can you just throw some light on like over the next two years, what would be the level of debt we will be taking on to expand maybe in the cell line, maybe in the additional module line? So can you throw some light on that? What would be the debt number that we are estimating internally for FY26 and FY27?

Vipul Shah: So, Aman, hello. Yes, Aman.

Aman Makhija: Yeah, Vipulbhai.

Vipul Shah: So, you are talking in terms of just the CapEx debt or the overall debts?

Aman Makhija: Overall debts, sir.

Vipul Shah: So around -- will be around INR1,000 crores for the proposed expansion of the cell and the 2 gigawatt of module line and existing, if you talk, if I remove the non-fund based limit, so around INR400 crores plus INR1,000, so INR1,400 crores.

Aman Makhija: So, sir, in FY26, we can expect a number of somewhere around INR300 odd crores?

Vipul Shah: FY26, no, it will increase because we are planning for the cell line. So, the utilization will not be there, but yes, we will get it sanctioned. So, utilization will be based on the implementation of the project.

Aman Makhija: Okay. Okay. And in FY27, we will be having peak debt, right?

Vipul Shah: Yes.

Aman Makhija: Okay. Okay. Understood. So, sir, we are telling that it will take INR1,000 odd crores of debt and some INR500 odd crores of equity. So all these things we are this equity thing, we are planning to raise, let's say, after a year or what are we estimating internally over here?

Vipul Shah: So we are talking with a couple of bankers and we are working on the structured model whether to form a subsidiary or how to raise it. So I think so within 2-3 months, you will see.

Chetan Shah: Yeah, we will be able to comment on that.

Vipul Shah: And we are approaching investors to raise. So I think so within 2 to 3 months, we will be approaching investors to raise this INR500 crores.

Aman Makhija: Understood, sir. Thank you. Thank you and good luck for the future.

Chetan Shah: Thank you.

Moderator: Thank you, Mr. Aman. We will take the next question from the line of Mr. Madhur Rathi. Madhur, you can go ahead, please. Madhur, you need to unmute.

Madhur Rathi: Hello, sir. Am I audible?

Chetan Shah: Yeah.

Madhur Rathi: I wanted to ask that from natural scenario, are we expecting mainboard in this month since it's already been four months that posted last update like on Jan end? This is my first question.

Chetan Shah: Just can you repeat your first question, Mr. Madhur?

Madhur Rathi: So I will give you clarity that last update we gave was we are expecting migration to mainboard in January. I mean, that's what when we applied for. So it's been four months. So are we expecting anytime sooner? When are we expected to go forward?

Chetan Shah: Yeah, currently, we are under ESM. So that's the reason the migration to the mainboard got delayed. Once we are done with this, then there is some cooling period and then the migration will happen. So right now, currently we are under ESM.

Madhur Rathi: So you want to say that like by June end you won't be able to go in mainboard, still you will be submitting quarterly results?

Chetan Shah: Yes.

Vipul Shah: Madhur, we will be giving an investor update because though it is not requirement by the SME platform, but as in practice, we'll start giving the updates on quarterly basis. And Madhur, we qualify for all the requirements under the new amendments also. So it's just a number of just we come out of ESM and we fulfil all the criteria which are required for migrating to the mainboard.

Madhur Rathi: Right. Can I ask my second question?

Chetan Shah: Yeah, please.

Madhur Rathi: So I wanted to know that we are expanding like by 2.2 gigawatt. Are we going to raise any equity by anything to equity?

Vipul Shah: So, this current expansion...

Chetan Shah: Not for 2.2 gigawatt, yeah.

Vipul Shah: The current expansion is being supported through the internal accruals. So fortunately, we have very good cash accruals. So for this 2.2 gigawatt, we are not raising any equity. Plus, the last preferential allotment which we had done, we have some additional funds which was raised that time. So that will also contribute. But as of now, for 2.2 gigawatt, there is no requirement for raising

any equity. And our bankers are the -- debt bankers are also convinced with it. They are not stipulating any equity raise for this expansion.

Madhur Rathi: Right. That's it. Sir, I had another question. You said that from zero ground level, you will need 18 months that is like minimum for cell manufacturing. Right. So I expect that by around '26 end or like financial end, financial year '26-'27 end. So by then, you have only planned for like 2 gigawatt of module expansion and 2 gigawatt of cell manufacturing. Right.

Vipul Shah: Madhur, module manufacturing is, it is it totally depends upon the demand. Like we did not have a target to go for 2 gigawatt of module line. We had only planned an expansion of 2 gigawatt of cell line. But looking to the demand, we have immediately planned for an additional 2 gigawatt of module also. So it is Madhur purely depends upon the demand. Fortunately, at Solex, we have very good, reputable corporate clients and tie ups with the international manufacturers.

So it will obviously depend upon the demand and supply position. But yes, cell line, we can say we are just starting with 2 gigawatts. Module will keep on adding upon the order book and demand we have.

Madhur Rathi: Okay. So can you just throw a light at what will be a full year revenue and margin will look like if we have a 4 gigawatt of module capacity and 2 gigawatt of solar manufacturing, cell manufacturing?

Vipul Shah: So cell numbers, we have not added because it will be captive use. But just on the basis of the 4 gigawatt of module line, the turnaround will be between INR3,000 crores to INR3,400 crores, which will include INR200 crore of EPC business also.

Madhur Rathi: And then what will be our margins? Because that will tend to rise, right?

Vipul Shah: Yeah. So as we said, the EBITDA margin generally we think is between 9% to 11%. But fortunately, this year, we have crossed that mark. Similarly, we feel to maintain that level. And same is with PAT. So, with the economies of scale in this, so we are targeting to maintain the PAT level also. So it can be between 5% to 7%.

Madhur Rathi: No.

Vipul Shah: Sorry.

Madhur Rathi: No, once you start cell manufacturing.

Vipul Shah: I have not considered the cell numbers because Madhur, at present the cell margins are very high. By the time the production comes, the margin will come down. But we'll give this the exact numbers when we approach the market for raising equity. So I think so it's a one month or two months max

we'll have to wait for the cell numbers, to add on to give you the exact perspective of what cell will contribute. But at present, we can tell you with the 4 gigawatt of module manufacturing and the EPC business will range between INR3,000 crores to INR3,400 crores of revenue for FY27, which will be full year of operation for 4 gigawatt of module line.

Madhur Rathi: Right. Okay. Thank you. Thanks a lot, sir.

Chetan Shah: Thank you.

Vipul Shah: One question was there regarding to the debtors outstanding. So, on the standalone basis, the EPC debtors are INR69 crores and INR69.21 crores and the module is INR42.03 crores. So, the total is INR111.24 crores. This is on the standalone basis. Some gentleman had asked this question. Our team has just given the data. And with regards to the advance from customers, it is INR58 crores of advance, what we have on 31 March '25.

Moderator: Thank you, Vipul, sir. Thank you. I will now invite the management to give their closing comments, if any.

Chetan Shah: Yeah, so thank you very much everybody for taking us taking a deep dive into whatever debt finances that we have in our business model also. In fact as we say, this year will be again the year of expansion for us. And so everything will increase the revenue, profit, then the debtors, creditors, those numbers are so dynamic because we are expanding continuously and increasing our manufacturing capacity and efficiency both.

So like, I'm looking forward to have a similar support from everyone. And in case if you feel you need to guide us somewhere, we are always open to hear from you. Thank you very much. And thank you for your time.

Vipul Shah: Yeah. So, I'd like to add some point, like one of the gentlemen had asked regarding the new lines and the capacity expansion, which is happening in the sector. So at Solex we can say we are among the few companies or we are the only company who are dealing with the top brands of the China. And this helped us in bringing a lot of best efficiencies and best practices of the industries.

We are among the few companies who have full-fledged testing facilities in the company. And we are adding more and more testing facilities according to the international standards. We were the first company to launch one 625 watt peak panel that is called the G that is you can name the technology

Chetan Shah: G12R.

Vipul Shah: We are among the few companies where the entire production line is on the MES software that is the manufacturing execution system software. So this software gives a very good comfort to all the IPP players, the big players,

when they come to vouch factories and the audit our factories, they spend a lot of time on the, rather than going on the floor, they like to see our MES software. So, there is a lot of transparency built in the entire process. And this gives us a very good, position in front of the big IPP players.

So though Solex was a very new entrant in this activity, but because of the efficiencies, the transparency and the quality control we follow, we have labelled ourselves as a very good brand when it comes to efficiency and the deliveries. So I think so this will make a difference where we can stand apart from the other players. And that's the reason we have top names of the industry as our customers. That's it. Thank you from us.

Dhaval Bari: Thank you. Thank you. Sir, for further queries, can we mail at Kaptify ID

Vipul Shah: Yes, please.

Dhaval Bari: Sure, sir.

Chetan Shah: Thank you, everyone. Thank you.

Vipul Shah: Yeah. Thank you. Bye-bye.

Vinay Pandit: Thank you, Chetanbhai. Thank you, sir. Thank you to the management team for giving us the time. And thank you to all the participants for joining us on the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you.