

October 23, 2026

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

Sub.: Investors Call Q2 FY 27 - Transcript

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

Dear Sir/ Madam,

In continuation to our letters dated October 12, 2026 and October 16, 2026, please find enclosed the Transcript of the Investors Call held on Friday, October 16, 2026 at 10:00 a.m. (IST) on the Unaudited Standalone and Consolidated Financial results of the Company for the quarter and half year ended September 30, 2026.

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

Request you to take the same on records

Thanking you,

Yours faithfully,

For Sterling and Wilson Renewable Energy Limited

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Jagannadha Rao Ch. V.
Company Secretary and Compliance Officer

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“Sterling and Wilson Renewable Energy Limited
Q2 FY27 Earnings Conference Call”

October 16, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 16th October 2026 will prevail



**MANAGEMENT: MR. C.K. THAKUR – GLOBAL CHIEF EXECUTIVE
OFFICER
MR. AJIT PRATAP SINGH – CHIEF FINANCIAL OFFICER**

Moderator: Ladies and gentlemen, good day, and welcome to Sterling and Wilson Renewable Energy Limited Q2 FY '27 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

Today on this call, we have Mr. CK Thakur, Global CEO; Mr. Ajit Pratap Singh, CFO; from Sterling and Wilson Renewable Energy Limited and SGA, who are the IR partners. I now hand the conference over to Mr. CK Thakur. Thank you, and over to you, Mr. Thakur.

C. K. Thakur: Thank you, and good morning, everyone. Thank you for joining us to discuss the results for the second quarter first half of fiscal 2027. As we flagged on our last call, the first half of this year turned into a transition period. Our ongoing projects are in their final stages, while 8 new projects, 4 in India and 4 overseas were moving through LOA and notice to proceed.

I'll begin with where the industry stands today, because it shapes both our opportunities and our discipline. I'll then cover our operating performance and outlook and Ajit, our CFO, will take you through the financial updates.

So, I'll just touch upon the industry overview. India's renewable energy journey continues at an extraordinary pace. Renewable and large hydro capacity stood at about 308 gigawatts as of September '26, roughly 53% of the country's total generating capacity.

Solar remains the engine of this growth. Installed solar capacity has grown from under 3 gigawatts in 2014 to about 171 gigawatts today. Calendar 2026 is on track to be the strong year for solar capacity addition in India. India added about 34 gigawatts DC in first half of this year, 38% more than a year earlier and full year additions are expected to be in the range of 50 gigawatts DC, ahead of the record 49 gigawatts in 2025.

That said, the near term has been more challenging. Two factors slowed new utility scale awards in the first half of the year. A third factor, competition, has influenced how we bid.

First, the shift to domestic solar cells. Since June 2026, projects must use modules made with Indian cells as per ALMM-II. India has over 200 gigawatts of module capacity, but about only 35 gigawatts of cell capacity. So compliant modules are scarce and costly, may raise project costs by around 15% to 17%. As a result, developers are reworking project economics and tariffs and many have delayed EPC awards until prices and economics settle. We see this as a temporary phase. Cell capacity is expected to reach about 100 gigawatts by December 2027, which should ease prices and restore award activities. In the long run, it will give India a stronger and more secure supply chain.

Second, delay in power purchase agreements and transmission constraints. About 40 to 50 gigawatts of awarded renewables capacity is still waiting for signed power purchase agreements. Solar output is also being curtailed at times in Rajasthan and in some parts of Western India because of grid limitations. As a result, projects pipelines in Rajasthan and Gujarat have been pushed out of several quarters.

Third, the competitive landscapes. Competitive landscapes has affected how we win the projects. Entry barriers in reverse auctions are low and some new players have bid at the prices we believe are tough to maintain margins and may not be sustainable. We have been very much cautious and selective in such bids and hence, our own order wins in domestic market have been lower. We saw similar cycles in 2011 and around 2015-16 and disciplined, experienced players came out stronger each time.

The government is now acting firmly on some of the issues related to transmission bottleneck. On 30th September 2026, the cabinet approved **Green Energy Corridor Phase-III** with an outlay of around INR1.86 lakh crores. This includes about INR1.36 lakh crores for state transmission networks, with central support of around INR54,000 crores. It aims to connect up to 135 gigawatts of renewable energy to the grid by financial year 2033.

In addition, on 6 October 2026, the **Ministry of Power issued new rules** to pay landowners market rates for the land used by the transmission lines. This should reduce disputes and speed up construction. These measures will take time to deliver, but they directly address the transmission bottleneck that is holding back PPAs and new awards. Of course, the blue print of this circular has to be seen once the high land cost will come into play.

Battery energy storage systems. Battery storage in India has moved from pilot projects to large-scale deployment. India added about 8.2 gigawatt hours of battery storage in the first half of 2026 compared with less than 100 megawatt hours a year earlier. Almost all of this came from large stand-alone projects. Rajasthan and Gujarat, two of our core markets account for over half of installed capacities.

The outlook is also robust. CRISIL expects 45 to 50 gigawatt hours to be commissioned in financial year 2027 and financial year 2028 alone. Projects with storage made up nearly 40% of renewable capacity auction in financial year 2026, up from about 5% earlier. The Central Electricity Authority expects 236 gigawatt hours by financial year 2032. The government also plans to require storage at new solar and wind projects from July 2027. We expect most large solar tenders to include storage going forward.

We are actively monitoring the BESS opportunities and are selective in bidding new BESS projects. Battery prices have risen in 2026 after years of decline. The domestic battery supply chain is still developing, and customers increasingly expect long performance warranties from EPC contractors.

Now coming to operating performance for Q2 financial year 2027. Revenue was INR1,527 crores in Q2 and INR3,118 crores in the first half, about 11% lower than H1 FY '26. This decline is primarily from our international business. International revenue was INR165 crores in the first

half compared with INR929 crores last year. Our 4 older international projects in South Africa, Spain and Italy were completed and the new ones are yet to start. Meanwhile, our domestic businesses grew. Domestic EPC revenue in H1 FY '27 rose about 13% to INR2,768 crores and O&M revenues in H1 rose 48% to INR183 crores. The lower revenue, therefore, reflects the timing of international project execution.

8 projects in our order books, 4 in India and 4 overseas are yet to start. Since contract timelines start only from LOI to NTP, these delays do not expose us to penalties or bank guarantee risks.

As of 30th September 2026, our order book stood at INR12,481 crores, about 34% higher than a year ago and up from INR11,813 crores in March 2026. The order book is diversified and well balanced with about 56% from India, i.e. INR6,943 crores and 44% from international market i.e. INR5,538 crores. We won orders worth INR3,626 crores in the first half, nearly 90% of them international. This was a deliberate choice. When domestic awards slowed down and pricing became aggressive, we avoided low-margin bids and focused on international markets where we are winning at healthy margins. However, in international market, we are very selective in terms of geography and are actively pursuing only in certain countries where we have a strong track record, execution bandwidth and right partners.

Q2 financial year 2027 order wins and pipelines. In Q2, we won 2 orders worth over INR985 crores (including taxes) as announced in September 2026. We won a 534-megawatt project in Rajasthan, which is a balance of systems order from leading Indian IPP, who is a new customer for us. We won a 616-megawatt project in South Africa. It constitutes 2 battery storage projects of 308 megawatts each, on a turnkey basis from a leading Middle East based developer and repeat customer. This is our second largest utility scale battery project. We have received the LOA.

These wins add to the contract we signed in June 2026 for the West Minya projects in Egypt. This is a 1,000-megawatt AC solar plant with 600-megawatt hours of storage worth about USD 560 million, which will execute through our 50-50 joint ventures with Hassan Allam Construction. We expect it to start contributing to revenue this year. Our work under the 5-year framework agreement with the Adani Group also continues as planned.

Our floating solar projects at Tilaiya in Jharkhand, one of the largest in India for the NTPC-DVC joint venture is nearing completion. Power evacuation will begin once the state transmission line is ready. This experience positions us well for upcoming floating solar tenders from NTPC- DVC and, DVC alone and several state governments.

Looking ahead, our solar bid pipeline, excluding battery storage has grown to 34 gigawatts from 27.7 gigawatts last quarter. About 74% of this is in India and 26% overseas. Battery storage bids are in addition to this. We see bidding opportunities worth about INR45,000 crores to INR50,000 crores across solar and storage in the second half of this year.

Now coming to projects from Reliance Group. Our work with our promoter, the Reliance Group continues to deepen. As Reliance has publicly announced its building one of the world's largest integrated renewable energy hubs in Kutch, Gujarat, combining solar power with battery

storage at very large scale. We are working closely with Reliance on technical design and execution readiness.

International business. Our international business is now on a strong footing. We recently completed 4 projects in South Africa, Spain and Italy, with robust margins. Our international order book now stands at INR5,538 crores across Egypt and South Africa. Execution starts in the second half and international revenue is expected to rise significantly in H2.

Now coming to our operation and maintenance business. Our O&M business continues to grow strongly. Our portfolio has reached a record 18.9 gigawatts, up from 13.5 gigawatts in March. O&M revenue grew about 55% to INR99 crores in Q2 and 48% to INR183 crores in the first half. This business gives us a steady recurring income with low overheads.

Outlook for FY '27. We are maintaining our guidance of up to 10% revenue growth for FY '27. We are confident for three reasons. First, 8 projects in India and overseas will move into execution in the second half. Second, execution will commence on our international order book of over INR5,500 crores with the West Minya projects in Egypt as the key contributor. Third, we have done this before: in Q4 FY '25, we delivered revenue of over INR2,500 crores in a single quarter. We expect Q3 to be clearly better than the first half and Q4 to be our strongest quarter.

We expect EPC gross margin of 8% to 10%, depending on the mix of turnkey and balance of system projects, and O&M gross margins of around 20%. We expect our order book to remain above INR10,000 crores at the end of financial year 2027.

We believe success in this business is not just about winning orders. It is about completing projects without negative surprises. As the industry consolidates, we believe this discipline will set us apart.

With that, I will hand over to Ajit for the financial performance. Ajit, over to you, please.

Ajit Pratap Singh:

Thank you, CKT sir, and good morning, everyone. Revenue from operations for Q2 FY '27 was INR1,527 crores compared with INR1,749 crores in Q2 FY '26 and INR1,590 crores in Q1 FY '27. Domestic EPC contributed INR1,366 crores, international EPC INR62 crores and O&M INR99 crores. First half revenue was INR3,118 crores compared with INR3,510 crores last year.

As CKT sir explained, the decline was predominantly due to lower international revenue, as older projects were towards fag end of completion and new ones are yet to start. Domestic EPC revenue grew about 13% in the first half and O&M revenue grew about 55% in Q2.

Gross profit for the quarter was INR140 crores. Gross margin improved to 9.2% from 8.9% in Q2 FY '26. For the first half, gross margin was about 9.5%. We expect EPC gross margin of 8% to 10%, depending on the project mix. Turnkey projects have lower percentage margins, but higher absolute profits, while balance of system projects earn better gross margins. O&M gross margin was about 23% this quarter, and we expect it to settle at around 20%.

Operational EBITDA, which is gross profit minus recurring overheads was INR56 crores, a margin of 3.7%. This compares with INR62 crores at 3.5% in Q2 FY '26. Recurring overheads were INR84 crores, about 11% lower than INR94 crores a year ago. Reported EBITDA, including other income, was INR66 crores compared with INR96 crores in Q1. Profit before tax and profit after tax were both INR17 crores compared with a loss of INR478 crores in Q2 FY '26 and a profit of INR53 crores in Q1.

First half profit after tax was INR70 crores compared with a loss of INR439 crores in H1 FY '26. It is worth noting that the loss in the previous year was primarily attributable to a one-time impact arising from the U.S. arbitration outcome and related provisions. On an operating basis, first half operational EBITDA was INR134 crores compared with INR184 crores last year because of lower international revenue this year.

Our recurring overheads have stayed within INR79 crores to INR84 crores a quarter. Most of the people we have added work on specific projects and their costs are included in project budgets. As revenue grows in second half, overheads as a percentage of revenue should fall and operational EBITDA margin should improve.

Now coming to balance sheet and working capital. We continue to operate with negative working capital. Net working capital was negative INR301 crores as at 30th September 2026, compared with negative INR260 crores at the end of Q1 and negative INR329 crores in March.

Receivables, including unbilled revenue stood at INR3,005 crores. Receivables days increased to 176 from 138 in March and payable days increased to 164 from 135.

Gross borrowings fell by INR244 crores in the first half to INR920 crores as we repaid term loans as scheduled. With cash and bank balances of INR319 crores, net debt was INR601 crores, broadly unchanged from INR589 crores in March. Shareholders' equity rose to INR719 crores from INR651 crores. Most of our existing term loans will be repaid over this year and next year. Our banking relationships continue to remain strong. **We have secured over INR3,000 crores of new credit lines**, including local lines in South Africa during the current year, and our lenders continue to support as we win orders.

On claims and indemnity, we also continue to make steady progress on legacy claims. We have signed a settlement with the Chile customer. Part of the amount is expected to be paid by the customer once their transaction completes and the balance will be claimed from the promoters in the next cycle. We expect to receive around INR156 crores under indemnity in the current year from the promoters.

To sum up, the first half was a transition period for our international business, while domestic EPC and O&M continued to grow. We are well placed for a strong second half with an order book of nearly INR12,500 crores, 8 projects moving into execution, a growing O&M business.

With that, we can open the floor for questions. Thank you.

Moderator:

Thank you. The first question comes from the line of Sameer Dalal with Natverlal & Sons Stockbrokers. Please go ahead.

Sameer Dalal:

So honestly, not very impressive results, and I wanted to ask you this question upfront. We keep talking of the fact that we have a very strong order book, but the execution for whatever reason, it may not be your problem and maybe the customer is not able to get the land or whatever he's supposed to do. But it keeps getting delayed. And because of which what's happening is our profitability is getting affected. I know you've maintained your 10% top line growth for the current year, which is what you had initially said. But what is the reason for these delays?

Are we going to constantly have this? And then by the end of third quarter, we say, no, now we may not be able to achieve the number because that sends projections off track, that sends our expectations off track. So, what exactly is the problem? Why are the new projects which you said, the 4 in India and the 4 in international market not starting? What has been the delay for that?

C. K. Thakur:

Yes. Thanks, Sameer. If you look at the UOV (Unexecuted Order Value) positions at hand at the start of the year, we had pretty robust order book in hand. Having said that, there were 3 projects, 1 large-sized project from Coal India that we announced and 2 projects from NTPC. Normally, when the projects are being announced in the Q4 or Q1, around 70% of the revenues is considered in the following years.

That means your contributions from the new orders could have been much larger, right? Unfortunately, the Coal India and the 2 NTPC projects, because of the PPAs not being signed with the utilities, the final NTP did not come to us, which we expected that the execution of these projects could have been started in the, let's say, mid of the Q2. That's reason one.

The 4 projects in international market, their NTP was supposed to come somewhere around let's say, August. For 2 projects, we were expecting the major revenue to, of course, come from Q3 and Q4 and some revenue in Q2. So those NTP also were delayed because of their financing arrangements and other things.

Fortunately, one large size order which have come from Egypt Minya, they are the short gestation project and the project is moving, the NTP has come and the work has started. So, with this, historically, if you look at our performance in the last financial year also, I mean, with respect to that, we are at the right pace.

So I was just telling that had these new projects been started sometime in the mid of the quarter 2, the results could have been better. But having seen this delay, in the Q1 results I have already given the guidance that probably Q2 will not be as promising. And it would be in the range on the Q1 only.

And we are here. We are here. We are in the range of Q1 only. So going forward, the answer is yes that, I mean, the international revenue will keep on adding. Domestic 4 projects may take some time, another maybe 1 to 2 months, but the substantial revenue from the new projects, PSU projects will come in Q4.

Sameer Dalal:

Okay. The second question comes on costing. One thing that we have noticed is that the cost is continually moving up. Now we had talked about the fact that we can maintain our cost at the current level. And as the top line grows, the operating leverage will play out at the -- I mean,

this is at the central office, right, at the headquarter. But we're seeing that this is continually rising. Now where do you see it stabilizing for FY '27 and FY '28 from INR300 crores, INR320 crores that you all do? Where do you see it going over the next maybe 2 years?

Ajit Pratap Singh: So, I think if you see the recurring overheads, if you're talking about that, then the cost is almost flat. There is not significant movement on either side, neither lower nor higher. As a percentage of revenue, because the revenue was lower in the current quarter and in the last quarter also. So as a percentage of revenue, it looks high. It was around 5.5% and the moment revenue will increase, this cost will remain same, and we expect it to be in the range of around 4.5% for the current year.

Sameer Dalal: Fair enough. But no, once you said that you are waiting for the Reliance orders. So, my question is, once the Reliance orders come in, would you need to hire a lot more people at the offices? Would that push the cost up? And of course, the question that eventually lies is by when do we expect Reliance to actually give the orders which we can start executing?

Ajit Pratap Singh: So, majority of the cost will be at the site, which will be part of direct cost from the Reliance orders also. There will not be any significant increase in overhead cost.

Sameer Dalal: And if you can just give us a particular date then? And that's the last question I have and then.

C. K. Thakur: No. So basically, this we discussed last time also. So, from the overhead side, I mean, the employee cost and all and the other expenditures is already part of the project cost, which will be part of the overall project cost. So, to that extent, some addition will be there at head office, but proportionately, it will not increase our burden because the revenue also will be coming.

On when the project will come, I'll maintain the same status because the site readiness work is going on. And post monsoon, the work is supposed to be started. So, it is just on to the final leg of the finalization of some of the technologies on the tracking side and all. So, I'm not in a position to give you much details. But I can tell you that now this is almost at the tag end of the -- I mean, the planning process and the work we can see the -- I mean, some good news you will hear about soon. That's what I can tell you at this stage.

Moderator: Next question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha: So, a couple of questions. Firstly, so we've still maintained our growth guidance at around 10%. So that would mean that we need around INR2,600 crores sort of quarterly run rate for the next 2 quarters. So, first question being, do we see any risk in execution for us to achieve these targets? And how are you looking at execution for Q3 and Q4? Like what numbers are we targeting? Because that will give us better clarity.

C. K. Thakur: So Madam, so based on to our guidance, we still maintain up to 10% growth in the revenue this financial year. I've already told earlier the first -- the Q1 was a little subdued, Q2 also because of various factors, non-moving PPA adoptions, all those factors have affected new projects not to get started. But Q3 and Q4 because the international projects have all been taken off. So, I'm expecting the traction to increase more. So, for sure, the Q3 and Q4 will not be in the same

proportion of INR2,600 crores, INR2,600 respectively, but Q3 will be better than Q2 and Q4 will be heavily loaded.

Disha:

And sir, we don't see any risks to the execution, right?

C. K. Thakur:

No. So basically, we are pretty confident of our ability to execute the projects. Why it has impacted is basically some of the projects have not started. So, our team is in place. We understand everything. So, everything has been all planned. So now since the project has been launched and there is a definite timeline. So, from the international project, the revenue has to increase.

I'm expecting the 4 stalled projects in India and few IPP projects in between that they have come, they are all on track. All the ongoing projects, all projects are on track. None of the projects are getting delayed because of our ability to not execute the projects. So, what I say that, I mean, out of the 4 projects in India and a few more projects if they come and they are at a faster track, they should be contributing towards the quarter 4.

So unfortunately, this is not only with us, the entire EPC community and the whole industry, India, Indian industry in the solar sectors have been impacted because of these reasons. The 2 reasons, one that I have told you in my opening remarks also that the curtailment in Rajasthan and Gujarat that have slowed down the order inflows from the IPPs and even for the PSU, the requirement of obligation of the BESS systems to be installed. The BESS is now mandated to be with the domestic Indian mix kind of things, but we don't have the self-production capacity. This mismatch and understanding, people are quoting, I mean, any crazy prices few orders you must have seen, they have been all terminated, right? The contractors could not execute the job.

So, the developers are also becoming very careful that, I mean, you can have the wish list for a number of things, but Indian industry does not support. So, although the pipeline, the requirement, the development plan is already in place. But on overall execution side, all these technologies and other things are taking time, which is not specific to Sterling and Wilson alone, but it is specific to the industry.

Disha:

And sir, for the international EPC projects, do we see a major margin differential between the domestic and the international projects? And if so, what is the differential?

C. K. Thakur:

So domestic market margin is always under pressure from the fact that in all the solar and the BESS projects, there is low entry barrier, right? So, anybody from the outside - some of the business infrastructure projects also, they feel that solar being vanilla projects, they can earn a lot of money. And without understanding the efficacies of technologies, the supply chain disruptions and all they are entering into the market, and they are quoting any price, right?

And therefore, you have seen that despite the fact that, I mean, good amount of contracts have been finalized in H1, but none of the government tenders we are there because it has gone below the -- you say, from our appetite point of view, it has gone below the cost, right? And then people have taken, God knows how they are going to execute, but we have been keeping away from all such kind of decision.

What I said that India, this kind of entry barrier problems and all and not much opportunity in the other sectors being seen, people are coming and jumping left right? So that has impacted the margin. Of course, for us also, I mean, we have to sustain. Therefore, the margin that we expected, right, in the domestic market would be slowing down because you have to take a business call and you have to survive. but not to the extent that, I mean, people are doing. Then strategically, you have to move from domestic to international market. And therefore, you could see that despite the fact that we thought that this year we will be around 70-30 domestic, international, but we are even more. We are skewed towards international.

Why international margin is more? Because the market is stable. People understand all those things. There is healthy competition and with healthy competition and overall turnkey project in terms of percentage, even if it is slightly lower, I mean, as compared to the old Indian condition. But since it's turnkey projects, our absolute numbers will be more than the domestic margins. So therefore, the contribution will be much more.

Disha: Okay. So as the execution also scales up in the second half, can we expect for this entire year EBITDA margins to be in the range of 4%, 4.5%?

C. K. Thakur: Yes. I think that's a minimum requirement that we have to maintain, right?

Ajit Pratap Singh: Yes. Yes.

Disha: Okay. And sir, what about the O&M revenue that you're expecting for this entire year?

C. K. Thakur: 20%, in the range of 20% in terms of... Revenue you are asking -- revenue, sorry.

Ajit Pratap Singh: O&M revenue, we expect in the current year should be more than INR400 crores.

Disha: Okay. Okay. And sir, this Egypt project that you mentioned that we are starting to expect revenues from this year itself, by when exactly do we expect this revenue to come in by Q3 or will be more skewed towards Q4? And what sort of amount are we planning to book for this year, for the next year? And what are the margins for this project?

C. K. Thakur: So, the Minya project is the project is for, let's say, around 14 months, right? And the NTP has started. So, let's say, 40% of the time to go for this financial year in the similar proportions to Q4 would be heavily loaded for the supply to commence. So, I'm expecting that, I mean, good margin to come from these projects. And Q1 and Q2 next financial year would be the completion dates. So that's the reason that I said that the Q3, Q4 of this financial because of Minya definitely would be loaded. Margin is a pretty good margin. So, we are around -- on the overall turnkey wrap, it is more than 8%.

Moderator: Next question comes from the line of Faisal Hawa with H.G. Hawa & Co.

Faisal Hawa: So sir, when do we see the overall our banking situation coming back to normal where we can issue BGs at will and our credit rating also improving? That's one. And second question is, sir, how much orders can we expect from Ambani, Reliance Industries in the coming financial year and also from Adani Enterprises in the coming financial year for Khavda?

C. K. Thakur:

So, I will come for the order positions and then Ajit will address your -- the banking position. So, as you are aware that we have into the framework arrangement with Adani for 5 years. So first year was around 1.2 gigawatts and the RFQ for the next 1.2 gigawatt has already come to us day before yesterday. And we are expecting that this order as per the framework arrangement should be getting closed soon, right, maybe this month or maybe early next month, right? So that is on to the Adani side.

Reliance side, it's premature to tell you that how much order will come. But we believe we would be very -- I mean their preferred EPC partners, and we are expecting the large chunk of order to come through us. But I mean, unless it comes to us, I can't commit to you, right? But then, yes, it's going to start soon. On the banking side, Ajit, if you can just share.

Ajit Pratap Singh:

So on the credit line side, last year, we have added from the banking system around INR1,800 crores new credit lines. And in the current year, we have added till now around INR2,800 crores new credit lines. And so basically, put together, if you see last year and current year, we have added around INR4,600 crores new credit lines from banking system. And over and above more than INR700 crores from surety bonds also we got.

So, we are sitting on a pretty good position in terms of our working capital requirement for non-fund-based limits, bankers are supporting. In the current year, we got 3 new sanctions from Indian banks and 1 new sanction in South Africa -- from a South African bank for Egypt project. So, we are pretty much on a very comfortable position in terms of our bank guarantee requirement and LC requirement. Our current utilization of the credit lines is around 70%. So that gives a lot of comfort to manage bank guarantees and LCs.

In terms of cost and credit rating, credit rating is under renewal as of now. But since last year, we have taken that write-off, so we could not get the credit rating upgrade earlier. And the moment we'll probably have Reliance orders or any other large positive news, definitely we'll go back to the rating agencies for review of the rating.

Faisal Hawa:

And sir, you did talk about the competition underbidding in most of the solar projects. So, do you see this competition now weakening and overall, their financial situation not being so good that they may not be able to -- or they may be blacklisted by many agencies, they may not be able to participate in many more contracts and overall the competitive intensity going down? Or you feel that more such players will come in now?

C. K. Thakur:

No, for sure. So we are waiting for the consolidation to happen. What is happening now, the financial qualification requirement for all such solar projects is not very stringent. Now what we see the trend getting reversed is that for all -- from all the PSU companies, the large-sized project orders that are coming, they are coming with the modules. And therefore, the project cost is in the high range. There, I'm expecting that the small players will not be competing, right? And then we will have a better opportunity to get into. So that would be the kind of scenario in the Q3 and Q4 - the huge pipeline that I have already told is projected. So, the consolidation for sure will happen.

On the existing orders that they are bagging, you must be tracking the news in the market, a few of them have been already terminated. I mean the BESS orders that they had bagged, right, at the -- I mean, say, 50% discounted price from the battery cost. I mean the battery cost was, let's say, around USD75, USD80 per kilowatt hours, their tender price was around USD45, right? And then it was a non-moving kind of orders. And therefore, I mean, the order was terminated.

There are a few orders, which are again getting annulled because despite the fact that they have taken at a low price, but still, it's not coming for the hybrid tariff appetite for the developers. And therefore, some of the new schemes are being launched, which are import under the MOOWR schemes and then you see that if you get the custom benefits so that the hybrid tariff price will come under these things. So, all those things are, frankly speaking, disturbing the BESS market. So I think all these consolidations for sure, it will happen, but this fiscal will probably continue like this in my opinion.

But the consolidation has to happen. Otherwise, it will be a serious problem for the industry. Government is working on this. I have already told that for the green corridors, the government has taken a lot of actions on the BESS side, the cell production, if not in maybe Q3, but I mean, Q3, Q4, but Q1 of the next financial, many large players are doing. Then the domestic cell capacity in the module side, they are increasing. So now it is at 35 gigawatts, it may reach up to 100 by these things.

That would be the time when I say that the price level also will get consolidated, the government policies versus the actual requirement will all be getting settled. And then that would be the healthy time where I mean you can see that the things should be in the right directions. But till such time, because of the some of the industries paralysis, I will say, some of the policies, which are to be implemented, but the industry is not ready - all those things have impacted everybody.

I mean a few of them which they can keep on adding, because of the IPO, they are just going for, but we are not into that race. Fortunately, I will say that we had a very healthy order position as on 1st April 2026. So, for this financial year, at least despite the fact that there are many ups and downs, but we would be around the guidance that we have given to the market.

Faisal Hawa:

So, is it now time that we forget about the Nigeria order?

C. K. Thakur:

I will not say to forget about this. But yes, it is still cold because now election is going to happen and all those kinds of things. So, I mean, the last update was that it was to be taken by the Finance Ministry, but you know how the African country work. But then the new government coming and all and the tariff war, I mean, every new day, you take the news from the honourable U.S. President, right, every country, they are all -- how they are affected. So, this was EXIM project from U.S. So, I mean, the project is still on, right? We are pursuing this. But I mean, I can't commit to the timeline at this moment for this project.

Moderator:

Next question comes from the line of Jayesh Shroff with Cask Capital.

Jayesh Shroff:

My first question is, actually, if I'm not wrong, last quarter, we downgraded our guidance from 15% to between 10% to 15%. And this quarter, we are saying it is up to 10%. So it is actually a downgrade of guidance rather than maintaining our guidance. So, I'm surprised why

management is saying that we are maintaining the guidance. And secondly, when you talk of up to 10%, it is between 0% to 10%. So, can you be a little more specific in terms of what does up to 10% mean? My second question is, it's a small point, but why has our finance expenses increased this quarter in spite of slower execution?

C. K. Thakur: Second question, can you repeat, please?

Jayesh Shroff: Yes. So why has our interest and finance cost increased this quarter in spite of lower execution compared to Q1?

C. K. Thakur: Okay. So, on your revenue guidance, I've already explained the overall industry scenarios, right? So, the way the last year, the last fiscal market was pretty stable because that means the cells were imported from Chinese, Chinese cells were there and everybody was up and running. So, everything went well. Suddenly, the implication of ALMM – II came and your mismatch between the module -- I mean, the cell capacity in India and the plan that is being executed.

On the BESS side, the obligation of the BESS installation came that was during the fag end of the last fiscal and cell being not manufactured - still people are waiting, I mean, the market to get stabilized. Now say India make, but then everything is coming from, I mean, outside India, mostly from China. You have a land border clause that also, I mean, impacting. So, with all those things and then the developers are looking for the stringent guarantee and warranty condition.

So overall, if you see in the renewable sectors other than maybe the wind, I mean, this kind of the imbalances are happening, and that has impacted not -- I mean, primarily to the developers for their programs to be launched as they thought of. And then, of course, the EPC company that have to follow them. So, to that extent, market is uncertain.

What I say that with all the projects that we have in our hand that they were contributing, let's say, 4 projects, 4 new projects, they are still not -- they have not started. My expectation was that out of the 4 projects which is around 40% of our total order in hand as on 1st April 2026. So, there was no reason that I could have not gone up to the 15%.

Now since in Q2 also, they have not started the projects because of the -- I mean, the NTP not coming in. So therefore, I'm not changing, maybe the support will come from the international projects, will be quite possible. But at this stage, what I say that -- I mean, since the projects they have not started, possibility that we should be able to maintain around 10% of the revenue growth.

Jayesh Shroff: Okay. So, it's actually a downgrade of guidance from 10% to 15% to 10%?

C. K. Thakur: So, 10%, I mean our range was 10% to 15%. I still say that 10%. It's not 0%, not between 0% and 1%. It will be around 10%.

Jayesh Shroff: Okay. And this is ex Reliance, if I understand it.

C. K. Thakur: For sure. For sure, yes, ex Reliance.

Jayesh Shroff: And on the interest side?

Ajit Pratap Singh: Yes. In terms of finance cost, the cost has increased primarily for 2 reasons. As I mentioned, we have availed some new credit lines during this year. So, cost for that. And also, the LC cost, we are now opening the LC for a little longer period so that additional period for LCR is factored as interest cost. So that has led to our increase in interest cost. Although our gross borrowing, if you see that is on reduction cycle, and we have reduced our gross borrowing. Although in terms of net debt, there is not much change. It's almost a steady level, because our cash balance has come down.

Jayesh Shroff: Okay. Just one last thing. I know a lot of questions have been asked on the Reliance order. I think Mr. Thakur talked of it being very imminent. So -- and Reliance also in its last concall talked of starting the project post monsoon. So do you think that post this Jio IPO, we can see something from November onwards in terms of execution. At least will there be some execution in this quarter?

C. K. Thakur: I don't think that the Jio IPO has any link with this. But in this quarter, the commencement, of course, is expected. So, I say that the readiness for overall technology to be integrated in these schemes is at the final end. So how the Reliance works basically. So, every single bit of decision is being taken very carefully to ensure that the ROI on the investment comes, I mean, more than the industry expectation.

So, it's interesting for everybody that why it is taking time. But as per their announcement and their commitment that this financial year, they will commission something, right? You have seen the -- I mean, their annual general statements. So, they are committed to commission something, right? So, keeping all those things in mind, so we are also expecting the order to start coming soon. Things will happen now this quarter for sure.

Moderator: Next question comes from the line of Nilesh Doshi with Prospero Tree AMC.

Nilesh Doshi: I have 2 questions. One is related to the O&M business. Sir, we have an O&M portfolio of 18.9 gigawatts. I would like to understand is the complete portfolio is under the fees model, or we have some obligation pertaining to the EPC project or EPC obligation? And what is the O&M charge per megawatt for the domestic as well as the international project?

And we are mentioning that our GP guidance for the O&M project is 20%, it mean the O&M are really raw material intensive or labor intensive because there will be some -- so naturally, the GP is only 20%, the EBITDA or EBIT margin may be much lower than that margin. And sir, last question, do the company receive the O&M charges upfront? And how do we recognize the revenue every quarter? And what is the minimum period of O&M contract, sir? These are all questions related to the O&M only, sir.

C. K. Thakur: Okay. So great. So basically, to your first question, so the mix of the order book in O&M is now almost 50%, 50%. So, when you say 18-odd gigawatts. So, 50% is through our own EPC. I mean we have the EPC contract, which we sign with 2 years or 3 years of O&M contract. And around 50% is from third party. Third party means our O&M business; they get the O&M contract from the other developers. So -- having said that, so this is the mix of the order proportions. The O&M

business is, of course, labor intensive. It's not basically raw material intensive. So, we have to maintain certain spares that is sometimes the high-cost spares are being provided by the customers and some consumables and other things we have to maintain.

On the costing of the O&M per megawatt, I think it will not be proper to, I mean, reveal the fact here in this call. But just for you to give you to understand that this is all basically depending upon the scope. So basically, they are all basically depends on the scope. So, scope means somewhere we have the transmission line, somewhere we have the substations, somewhere we have other things. I mean then robotic clearings, semi-robotic clearings, manual cleanings, the water cleaning, all those things depend on the various -- the pricing mechanics. And with this international being slightly better, of course, as I've told you, is almost 30%, 35%, 30% to 40% higher than the domestic market margins, right?

So, I mean there's no upside (cost) risk in the O&M business, right, except for sometimes there are certain obligations on the warranty and all, but they sometimes impact very minimally, not to the extent that basically the EPC business is sometimes getting impacted.

Ajit Pratap Singh: And one of the question you raised on these overheads, in O&M, overheads are very minimal.

C. K. Thakur: Very minimal.

Ajit Pratap Singh: Gross margin generally will convert to EBITDA with very minimal change.

Nilesh Doshi: So it means the labor cost is the part of the GP margin because you are considering. Okay, sir, once the EPC project is completed, O&M contract start, and we are charging extra, not it is the inclusion of the EPC cost. It is separate, and we are charging for each and every megawatt we are doing the O&M work.

C. K. Thakur: Yes. So basically, contract is basically -- as we were trying to understand, it is, let's say, rupees per megawatt peak. The contract composition is like this, right? And then you have the BBO for the billings. So once the project is commissioned and handed over, taking over is done, certain obligation during the DLP is there, but that is part of the EPC contract.

If something goes wrong, then the EPC contract is affected, not the O&M contract. O&M contract is very clean, they have to only operate and maintain, and they are mostly the manpower-intensive contract. So that's how this O&M contract is operated.

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

Saurabh Srivastava: Sir, it's regarding the O&M only. First of all, are we also bidding for the O&M in international circuit? That's first question. Second, is there any under bidding in the O&M in the domestic market also, sir?

C. K. Thakur: No. So the first question is, yes, we are bidding for international O&M business. And we have got one third-party O&M business in Saudi Arabia last year. We are about to close a few projects in the other geographies. I will not reveal the fact now, but yes, it is on the final stage. So, we have our international division for the O&M business as well.

And your first part, yes, so as I have told you that the business model is mixed from the EPC versus third party. So third-party EPCs because of our high credential in the O&M business. So, I have seen that here, I mean, you -- normally, you are approached by the client for the performance of the O&M team that we have and the major spreads, right?

So we don't see major challenge in, I mean, grabbing the orders. And that's how we have phenomenally it has grown from 11, 12 gigawatts to now 18.5 gigawatts. This year, I'm expecting another maybe, I mean, 25% of this -- by the year-end, I'm expecting it will go around 22, 25-gigawatt kind of things. So that's how it runs.

Saurabh Srivastava: And sir, what kind of revenue mix do you see a couple of years down the line of this O&M business in the total business, sir or rather say in the total net profit in the total bottom line, sir?

C. K. Thakur: Actually, that is not the right comparison because the overall margin -- I mean if you see...

Saurabh Srivastava: Around whatever metrics do you feel like, how this is...

C. K. Thakur: First, what I say that this a steady business. This is a steady business, like you said that now we are at around INR200 crores. We'll move up to INR400 crores, right, in the beginning of next year. And then 20% is the margin. So, if you see that our project margins and then around INR400 crores, 20%, let's say it comes to INR80 crores, right?

So, it will not be right to compare. But then you can understand that, I mean, on the business side of, let's say, INR400 crores next year, every year, if you increase minimum 10% to 15% and to that extent, the margin also will go up, right?

But it will not be the right comparison to say that in overall margins will be what because the cost -- our -- let's say, your EPC cost is, say, INR1.5 crores per megawatt peak, whereas the O&M cost comes to be, I mean, INR100,000, INR150,000 per megawatt peak, something like depending upon the scope and all. So, it's a huge difference. It will not be the right comparison, but it will be the steady margins coming in from this.

Saurabh Srivastava: And in terms of net margin -- yes, sir, please.

Ajit Pratap Singh: I was telling in terms of revenue mix, as of now, it's around 5% of our overall revenue. Going forward, it may increase to up to 10%. Because this will continuously increase and if EPC business remains stable, still O&M will continue to increase.

Saurabh Srivastava: The reason for asking this a lot of parks are coming in India also and people are developing. And as you rightly said that people are underbidding, will not be possible for many of them to continue. So, there will be a lot of things open to you people going forward. So that was the first reason. And sir, what sort of net margin do we settle down for this O&M business roughly?

Ajit Pratap Singh: Gross margin is around 20%. And as I mentioned, overheads are not much in this business. So that ultimately translates to EBITDA number.

Saurabh Srivastava: Got it. And sir, my last question. Sir, what sort of international geographies are we looking for the new geographies?

C. K. Thakur:

So, one that wherever we have the O&M project from our own EPC, for sure, that geography is our target. Like we have -- we started from Africa. And Africa first project is doing very good. So, the contract is also very unique. We have the bonus clause. So, if you perform better, if the yield and generation become better, then we get also the share of that profit. So year-on-year, we have been getting fantastic bonus from these orders.

So, for Africa, like you understand this market, we have done the Zambia, Namibia, South Africa. Africa Region is our focus. Then we are now into Saudi Arabia. Saudi Arabia is a huge capacity addition being happening, you may be knowing about. So, at right times, we have entered into this market. So gradually, we'll expand.

Now we are doing 2 EPC projects, basically one in Spain and other in Italy. So that means we are open to the European markets as well, right? And we have experience in Southeast Asia also, but primarily, the regions we are known and we have our presence, that would be the -- I mean, basically the regions for our choice.

Moderator:

Thank you, Sir. Ladies and gentlemen, due to time constraints, that was the last question. With that, we conclude today's teleconference. On behalf of Sterling and Wilson Renewable Energy Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.