

October 27, 2025

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Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Transcript of the Q2FY26 Earnings Conference Call

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the Q2FY26 Earnings Conference Call held on Friday, October 17, 2025.

We request you to kindly take the aforesaid information on record.

Thanking You,

For and on behalf of
VIKRAM SOLAR LIMITED

SUDIPTA BHOWAL
Company Secretary &
Compliance Officer

Encl: As above

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“Vikram Solar Limited
Q2 FY '26 Earnings Conference Call”
October 17, 2025

E&OE - This transcript has been edited for transcribing and other factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 17th October 2025 will prevail.



**MANAGEMENT: MR. GYANESH CHAUDHARY – CHAIRMAN AND
MANAGING DIRECTOR – VIKRAM SOLAR LIMITED
MR. RANJAN JINDAL – CHIEF FINANCIAL OFFICER –
VIKRAM SOLAR LIMITED
MS. RINAL SHAH – INVESTOR RELATIONS – VIKRAM
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Moderator: Ladies and gentlemen, good morning and welcome to the Vikram Solar Limited Q2 FY26 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 guarantee of future performance of the company and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Gyanesh Chaudhary, Chairman and Managing Director for opening remarks. Thank you and over to you, sir.

Gyanesh Chaudhary: A very good morning everyone and a warm welcome to all our stakeholders, investors and analysts joining us here today. At the outset, on the behalf of management and the entire team at Vikram Solar, I would like to wish each and every one of you and your families a very happy Diwali and a joyous festive season. May Goddess Lakshmi bring prosperity and happiness in your lives.

I want to begin by expressing my gratitude for the confidence and trust you have placed in the company. Since the IPO and our quarter one earning call back in the month, meaningful progress has been made on strengthening our foundation across technology and governance while remaining sharply focused on profitable execution and progressing on various projects on the expansion front. The solar industry continues to be a central pillar of the India's energy transition landscape.

Policy support, growing adoption across segments and rapid build out of domestic manufacturing capacity are creating an exciting growth runway and Vikram Solar is well positioned to play a leading role in this transition. In today's discussion, we will take you through our operational and financial performance for the quarter, updates on ongoing expansion projects, key policy developments and our strategic priorities for the coming periods. We remain committed to disciplined growth, strong balance sheet fundamentals and a clear roadmap towards full integration across the solar value chain.

This creates sustainable value for all stakeholders. With that, I let Mr. Ranjan Jindal, our Chief Financial Officer, take you through the company's performance in detail. Thank you.

Ranjan Jindal: Thank you very much Mr. Chaudhary and a very good morning everyone. I hope everyone is doing well. Along with me in this call, I have got Rinal Shah, Heading Investor Relationship along with SGA, our Investor Relations Advisor.

We have uploaded our earnings presentation on stock exchanges and the company's website. I do hope everybody had an opportunity to go through the same. We began FY26 on a strong note with robust growth in the first quarter and I'm pleased to share that this momentum has continued into the second quarter as well.

Traditionally, the monsoon quarter tends to be a softer period for the solar industry with installations slowing down and project execution impacted by weather and logistic challenges. On the key highlights of the quarter, as mentioned in slide 8 of our presentation, I'm pleased to mention that revenues for the quarter stood at INR1,110 crores compared to INR573 crores in the same quarter last year, marking a solid year-on-year growth of 94%.

Profit after tax grew by a robust 16 times year-on-year to INR129 crores, with PAT margins expanding to 11.58%. As on 30th September, our order book stood at an impressive 11.15 gigawatt, providing strong visibility for the coming quarters. To summarize, quarter 2 marks another period of consistent and profitable growth for us, driven by operational excellence, a healthy demand environment and continued focus on efficiency, scale and stable growth.

Let us now delve into the sectoral updates during the quarter in further detail. As a country, India added approximately 11 gigawatt of solar capacity during the quarter and has reached 127 gigawatt on 30th September.

Approximately 50% of India's power capacity today is non-fossil fuel-based. We expect this contribution in the overall energy mix to increase further, as solar is expected to lead the way in the country's net zero target by 2070. Government initiatives such as PM Kusum and PM Surya Ghar Muft Bijli Yojana continues to provide strong tailwinds for the industry.

PM Kusum aims to provide decentralized solar power generation by supporting farmers to set up solar pumps and grid-connected solar plants, which not only enhances the rural electrification, but also drives demand for solar modules across the country. Meanwhile, PM Surya Ghar Muft Bijli Yojana focuses on rooftop solar installations for residential households, accelerating their option of clean energy at the consumer level. Of the overall plan of 30 gigawatt by March '27, as on 30th September, approximately 6 gigawatt of capacity has been installed under the scheme.

These schemes, and support from the government, not only expand the market for solar products, but also provide long-term visibility for manufacturers, as government support ensures steady and sustained demand, complementing the broader growth trends in the industry.

In a significant move aimed at accelerating India's transition to clean and renewable energy, the GST Council recently announced a reduction in the GST rate on renewable energy components, including solar modules, from 12% to 5%, with effect from 22nd September 2025. This is set to not only boost demand for solar modules, but also provide a strong boost to domestic manufacturing, support India's broader goals of energy security, sustainability, and self-reliance in energy production.

The DGTR on 29th September 2025 recommended to the Ministry of Finance a levy of anti-dumping duty on cells imported from China in the range of 23% to 30%, citing injury to the domestic cell manufacturers. Various companies, including Vikram Solar, have made representations to the Tax Research Unit of the Ministry of Finance that there's a huge capacity gap between the Indian cell and module manufacturing facilities and such levy would only add to the overall cost of power being

generated without avoiding any of the alleged injury to the domestic cell manufacturers. There have been instances wherein recommendations of the DGTR have not been accepted by the Ministry of Finance in the larger public interest.

However, we would like to also mention that most of our orders do have a pass-through clause, which allows us to transfer this cost to the customers seamlessly. Similar proceedings with respect to levy of anti-dumping duty for import of encapsulants from China, South Korea, Thailand, and Vietnam is ongoing.

The MNRE on 9th December 2024 introduced ALMM-II for cells, wherein usage of modules with domestic cells was mandated with effect from 1st June 2026 for projects wherein the last date of bid submission was after 9th of December 2024.

With subsequent notifications, the MNRE clarified that the government projects with such bid submission dates on or before 31st August 2025 are exempt from the mandatory requirement of the use of ALMM-listed cells, being one month after the declaration of the first ALMM-II list by the MNRE on 31st July 2025. As on date, the ALMM-II list consists of 11 facilities, adding up to 17.8 gigawatt of cell manufacturing. It is pertinent to also mention that these projects were bid prior to 1st of September 2025 and shall be exempt from requirement of using such ALMM-listed cells.

These projects, as of 30th September 2025, stood at 104 gigawatt, being the total addressable market to us today. In practical terms, this means that these projects can continue to use modules manufactured with imported cells. We expect majority of this demand to come in the next 24 to 36 months, considering standard project commissioning timelines, ensuring a long runway for the non-DCR market. This also ensures flexibility and continuity in the ongoing projects for the developers. Demand from C&I projects before the mandate of ALMM-II of 1st June 2026 is fully implemented shall be over and above this.

In a recent development, the MNRE, vide a draft order on 12th of September 2025, outlined a roadmap to extend the ALMM framework upstream to include ingots and wafers and sought views and suggestions on such implementation.

The draft order mentions that ALMM-III shall be effective from 1st June 2028 only if three independently operating wafer manufacturing units with an overall capacity of at least 15 gigawatt per annum are operative. The requirement that only large independent wafer manufacturers with a combined capacity of at least 15 gigawatt can qualify ensures that the ecosystem is anchored around serious, scalable and reliable players. This phased implementation of the backward integration provides the industry with time to plan supply chains and align investments strategically.

We are actively evaluating commercial viability and studying demand projections for FY '28 and beyond. Our approach to capital deployment for wafer manufacturing will remain disciplined, phased and technology-driven. We will continue to keep you all posted as these plans progress.

With these positive industry developments and government initiatives in place, we expect the sector to see added boost and we are well positioned to capitalize on the emerging tailwinds. Our strong operational capabilities, expanding manufacturing scale and robust order book enable us to effectively leverage the growing demand. Now let us have a quick look on the progress made in the quarter on few business updates.

I am pleased to share we continue to excel on all these plans. As on 30th September 25, the order book stood at 11.15 gigawatt, marking a 36% growth compared to 8.21 gigawatt during the same period last year. The order book comprises 85% of domestic orders and 15% of export orders.

The developments in the US are also being monitored very closely and we are in discussions with the customers on a regular basis. On the customer-wise split, 52% comes from IPPs, 20% from the C&I projects, 13% from the distribution business, 8% from government projects and the balance 7% from EPC. Notably, the C&I segment has witnessed a remarkable surge, now forming 20% of our order book compared to just 4% last year.

The share of distribution business in the order book too has increased from 6% to 13%. This sharp growth is driven by the increasing focus on sustainability and renewable energy adoption by businesses, reflecting their commitment to environmental goals. Beyond the current order book, our order pipeline continues to remain robust with substantial opportunities adding up to approximately 38 gigawatts, giving us a strong visibility for the upcoming quarters.

Despite discussions around overcapacity, the demand momentum and the volume growth is continuing to be in uptrend. Prices have seen some softness in the recent months, which is part of any natural evolution of a growing industry. As a company, we remain focused on staying structurally cost competitive, technologically ahead and financially disciplined so that we remain sharply focused on profitability.

During the quarter, our latest 640 WP G12R module was enlisted in the recent ALMM list, making us the first company in the country to achieve this milestone. On the volumes and capacity utilization front during the quarter, we saw substantial progress. Sales volume in Q2 FY26 stood at 784 megawatt compared to 271 megawatt in the same quarter last year, representing a healthy year-on-year growth of 189%.

On a half-year basis, module sales reached 1548 megawatt in H1-26, up from 598 megawatt in H1-25, marking a robust growth of 159%. During the quarter and the half-year-ended 30th September, the effective capacity utilization stood at 84% and 87% respectively. Overall, these operational metrics highlight that our manufacturing capabilities are being fully leveraged allowing us to meet growing demand while maintaining quality and efficiency.

Reiterating the comments made at the start, our Q2 growth remains robust on the back of strong demand outlook and ramp-up of capacities. Revenues grew 94% year-on-year to INR1,110 crores

EBITDA at INR235 crores, up by 3x year-on-year basis and margins improving from 12.59% to 21.1%.

PAT also showed robust growth, rising 16x year-on-year to INR129 crores with margins at 11.58% as against 1.29% in the corresponding period last year. Revenues for H1-FY '26 stood at INR2,244 crores, up 86% year-on-year compared to INR1,204 crores in H1-FY '25. EBITDA for the half year stood at INR477 crores, more than 2.6x than the previous year with margins sustained at 21.27%.

PAT grew nearly 9x to INR262 crores compared to INR30 crores in H1-FY '25. EPS grew from INR0.95 per share in H1-FY '25 to INR8.02 per share in H1-FY '26 on a fully diluted basis. As at the close of the quarter, the company on a consolidated basis is net debt-free and on a gross basis carries a debt of INR80 crores backed by a healthy net worth of INR2,950 crores, reflecting our prudent financial management and a strong balance sheet that supports our ongoing growth investments.

The company has remained focused on minimising the finance costs as well. The weighted average cost of debt for FY '25 was at 9.75% which has come down to about 7% for the H1-FY '26. This reduction was possible with close monitoring of the cash flows and better negotiations with the lenders.

On the execution front of various capex budgets, I'll have to mention that material progress has also been made here. Let's start with the 5 gigawatt of module manufacturing facility at Vallam, Tamil Nadu. We expect to commission the project during the ongoing quarter. This project will effectively help us grow to be more than twice our existing nameplate capacity and will be the single largest expansion undertaken by the company in a record time of 6 months. This project has state-of-the-art, highly automated N-type lines of higher capacities - four lines of 1.25 gigawatt each.

Two lines adding up to 2.5 gigawatt are expected to commission in November while the balance two lines are expected to commission in December. These additions shall take the overall module manufacturing capacity from the present 4.5 gigawatt to 9.5 gigawatt.

Let us now take a look at the Greenfield project at Gangaikondan. The site is spread across 186 acres of land with 6 gigawatt of modules and 12 gigawatt of cells. All the pre-construction approvals are in place. Construction work is going on full swing. The equipment ordering for the 6 gigawatt module has also been done and the facility is planned to commission in Q4 FY '26.

With this addition, our installed module capacity at the end of the fiscal shall stand at 15.5 gigawatts. The 12 gigawatt cell project will be executed in two phases. Phase 1, part of the IPO object, consists of 3 gigawatt and the Phase 2 shall add another 9 gigawatt of cell lines.

We have onboarded Deloitte to set up a strong management team to keep abreast on every granular project milestone to ensure timely commissioning of all the fronts of the project. Apart from site grading, boundary wall fencing, which commenced last quarter, we have now made strides in PEB

pedestal, erection work and mechanical excavation. We have roped in L&T for the civil works on an EPC basis, which ensures quality delivery and time-bound execution.

As we speak, there are approximately 700 plus manpower at site, including a 70-member strong project team from Vikram Solar. We have roped in KIDE as our design engineer, who holds cumulative multi-gigawatt design experience across the globe, along with prolific experience with Indian topology, as well as local regulatory setup. Design on this front is also at a very advanced stage.

We have also engaged URECO as owner's engineer, which is the largest and one of the oldest cell manufacturers in Taiwan. They are helping us close the exact configuration of the N-type TOPCon lines that will have the provisions to upgrade to upcoming cell technology within the N-type branch.

We are pleased to announce that we have onboarded Dr. C. V. Kannan as our Head of Manufacturing Operations for the Gangaikondan project. He is a doctorate in material sciences from Japan. Dr. Kannan brings over two decades of deep technical and operational experience across the entire solar PV manufacturing value chain, from silicon and ingot wafer to cell and module technologies. He joins us from a well-respected peer with the oldest cell line in the country. Prior to that, Mr. Kannan held senior leadership positions at two large integrated solar players, where he led multiple multi-giga greenfield projects and played a pivotal role in commissioning advanced PERC and TOPCon lines. With the current progress, we expect the commissioning of Phase 1 in Q3 of the next fiscal and phase two by the fourth quarter next fiscal.

At the senior leadership level, we are pleased to also announce the joining of two accomplished professionals, Mr. J. P. Dua and Mr. Suresh Menon on the Board. Mr. J. P. Dua brings over 35 years of rich experience in the banking sector, having served as the Chairman and Managing Director of Allahabad Bank and ED at Oriental Bank of Commerce.

He has also chaired the Board for BIFR and is currently serving on the boards of several other reputed companies. His deep expertise in finance and governance will add immense value to our Board. Mr. Menon joins us after an illustrious 36-year career with Tata Consultancy Services, where he has served as Senior Vice President leading key operations across multiple centers in India and overseas.

He brings with him extensive experience in technology, strategy and global leadership, which will further strengthen our digital and operational capabilities. In line with our upcoming capex expansion, we are actively strengthening our human capital. Our headcount has increased from 1,557 in September'24 to 1,920 in September'25, reflecting the addition of skilled professionals across manufacturing, operations and project execution functions to ensure smooth commissioning of our new facilities.

Additionally, I am pleased to share that during the quarter, our credit rating was upgraded from A to A+, reflecting the company's steady financial performance, strong liquidity profile and a prudent

leverage management. We believe this improvement will not only enhance our access to capital at competitive rates, but also support our ongoing expansion plan in a financially disciplined manner.

To summarize, these quarterly results reflect not only strong operational execution and robust demand, but also company's ability to leverage scale, maintain cost efficiencies and deliver stable profitable growth. We remain confident that this momentum will continue in the coming quarters, underpinned by strong order book and favorable industry tailwinds. With this, we open the floor for questions. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Thank you. Thank you for the opportunity. Good morning, sir. So, my first question is I want some clarity on the anti-dumping duty which you mentioned. Is it applied over and above the BCD which already exists on the cell and does it exempt few suppliers and just to add to it, do we have a full cost pass-through for it, like with all our orders? Is it a full cost pass-through or is it like a part of it?

Ranjan Jindal: Yes. Hi, thank you Ketan. I'll try to answer whatever I could gather in the question. Yes, the DGTR has recommended a levy of duty on import of cells from China to the extent of 23% to 30%. Two companies were not levied because practically they don't export any cells to India. And the range of 23, 26 and 30 depends upon the cooperation and the data provided by those companies. For us, we do have the cost pass-through as I explained in my remarks, to be passed on to the consumers, to the customers, under change in law clause.

Ketan Jain: Thank you. That answers my question. My second question is, I'm seeing, once the ALMM II has kicked in, there are very few solar projects have been awarded. What do you think about the solar pipeline of this utility scale projects and when do you think the DCR orders will start coming in? Is it like after one year or second half of FY27?

Ranjan Jindal: Ketan, as we explained, though the ALMM II is getting effect from 1st of June '26, we do have a total addressable market of about 104 gigawatt, which with the current speed would take about 24 months to 36 months and modules are actually off taken at the fag end of the execution. So from that point of view, we don't see any issue on the offtake. And as we are also clear that by end of next fiscal, we will have our own cell manufacturing facility, which will ensure about 75% backward integration to the overall module plan, and hence then after we will be able to tap the DCR market as well.

Ketan Jain: Understood. So my last question is on the capex. How much capex will be done in the first half and how much do we expect to be doing by the FY26 end?

Ranjan Jindal: So if we see the progress as on 30th September, the Gangaikondan project has progressed well from the cell part and also the Vallam project for the 5 gigawatt module. So collectively as on 30th September and all this capex, we have spent approx INR200 crores. And these three projects, the

Vallam module, which is being financed under lease, equipment leasing, the overall spending would be about INR6,100 crores, INR6,200 crores backed by a combination of equity money which came in, debt from lenders and a part of internal accruals as well.

- Ketan Jain:** My question is on how much more do we plan to spend on the rest of the fiscal, second half?
- Ranjan Jindal:** So the present spent of INR200 crores as on 30th September would reach ~ INR800 crores by the end of the fiscal.
- Ketan Jain:** Thank you. Those are my questions.
- Moderator:** Thank you. The next question comes from the line of Sahil Sheth from Anand Rathi Institutional Equities. Please go ahead.
- Sahil Sheth:** Hi, sir. Congratulations on the great set of numbers. So my question is also regarding the capex. So in the last concall, you had mentioned that you had a INR6,000 crores capex plan. But as far as I understand, to set up 1 gigawatt of cell manufacturing, we require around INR600 crores to INR800 crores of capex and in our plan it includes 12 gigawatts of cell manufacturing. So I wanted to understand whether this expansion plan is a Greenfield project or are we acquiring a Brownfield project or an existing line, which requires lower capex?
- Ranjan Jindal:** Okay. So all our expansions are Greenfield. But in the last call and in the earlier interactions, we have mentioned that the 9 gigawatt cell lines being imported from Thailand does help us to bring the cost to about 40% of the overall thumb rule and hence the overall math of INR6,100 crores to INR6,200 crores for the 12 gigawatt cell line and the 6 gigawatt module.
- Sahil Sheth:** Okay. So would this be having any impact on the plant's CUF ?
- Ranjan Jindal:** Sorry, I could not get you.
- Sahil Sheth:** The cell line which is being imported from Thailand, would it be having a lower CUF compared to a, let's say, a plant, a cell line which is being installed right over here in India?
- Rinal Shah:** Sahil, I'll take that question. Hi. Absolutely not. The CUF will be absolutely unaffected. Before committing capital to acquiring an asset of this scale, the company has done its due diligence, enrobed the experts that assess the health of the asset, check the logs of utilization clocked for the limited period that the lines have run and also its usability for the coming five to seven years, how it will stand, how it will seamlessly upgrade to the upcoming technology within the N-Type branch. So no, we do not foresee any challenges in ramping up and achieving optimum utilization with these lines.
- Sahil Sheth:** So what would be the expected CUF you are expecting to achieve for the cell line?
- Rinal Shah:** For cell lines, generally it is 70% to 75% of the nameplate capacity.

- Sahil Sheth:** Okay. And my another question is regarding your order book in the US. So how are you planning to fulfil those order book since we don't have any manufacturing sector in the US and considering the tariff situation?
- Rinal Shah:** Sahil, is the question complete?
- Sahil Sheth:** Yes. So on the cell line it is complete. I am asking another question regarding the order book in the US.
- Rinal Shah:** Right. Like we mentioned, about 15% of our current order book is relating to the US customers. I think you are alluding to the fact that the current imposition of reciprocal tariffs is cost prohibitive. But what happens is there is a country of origin concept for the levy of duties, which means that the tariff will be levied on the country of origin where the cell's PN junction was formed.
- And hence, as a company, we are exploring alternative supply chains for countries with significant cell capacities that has lesser levies than what India does. And hence, we are confident that in the coming quarter, we will be able to commit to these supplies.
- Moderator:** The next question comes from the line of Amit Mahawar from UBS Group. Amit, I do apologize to interrupt you, but your audio is not coming through clearly.
- Amit Mahawar:** Is it okay now?
- Moderator:** Yes. This is better. Please go ahead.
- Amit Mahawar:** Hi. Yes. Yes. Gyanesh, congratulations on a great H1. My question is basically, in the last six months, eight months, we've seen a very strong export by China for very, very competitive cells, which obviously is one of the major benefits that we are reaping right now. Can you give us a broad range of consistent gross margins and EBITDA margins in the current order book basis?
- How the cell procurement will shape up? Because I understand that post-November, December, the prices in China might shoot higher, which -- so I just want to understand, how are we preparing for that? Some colour on that, Gyanesh.
- Ranjan Jindal:** See, the most important factor before we go into the numbers to be kept in mind is that the MSA signed by us do have the cost -- the cell cost pass-through majorly, and also with the levies on account of taxation. So, we could also see that the last two quarters, with the current pricing, we were able to deliver an EBITDA of 21%.
- So, going forward, in spite of the fact that some pricing pressure is expected, the corresponding increase in scales will help us reduce the cost. And also on the operation front, we intend to be working towards bringing in further efficiencies to keep the overall cost under control. So, with that, we see that the margins will remain intact the way we have been delivering up till now.

Amit Mahawar: Fair. And second and last question is on balance sheet management. I think H1, we've done a very good job, if I see vis-à-vis our competition, of translating very strong operating cash flow. How should we read into FY '26, '27 capex requirement? Do you think, apart from the IPO proceeds, generally, will you be able to -- will you be needing significant debt or do you think a large part? Can you just broadly guide us on how much you think we will raise debt for capex and how much from the cash that we will generate? Because the cash flows right now are very, very strong. So, some color there, Gyanesh. Thank you.

Ranjan Jindal: So, Amit, as I explained in my previous question, the overall capex requirement would be about INR6,200 crores, of which INR3,500 crores majorly would be from the debt, INR1,500 crores from the equity, and the balance ~ INR1,200 crores from the internal accruals. In the next 18 months, we do have sufficient cash flows to back this internal accrual requirement, and we are very mindful of the leveraging, and at the end of completing all these capex, say, for example, on 31st March, '27, the debt equity is going to remain below 1.

Moderator: The next question comes from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Good morning, sir. Thank you so much for the opportunity. My first question, on the BESS side, the tender reference metric is around INR2 lakhs to INR2.2 lakhs per megawatt per month, and at what capacity utilizations and system cost does 1 gigawatt hour line become EBITDA breakeven? And this profitability, what kind of margins we can expect post this breakeven? This is my first question, sir.

Rinal Shah: Mr. Subramanian, you mentioned the price range for a developer to set up standalone BESS that are not relevant to the economics of a manufacturer like us. For us, the capex cost will depend on the technology and the plans that we plan to scale, and currently at this juncture, it is too premature for us to speak of the margin profile, but we are extremely optimistic about energy storage as a segment.

You would see that with a current base of just about 0.5 gigawatt hours in India, there are already 80 gigawatt hour plus kind of tenders in various stages of pipeline across standalone BESS, across solar plus BESS, as well as FDRE. We will soon come up with a much more concrete update in the coming quarter.

Balasubramanian: Okay, madam. And the second question regarding the customer concentration side, I think the mix has been shifted from IPP, nearly 72% to 52%. It's like skewing towards C&I and distributions. Is this a strategical pivot or, like, how do you look at this mix maybe next two years to three years' timeframe?

Rinal Shah: Absolutely. It is a strategic shift. Typically, IPPs were the first users, first movers in the solar space, and hence our customer mix was skewed towards the IPPs, whereas C&I and distribution are the recent joiners, but extremely fast-moving segments. C&I, I have reiterated earlier as well, is a 51% consumer of India's total power, and hence our concentration to them, 20%, just shows the strides that we have made in customer acquisition of one of the most prolific users of power.

Distribution also, on the other hand, is extremely profitable, has a higher margin profile than the other segments, and with our unique system of authorized distributor network, the way that we have expanded from just about 41 distributors last September in a matter of 12 months has increased to about 102. Our dealer network has increased to about 375 plus. That is going to ensure our regional presence in this niche segment and help us gain a dominant share in the distribution segment.

Balasubramanian: Okay, madam. Madam, is there any margin difference between these two segments, IPP and C&I and distribution?

Rinal Shah: Sir, IPP and C&I are almost at the same margin profile. Distribution, on the other hand, will have some sort of advantage. While C&I and IPP bring scale, distribution brings in higher profits.

Balasubramanian: Okay, madam. Madam, my last question, so last quarter you mentioned the overall cost is around INR10.5 to INR11 per watt peak. But it's a fixed and variable cost breakdown, and around 50% to 60% of orders having price variation clauses. Is there any typical lag between effectiveness in passing through raw material cost increases, and is there any instances where the pass-through was incomplete?

Ranjan Jindal: So, Bala, the overall cost for the current quarter also continues to remain in the same range we discussed in the last call, barring few moments on a few variables. The fixed cost mainly covers the manpower cost and a bit of overheads at the factory level, which effectively is at 5% to 6% overall cost. And on the pass-through, most of the MSAs, as I told, do have the benefit of shifting the cost, and we have not come across any such issue wherein we have not been able to get the cost pass-through done to the customers.

Balasubramanian: Okay, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Raman KV from Sequent Investment. Please go ahead.

Raman KV: Hi, sir. Thank you for allowing me to ask the question. I have only two questions. Both are with respect to the capex. So the 12 gigawatts cell capacity which is planning to commence in FY27, what's the capex outline for that - only the cell manufacturing capacity? And can you also split how much will be funded by debt and how much will be funded via internal accruals?

Ranjan Jindal: So, for -- of the total capex of INR6,200 crores, the overall cost for the 12 gigawatts cell stands at approx INR5,000 crores, balance being for the 6 gigawatt of module. And with whatever financial closures we have achieved and whatever are in pipeline, we expect the debt equity to remain at an average level of 70-30. Of the 30% component, most of the money has come in from the IPO proceeds, as I explained. And the balance required from the internal accruals is ~ INR900 crores, which we are hopeful to fund it from the internal accruals in the next 18 months.

Raman KV: And sir, my next question is, how much are we expecting the debt to increase by the end of FY26? And if you can, can you give your FY27 debt level projections?

Ranjan Jindal: So I can give you a ballpark of the end of the year FY27 wherein all the assets should have been commissioned by that time. The term loan should be at INR3,400 crores-INR3,500 crores, with net worth of about INR5,000 crores plus. Thereby I told that overall debt equity would be at less than 1.

Raman KV: Okay. So, 3,000 -- around INR3,500 crores of debt will be in the books of the company by the end of FY27. And what will be the interest rate of this debt?

Ranjan Jindal: So normally the project loans are sanctioned at MCLR. So, nothing very different than what the present project loans are being sanctioned at.

Raman KV: And what's the rate, sir?

Ranjan Jindal: Not different than 9%.

Raman KV: Okay. And, sir, with respect to the balance 6 gigawatt module capex also, the debt-to-equity ratio is around 70-30, right?

Ranjan Jindal: Yes, almost.

Raman KV: Okay. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Nikhil Abhyankar from UTI Mutual Fund. Please go ahead.

Nikhil Abhyankar: Yes. I just have one question. So, I mean, recently with the introduction of ALMM-III from June of '28, we've got quite a time ahead of us till it gets implemented. So, I just want to understand how is the management thinking regarding adding wafer capacity? And if at all we decide, when should we expect any kind of an announcement on that?

Ranjan Jindal: Okay. So the MNRE on 12th of September issued a draft order inviting comments as to whether ALMM-III being for wafers be made mandatory with effect from 1st June '28. Industries have given representations and they have also stipulated that at least 15 gigawatt set up by three independent non-controlling groups should be there in place, if at all they want to bring in ALMM-III into force. That itself is again 30 months away from now and wafers normally take 18 to 20 months of installation. So at an appropriate time, we will have formulated our plans to match our capex plans in line with what the government decides.

Nikhil Abhyankar: Okay. So as of now, we won't be announcing anything anytime soon?

Ranjan Jindal: So the current focus would be to get this project in hand completed. But yes, in parallel, at any point of time, any change in plan is required, we'll come back to you.

Nikhil Abhyankar: Sure. Thank you, sir.

- Moderator:** Thank you. We take the next question from the line of Deepak Purswani from Svan Investments. Please go ahead.
- Deepak Purswani:** Yes. Hi. Good morning to the team and congratulations for a good set up numbers. Sir, just wanted to confirm a couple of things. Firstly, if I were to look on the realization front, actually on the quarter-on-quarter, there seems to be a 4%-5% decline in realization. At the same time, when I'm looking at the cost structure, probably the way we mentioned solar cell, DGTR recommended anti-dumping duty and then encapsulant is also seeing anti-dumping duty. Then solar glass has also seen some kind of hype. Considering the cost mechanism, at the same time decline in the realization, just wanted to get the sense, is it more to do with the product mix as such or how should we look into it?
- Ranjan Jindal:** So, Deepak, these recommendations by DGTR for levy of anti-dumping duty on cell are not in levy stage. They are only under recommendation up till now. And Q1 vis-à-vis Q2, yes, the prices have seen a fall of approx 4% to 5%. Similarly, the costs also have come down. And so you could see that the EBITDA margin for both these quarters are almost at same level. Q1 had 21.48%, Q2 has 21.12%.
- Deepak Purswani:** And, sir, this has been asked most of the other person as well, but just again for the confirmation, the price mechanism which we have with the client, this includes all the cost escalation from any of the components or is there any specific component which are governed as a part of the price mechanism?
- Ranjan Jindal:** The BORM is at times not a pass-through entirely. That is something you need to absorb if there is any increase or additional levy. Or else, the cost on account of cell, the taxes is claimable under the MSAs.
- Deepak Purswani:** Okay, got it. Thank you and wish you all the best and Happy Diwali.
- Ranjan Jindal:** Thank you, Deepak.
- Moderator:** Thank you. The next question comes from the line of Abhi Sehgal from Singularity AMC. Please go ahead.
- Abhi Sehgal:** Good morning, sir. Congratulations for a very good set of numbers. Just two questions from our end. So, one was when we look at our peers, we see that their utilizations are a lot lower for modules versus yours of about 84% to 87%. So, just wanted some more clarity on that.
- Ranjan Jindal:** So, you see, the comparison can be on two fronts. One, when you talk about the CUF on effective utilization, that number for us stands at 84% for Q2. And when you compare that with the plate capacity without discounting the days and giving adjustments to the other factors, it's at 65%. So maybe that creates a difference in overall understanding.
- Abhi Sehgal:** So, usually, if -- yes, that's what I was just saying, because most players are around the 60% to 65%. That's why. So, usually, if you take the nameplate capacity and adjust for the number of days, you think of it as 65.

Ranjan Jindal: Just to clarify the math further, today, say, for example, we have 4.5 gigawatt of installed capacity for module, which effectively means 1,125 megawatt for the quarter, which with the production of 709 in actual, there was 63% to 64% of utilization. Maybe that could clarify the math.

Abhi Sehgal: Got it, sir.

Ranjan Jindal: Okay.

Abhi Sehgal: Thank you.

Moderator: Thank you. The next question comes from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Yes, hi. Thank you very much, sir, for this opportunity. So, first of all, I just wanted to understand on the capex part, this year, 5 gigawatt and 6 gigawatt module capacities in total, what is the capex involved in this specific 11 gigawatt?

Ranjan Jindal: So, the 5 gigawatt is under operating lease. It will not be capitalized in the book of accounts. The 6 gigawatt would be having a spending of ~ INR1,000 crores. And when we maintained ~ INR 800 crores by the close of the year, it would mean some payments should be done from cash flow point after the commissioning in Q4 of FY '26. So, some payments will shift to the next financial year.

Deepak Poddar: Okay. So, this INR1,000 crores you mentioned, but it includes some portion for solar cell also, I mean, in this capex?

Ranjan Jindal: So, INR1,000 crores spending on 31st March '26 will include cell also.

Deepak Poddar: Okay. Okay. And if I want to ask in another way, out of this INR6,200 crores, about INR1,000 crores will be spent in FY '26 and around INR5,200 crores will be spent in FY '27. Is my understanding correct?

Ranjan Jindal: From cash flow point of view, you will have some shift in Q1, Q2, and FY '28 also.

Deepak Poddar: Okay. So, some spending will also happen in first half of FY '28.

Ranjan Jindal: Yes.

Deepak Poddar: Okay. That's pretty clear. And my second question revolves around your execution. In the first half, we have done about 1.5 gigawatt of solar module volume. So, how should one look at, given your new capacities are coming in the second half, and its full utilization will happen in FY27. So, what sort of this volume we are looking at for FY26 and FY27? That would be very helpful.

Ranjan Jindal: So, the current facility of 4.5 gigawatt on an annual basis can deliver about 3 gigawatt. The numbers we discussed a few minutes ago. With the 5 gigawatt module coming in, it's almost double than what we are today.

- Deepak Poddar:** Yes. With 5 gigawatt coming in third quarter, right?
- Ranjan Jindal:** So, FY27 will see full utilization for this 5 gigawatt module and also the 6 gigawatt module, part of the IPO project, planned to commission in the next quarter.
- Deepak Poddar:** The 6 gigawatt. Okay. Okay. So, in terms of volume, I mean, our capacity as an FY26 end would be about 15.5. So, at least 80% utilisation level of that 15.5 gigawatt we can see in FY27?
- Ranjan Jindal:** Again, when you compare it with plate, you'll have to stick to the number of 64%, 65%. So, the overall capacity of 15.5 gigawatt at 65% on an annual basis can deliver 10.5 gigawatt. Okay.
- Deepak Poddar:** Fair enough. And what about the volume in this year, FY26?
- Ranjan Jindal:** So, you will get some benefit of the unit being set up now at Vallam. It will be more than what the annual delivery for the existing capacity would be.
- Deepak Poddar:** So, more than 4.5 gigawatt is what we are saying?
- Ranjan Jindal:** Now, don't catch words and something in between.
- Deepak Poddar:** Okay. Okay. That's very helpful, sir. I mean, yes. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Karan Sanwal from Niveshaay. Please go ahead. Karan, if you can please use your handset to proceed with your questions.
- Karan Sanwal:** Yes. So, thank you so much for the opportunity. I have just one question that our borrowings have reduced in subsequent quarters, but the interest costs have been similar to last quarter. So, if you can comment on that, it will be helpful.
- Ranjan Jindal:** So, Karan, when we told about reduction in interest cost, I'll just give you a number. For the year as a whole, FY25, the finance cost was at about 150 plus. And the current H1, with the same impact with increasing volumes, the finance cost is about INR60-INR65 crores for the H1. With same extrapolation, we should touch about 125 for the year as a whole, in spite of the fact, again, that the volumes have increased.
- So, hence, from that point of view, we mentioned that the interest cost has come down. And as I told, the term loan for about INR88 crores has also been prepaid in September. So, H2 will see some reduction on that account also.
- Karan Sanwal:** Understood. Yes. Thank you so much.
- Moderator:** Thank you. Thank you. The next question comes from the line of Sagar Parekh from Renaissance Asset Managers. Please go ahead.

Sagar Parekh: Hi, sir. Two questions from my side. One is, I wanted to understand on the raw material cost. If I look at your overall raw material cost is about 67% of our sales. Broadly, what would be the cell cost in that?

Ranjan Jindal: My numbers are a bit different. The overall raw material cost would be at about 85%. And cell would be about 40%. So, BORM is 45% and cell is 40%.

Sagar Parekh: So, 40% of raw material cost.

Ranjan Jindal: Total cost.

Sagar Parekh: Of total cost is cell cost. And you said cell cost is a pass-through. So, Ex of that, none of it is a pass-through.

Ranjan Jindal: So, BORM is something which you are not able to pass through to the customers always.

Sagar Parekh: And once we come up with our own cell manufacturing plant, what could be the -- A, firstly, would there be an expansion in margin? So, currently, we are making 21% EBITDA margins. With our own cell manufacturing, can the margins improve? And if yes, then what could be the sustainable margins, including the cell?

Rinal Shah: Hi. Including higher part of the value chain into our system and backward integrating, of course, there is a possibility of margin expansion, more so because we would then be able to compete in the more profitable DCR segment. As you are aware, with our current run rate of installations, India has already clocked 21 gigawatt in AC capacity in H1 of FY26. That has created an addressable market of 1.5 times that, which is 30 gigawatt of module supply.

So, with that kind of run rate, when the ALMM list 2 comes into enforcement post-Fiscal '28, the entire addressable market will be constrained to the availability of TOPCon cell capacity, which is why we believe that there will be premiumization of the DCR segment, and that will contribute to margin expansion with backward integration.

Sagar Parekh: So, any quantification that you can possibly -- so from existing 21% margins, what can be the margin levels that in, let's say, after?

Rinal Shah: We apologize, we would not be giving out any guidance on margin expansion at this point.

Sagar Parekh: But basically that 40% which is the cell cost will be completely made in-house, which will be backward integrated. So, that could lead to some margin expansion?

Rinal Shah: Absolutely like I explained, yes.

Sagar Parekh: Got it, yes. Perfect. Thanks.

- Moderator:** Perfect. Thank you. The next question comes from the line of Varani from Avendus Spark. Please go ahead.
- Varani:** Good morning, team. So, you mentioned the 45% of your cost is bill of materials to convert cells to modules. So, what proportion of this 45% is for silver and how is this price of silver going up impacting us?
- Ranjan Jindal:** So, this will have negligible impact.
- Rinal Shah:** Currently, we only import bill of raw materials. Silver is a major raw material for cell manufacturing and not for module manufacturing, and hence currently it has no impact on our margin profile.
- Varani:** Understood. My second question is regarding the prospects of 38 gigawatts that you mentioned. So is that like the prospects for the next three months, six months and is it like at the country level or is it the prospects collected from our set of, say, customers?
- Rinal Shah:** These 38 gigawatts of pipeline is largely domestic, split into the revenue segments that we've mentioned across IPP, across C&I, as well as distribution and KUSUM related inquiries and discussions.
- Ranjan Jindal:** And over and above that the order book as we discussed does gives us a proper runway for next 24 months to 30 months. So, we have seen good conversions on the leads as well. So, that is something going to add to the order book in the quarters to come.
- Varani:** Understood. The reason why I'm asking this is I have some concerns on the demand going forward for solar. Even this year, we are seeing reduction in awarding in the IPP side. Of course, C&I portfolio for us has done well, but if you see PM KUSUM or even PM Surya Ghar, the achievement of targets has been subpar.
- Government has, in fact, extended the deadline or timeline for PM KUSUM. So, while this year, probably next year beginning the pipeline might look strong given ordering for IPPs was strong last two years, a little bit of concern given the slowdown in ordering happening now. So, I would be happy to get your, say, two to three-year demand expectation in light of this?
- Rinal Shah:** So, PM KUSUM and PM Surya Ghar under-performance is with respect to availability of DCR modules, which is a prerequisite for these two particular policies. So, that has nothing to do with demand slowdown. There is ample of demand, but the supply is constrained to the domestic cell availability.
- Your second question in slowdown of tendering, like sir mentioned in his opening remarks, we already have a runway of 104 gigawatt of pipeline of orders that have already been tendered, awarded and are in advanced stages of execution with module supply left to be done, which will unravel in the next 24 to 36 months.

So, I think on the demand side, there is absolutely no concern with our runway and we do not see the momentum slowing down even in our active discussions with the prospective customers, as you would see from the 38 gigawatt of pipeline that we have. Going further, there are only more and more demand drivers that will come to the fore.

There is a green hydrogen and green ammonia-led of 40-50 gigawatt of additional solar demand that will come in. There is a data centre-led demand that will come in, which will blow up the C&I portion and will not show up in your tendering process.

Varani: Sure. Okay. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraint we take that as the last question, and we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Ranjan Jindal: Okay. So, thank you, everyone for joining and spending time with us to understand us better, to review our performance. We as a company are all hopeful of delivering and meet the expectations the shareholders and the investor community collectively has. Hope we have been able to clarify your questions and we are open to be connected directly, if you want, for any further clarifications. Thank you. Thank you very much.

Moderator: Thank you. On behalf of Vikram Solar Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.