

Websocket Energy System

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 conference call of Websocket Energy System Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Soanlal Agarwal, Managing Director. Thank you, and over to you, sir.

Soanlal Agarwal – Managing Director: Thank you. Good afternoon, everyone, and thank you for joining us on Websocket's earnings call for the first quarter of FY27. When we spoke at the end of FY26, I had said that the year marked an important change for Websocket. The capacities we had spent the last few years building were coming on stream. The balance sheet had become stronger, and we had created the base for the next phase of the company. Q1 FY27 is about beginning to convert that base into operating performance.

We reported revenue from operations of 373 crore for the quarter, 70% higher than the same quarter last year. EBITDA was 126 crore, and profit after tax was 78 crore, higher by 21% and 16%, respectively. More than the financial numbers, I would draw your attention to what happened inside the plant. Our cell production increased from 126 megawatts in Q1 last year to 259 megawatts this quarter, with cell utilization at 92%. Module production more than doubled, from 50 megawatts to 103 megawatts, and module utilization moved from 39% to 81%. The capacity we have built is now being used more fully, and that is the most important operating development of the quarter.

I want to address our margin directly, rather than leave it to be inferred. EBITDA margin for the quarter was 34% against 47% in Q1 last year. The principal reason for the change is our sales mix. We sold substantially more modules during the quarter, and module margins are lower than cell margins. In absolute terms, EBITDA still grew 21% because the additional module volume adds to earnings even as it reduces the percentage margin. Our objective is to operate the entire manufacturing base efficiently, to grow absolute earnings and cash generation, and to keep improving the economics of the business over time. This quarter reflects that approach.

The second development I want to cover took place shortly after the quarter end, and it is one that matters to us personally. On August 4, we prepaid the entire outstanding amount of 110 crore on our IREDA term loan from internal accruals. We did this without raising fresh capital and without slowing any of our ongoing growth investments. With the closure of the facility, the collateral attached to the loan, including the promoter shares pledged against it, is being released. Accordingly, the promoter pledge would come down from 80% to 16% of promoter holding. I would place this in the context of what Websocket has done over the last 2 years. We doubled our cell capacity largely through internally generated funds, and we have now repaid this term loan from cash generated by the business as well. For us, this is what capital discipline means. Growth is important, but how we fund that growth is equally important.

The third area is technology. We have initiated the upgrade of one of our existing mono-PERC cell lines to TOPCon. On completion, that line will have 750 megawatts of TOPCon capacity, taking Websocket's overall cell manufacturing capacity to 1.2 gigawatts, from 1.2 gigawatts to 1.3 gigawatts, with approximately 55% of our cell capacity on TOPCon. We expect the upgrade to be completed

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Websocket Energy System

11 August 2026

by March 2027. I want to explain why this matters. The TOPCon upgrade is not an isolated capacity project. It is the bridge between the capacity we operate today and the technology platform on which we intend to build our next phase of scale, including our planned 4-gigawatt cell manufacturing expansion.

There is considerable opportunity in Indian solar manufacturing, and we believe West Bengal in particular is entering an interesting phase. Websol has been manufacturing in the state for more than 3 decades, so we have seen its industrial ecosystem evolve over a long period. The recent direction of the state towards greater industrialization, including the proposed new industrial policy, simple access to industrial land, and a stronger focus on attracting manufacturing investment, is encouraging for companies like ours that already have an operating base here. So we look at West Bengal not only as the location of our existing plant, but as a natural place to consider for the next capacity building.

We have come a long way from where Websol was a few years ago, but there is considerably more to build from here. With that, I would request Sanjana to take you through the operational and financial performance for the quarter in greater detail. Thank you very much, everyone.

Sanjana: Thank you, sir, and good afternoon, everyone. Let me take you through our operational and financial performance for the first quarter of financial year 2027 in some more detail. Starting with the profit and loss statement, revenue from operations for the quarter stood at 373 crore against 219 crore in Q1 FY26, a growth of 70%. EBITDA was 126 crore as against 103 crore, higher by 21%, with an EBITDA margin of 34%. Profit after tax was 78 crore as against 67 crore, higher by 16%, translating into a PAT margin of 21%.

Sir has already spoken about the margin. Module volumes more than doubled during the quarter, from 50 megawatts to 103 megawatts, and modules therefore account for a materially larger share of the revenue mix than they did a year ago. A rupee of module revenue carries a lower margin than a rupee of cell revenue, so as the module share rises, the blended percentage margin comes down even as absolute EBITDA grows. This is what has happened this quarter. The percentage margin is lower, absolute EBITDA is 21% higher, and we are running considerably more of our installed base. With respect to our rating, our CRISIL rating of BBB+ Stable remains unchanged.

On the operational side, cell production for the quarter was 259 megawatts against 126 megawatts in Q1 last year, with cell utilization at 92%. Module production was 103 megawatts against 50 megawatts, with module utilization at 81% against 39% a year ago. As we move through the year, we expect to operate close to full run-rate utilization across our lines, other than any downtime associated with the TOPCon upgrade. On input costs, we brought silver consumption down by 25% during FY26 and have set ourselves a further 10% reduction target. For the longer term, we continue to evaluate alternative metallization pathways.

On the order book, we closed the quarter with a confirmed order book of 1,278 crore as of June 30, 2026, against 1,161 crore at the end of March 2026. This provides us with healthy visibility into the next few quarters of operations. On capital expenditure, the TOPCon upgrade will take our cell capacity from 1.2 gigawatts to 1.35 gigawatts and is expected to be completed by March 2027. The project entails an estimated capital expenditure of approximately 270 crore. The company is capable of funding the project through internal accruals; however, it may also evaluate debt

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Websol Energy System

financing to optimize its liquidity position. Upon completion, the upgraded facility is expected to achieve cell efficiency of around 25%.

To summarize, Q1 has been a quarter of higher utilization, higher absolute earnings, and a further strengthening of the balance sheet, with a mix-led moderation in percentage margins, which we have explained. We enter the rest of the year with our existing capacity running much closer to its potential and with the TOPCon upgrade underway. With this, we can now open the floor for questions. Thank you.

Operator: We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Amit Mishra, an individual investor. Please go ahead.

Amit Mishra – Individual Investor: Hello. Am I audible?

Operator: Yes, Amit.

Amit Mishra – Individual Investor: Thank you for giving me the opportunity. Congratulations to the management on a good set of numbers. I have a question related to Phase 3. In the investor presentation, we saw a reference to West Bengal. We want to know because, so far, we have heard about Andhra Pradesh. We want to know what has changed, if something has changed, and if you can elaborate on the timelines required to complete it. If we are changing the location from Andhra Pradesh to West Bengal, how does it impact us? Has the machinery been ordered, or is the land being acquired now? If you can explain all these related aspects, we would know what is happening.

Sanjana: Sure. We believe that the environment in West Bengal has become increasingly constructive for solar manufacturing, and our 3 decades of operating experience at Falta provides us with a strong advantage in this context. Accordingly, we have shortlisted land close to our current facility and are currently awaiting the requisite approvals for the same. There is no change in our capex plans. Whatever capacity we have announced is what we are confident of executing. Our project cost also remains the same, and the funding strategy and the pathway to that, which we have previously discussed, also remain the same.

With respect to timelines, we are also not anticipating any change at this stage. Importantly, establishing the expansion in our home state provides us with significant synergies in terms of infrastructure, availability of skilled manpower, supply chain, and operational resources. We are hopeful that any interim delay arising from the change in location will be substantially offset by these operating synergies. To sum up, we are not expecting any delays at this stage, and our plans have not changed. We still remain confident about executing the 4-gigawatt capacity in phases.

With respect to your specific question on the machinery, the machinery lead time is close to 4–6 months. Right now, there is no requirement to block capital by making an advance payment for the machinery. We have definitely finalized the equipment, and the technical teams are in touch with respect to the same. We will make the advance payments for the equipment according to the

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Websol Energy System

11 August 2026

project schedule.

Amit Mishra – Individual Investor: That is great. Thank you for the clarification. To summarize, we have moved from Andhra Pradesh to West Bengal, and we will keep all the timelines as they were, as well as the capex. That clears up that question. By the way, congratulations on clearing the debt. Can we expect the pledge to drop in the next few days, in terms of the SAST disclosures coming up?

Sanjana: Correct. We repaid the debt only on August 4, which was around a week ago. All the debt has now been cleared, and accordingly, whatever shares were pledged in association with this debt will be released. We are in the process of completing all the formalities required to release all these securities.

Amit Mishra – Individual Investor: Do you expect them to be completed within 1 week, 2 weeks, or 3 weeks, or what is the process? I do not know the process, so I am just asking.

Sanjana: Whatever paperwork is required at our end, we are aggressively working on it. It also depends on the lender and the process and timelines at their end. We are hopeful that it comes through soon.

Amit Mishra – Individual Investor: Understood. One last question, if I may, and it is more abstract. Tracing our journey over the last 9 quarters, it has been a complete turnaround, with very impressive growth from a 25-crore top line to 400 crore in Q4 and now approximately 370 crore. We also produced EBITDA above 40%, which has now stabilized at around 35% with the introduction of module production. This is still very enviable compared with many businesses in India. Congratulations to the team, and full marks to the team for achieving this.

However, as an investor, it is quite puzzling to see that we do not have any institutional interest, except for some FIIs that came purely due to inclusion in the MSCI and FTSE indices. In such a great business and a sector with strong tailwinds, such businesses deserve decent valuations, especially compared with peers that are enjoying around 20-28x PE, while we are trading at, let us say, 12x today and at less than 10x on a 1-year forward basis. I wanted to hear management's view on where we are lacking in attracting this institutional interest.

As we know, we can control operations, but the market controls the valuation. There is a clear indication that the market is trying to tell management that more needs to be done. I want to hear your views on why we are trading at such a low valuation.

Sanjana: Understood. As you correctly mentioned, operations are definitely in the hands of the management, and over the last 2-3 years, we have proven our ability to execute quickly and then operate very effectively and efficiently. Our lines have come up in record time, and we are one of the few manufacturers currently able to operate our lines at maximum utilization and also generate efficiency at a maximum level. From that perspective, on the operations front, we remain very positive.

With respect to valuation, our institutional exposure has definitely been limited. We are trying our best to increase our interaction across investor forums, and we are hopeful that if we are able to

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Websol Energy System

increase such interactions, there will be some change. That is something we are now aggressively trying to do.

Amit Mishra – Individual Investor: Basically, I also wanted to hear whether there are some reasons that you think are applicable to our business, such as Phase 3, a lack of information about where we are, or the fact that we keep changing the location. I think these kinds of things confuse the market. This is my reading, but I could of course be wrong. The fact is that we are trading at a much bigger discount to peers. It is concerning to see such a business trade at that valuation. In any other sector, 35% EBITDA is very good. Thank you. I will get back in the queue and ask a few more questions.

Sanjana: Sure.

Operator: In the interest of time and fairness to others, please restrict yourselves to 2 questions. For any more questions, you may rejoin the queue. We have our next question from the line of Sushil Choksey with Indus Equity Advisors. Please go ahead.

Sushil Choksey – Indus Equity Advisors: Good afternoon, Websol management, and congratulations on all parameters, specifically on cell utilization and module production utilization. My direct question is: will we achieve 92% or better utilization for the year and module production at 81% or better?

Second, based on the data visible on the MNRE website and in circulation in the market, are manufacturers carrying a huge inventory?

Third, as we have moved from Andhra Pradesh to West Bengal, I am sure the capex utilization of funds would be lower than in Andhra Pradesh because of the approximate land price, management synergies, time bandwidth, and fewer people required to be hired at 2 locations. What is the cost of the project? If lead-time indicators, as Sanjana just mentioned, have been provided, could Vasanti Ma'am or Soanlal Agarwal address that question?

Second, as we move to a TOPCon production facility of 750 megawatts, what would be the revenue increase per megawatt once we shift from mono-PERC to TOPCon, and how would that help our margin? I am happy to note that we are integrating modules and cells together, but looking at the order book, I think we can still consume more of the order book. Are prices for July and August looking higher than in the previous Q1? Those are the first questions I have to ask.

Sanjana: I will comment first on utilization. With respect to cell utilization, both our lines are currently running close to their full effective capacity, and 92% for a quarter is a level we are comfortable holding. Marginal gains may still be available from process optimization on the cell efficiency front. Right now, we are at an average of {? 23.3 ?}, so it may increase marginally further. However, the next change would come on account of cell output, which will increase once we complete the TOPCon upgrade. That is a significant change that will take place after the upgrade. Otherwise, 92% is what we propose to continue holding for the time being.

For modules, an industry average of around 70–75% is a comfortable operating level. We achieved 81% this quarter, so we would say that we are already operating close to full effective utilization in the case of modules as well.

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Websocket Energy System

Your next question was with respect to any cost savings on account of moving the project from Andhra Pradesh to West Bengal. We can immediately see 3 changes. First, the amount of outflow on account of land appears to be lower compared with Andhra Pradesh. However, we can disclose the exact information in this regard only once we are able to share the details of the land.

Second, over a period of time, the cost of equipment is also coming down. We are therefore expecting some decrease in project cost on account of that as well.

Last, with respect to operational synergies on account of manpower, one of the key reasons was that manpower is very important in our industry in order to source the correct skill set. Given that we already have a readily available team at our current facility, it will be easier to deploy trained manpower quickly at the new location, which is supposed to be very close to our current facility. This would also result in the hiring of fewer new people, especially at the senior level. However, we will not be able to share the exact numbers at this point.

I think your other question was on inventory. Could you please repeat that question?

Sushil Choksey – Indus Equity Advisors: Basically, looking at the published data available on the MNRE website until 15 days ago, as well as Websocket's production numbers and the sales reflected at the prevailing prices, it seems that you were carrying somewhat larger inventory than usual at the end of Q1. That would result in better pricing, I suppose, in Q2. Are prices for cells and modules looking better in the current quarter and in the quarters to come?

Second, it looks like you have not taken the full number of orders. If you consider 92% cell utilization and 81% module utilization, it looks like you have the appetite to take another 300–400 crore worth of orders, depending on the mix between modules and cells, for the year.

Amrit: Overall inventory has increased by roughly {? 7% ?} if we compare Q4 inventory with Q1 inventory. There has not been any sharp increase in total overall inventory. However, if you look at the results, there has been some increase in inventory, which we agree with. There is some cyclical issue, and I think this will be realized in the next quarter.

Sushil Choksey – Indus Equity Advisors: And the pricing?

Amrit: You are correct that prices were soft in the previous quarter, and we are seeing that prices have increased in the current quarter on account of the initial implementation of ALMM. Although it was later deferred to December, prices are still higher than in the previous quarter.

Operator: Thank you. The next question comes from the line of Aman Soni with 7 Alpha Investors. Please go ahead.

Aman Soni – 7 Alpha Investors: Am I audible?

Sanjana: Yes, we can hear you.

Aman Soni – 7 Alpha Investors: Good evening, ma'am. Some {? leading ?} solar EPC players have recently reported moderate growth in recent quarters, with companies such as KPI Green witnessing growth well below their earlier estimates. This is not specific to any company, but I want

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Websol Energy System

11 August 2026

to understand whether you are seeing any slowdown in solar EPC projects that will affect demand for solar modules and cells going forward.

Amrit: If you look at our current product profile, we are supplying to, or our products are supplied to, mostly DCR projects, which include PM Surya Ghar and PM Kusum. We are not seeing any reduction on that front. On the product side, we are not seeing any decline in demand.

Operator: Does that answer your question, Aman?

Aman Soni – 7 Alpha Investors: Yes, but is there any kind of headwind in this industry or anything that could lead to a reduction in demand in the future? Are there any challenges at the current level as well?

Amrit: Given how the solar industry is structured, we expect there to be an increase in demand, considering the impact of AI, the impact of BESS, and the nighttime solar requirement that will be catered to by solar BESS. We expect there will be an increase in demand for the solar sector going forward.

Operator: Thank you. The next question comes from the line of Ankush Agrawal with Search Capital. Please go ahead.

Ankush Agrawal – Search Capital: Thank you for taking my question. Compared with Q4 sequentially, our revenues are down by about 7–8%, and EBITDA is down by about 14%, despite the fact that module utilization has increased. Is it primarily a reflection of lower realization in Q1 compared with Q4, or has there also been some reduction in the off-take from our customers?

Sanjana: The percentage decline in EBITDA is owing to a change in the product mix, essentially—

Ankush Agrawal – Search Capital: No, I am talking about absolute EBITDA, ma'am. I am talking about absolute EBITDA, not the percentage margin.

Sanjana: There has been a reduction in sales to the extent of {? 7% ?}, which is why the absolute numbers have also changed. There are a couple of things in this context. There are actually 3 things. EBITDA has reduced in percentage terms on account of the change in the mix because this quarter seems to be module-heavy—

Ankush Agrawal – Search Capital: No, I think I was not clear with my question. I am not talking about the percentage. Sequentially, absolute revenues are down by 7%, and because of operating leverage, perhaps EBITDA is down by 14%. Why is revenue down 7% is what I am trying to understand? Is it primarily the realization or the lower off-take of volume?

Sanjana: Realization has also decreased from the previous quarter, as we discussed previously. We have seen prices increase slightly in the last month or so because of the ALMM mandate, but prices were definitely much softer last quarter. Second, from a volume perspective, although our production numbers are higher because of greater utilization of the lines, we are carrying a little extra inventory compared with last quarter. As Amrit mentioned, there is some cyclicity in the industry, and although we are producing, we have to time our sales according to the requirements of clients in the case of long-term orders.

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Websol Energy System

Ankush Agrawal – Search Capital: It would be possible for you to share what was the realization of solar modules in Q1 and what the realization is now?

Management: The Q1 realization was hovering around 12.5 cents per watt-peak for solar cells and around 20.50 rupees for solar modules, INR.

Operator: Thank you. The next question comes from the line of Rahul Himani with Himani Financial Services. Please go ahead.

Rahul Himani – Himani Financial Services: Hello, Sanjana. Thank you for answering all those questions. I have a simple question. Last quarter, you had said that you did not see any pressure on margins for the next 1-2 years. Even today, do you believe that the same is true?

Sanjana: Definitely, our margins have come down, as I said, because of a change in the product mix. Cell margins still tend to be much higher compared with modules. In the case of cells also, there is an expectation of some decline in margin, but it would not be a very aggressive decline. We expect that whatever level we are currently operating at, given that the module line is now also being fully utilized, we should be able to maintain the same levels in the time to come.

Rahul Himani – Himani Financial Services: What I mean to ask is that cell margins may fluctuate slightly, but do you think they will continue at this level for the next 2 years?

Sanjana: It is difficult to say how long this will continue, but as of now, it seems that we should be able to hold the margin we achieved this quarter for 1-2 years.

Rahul Himani – Himani Financial Services: Regarding what Amit Mishra asked, I think all the shareholders, including the minority shareholders, fully agree with him. I think we are trading at a dearth valuation, and management needs to introspect about why this is happening.

To point it out again, it may sound a little odd, but over a span of 4 months, Websol's share price fell from 130 to 50, and then in 1 month, it rose from 50 to 120. We have absolutely no explanation from management. I think this is something we need to look at because even if someone is manipulating the share price, we have AI and many technologies to detect it. However, there has been no response from management whatsoever. I think management should look at it.

In addition, there should be visibility and transparency regarding the stage of the Phase 3 capex as of today. We should receive regular updates rather than waiting for 1 quarter. The more updates and transparency we provide to the market, the more valuations will automatically increase. I request you to take note of this.

Management: I would like to answer the question. We are not aware of any information that we are required to submit to the exchanges. We promptly submit all information and explanations to the stock exchanges in every case where it is required. It is not that management is aware of any fraud or anything similar. Management is not aware of anything of that nature.

If you look at the previous quarter, we have increased our interactions. We are continuously conducting investor presentations and investor conference calls, and we are also participating in various investor meetings. Management is aware of the situation, and we are doing our best to

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Websocket Energy System

increase the communication we have with shareholders and other stakeholders.

Regarding Phase 3, we have already indicated that we want to do this in West Bengal because of the synergies related to skilled manpower and because we are familiar with the current land area. I do not think we are withholding any information that is required to be given to investors.

Operator: Thank you. The next question comes from the line of Rahul with Soar Enterprises. Please go ahead.

Rahul – Soar Enterprises: Hi, good afternoon, everybody. It is indeed a good quarter, considering the market conditions, the seasonality, and all the other elements. One surprise, which I am sure a lot of people are surprised by and would want more clarity on, is the shifting of the expansion plans from {? Naidupeta ?} in Andhra Pradesh, if I am not mistaken, to West Bengal.

Only time will tell whether it is a good or bad move, but Sanjana, thank you for clarifying a couple of points that work in our favor. Expanding at the existing location certainly makes a lot of difference. Why has this sudden change of location occurred? Also, could you give us a fair understanding of the timelines for the first and second phases? Thank you.

Sanjana: The change has honestly occurred because we believe we can implement the project faster in West Bengal. Given how the climate and environment in West Bengal have evolved, we felt that doing it here would provide the requisite synergies in terms of supply chain and manpower and would enable us to execute faster in general. That was the primary reason for shifting the base here.

There had been no financial outflow in relation to the Andhra Pradesh land, so from that perspective, it felt prudent to do it here. In terms of timelines, as we mentioned in the previous call, all the groundwork relating to the layout, equipment, and identification of the team has already been completed. We are currently awaiting land approval. The land parcel has already been identified, and as soon as we receive the approval, we will disclose the same to the exchange. We are hopeful that from that day onward, we will be able to execute the project according to the currently announced timeline.

Rahul – Soar Enterprises: By when do you tentatively expect the land approvals to come through?

I have one follow-up question on your previous answer. Were the incentives provided by the Andhra Pradesh government, and whatever incentives may have been committed to you by the West Bengal government, at par? Or has the West Bengal government sweetened the offer compared with what the Andhra Pradesh government was offering?

Sanjana: With respect to the expected land approvals, definitely this quarter, and hopefully this month. That is what we are aiming for. With respect to the incentives, we will be able to disclose those only once the land has been allocated to us, because we are still in discussions with them regarding this matter.

Operator: Thank you. The next question comes from the line of Amit Mishra, an individual investor. Please go ahead. Amit, please go ahead with your question and kindly unmute your line if you are on mute.

Websocket Energy System

11 August 2026

Amit Mishra: Hello. I have one question. Sanjana, you mentioned a lead time of 4–6 months for the machinery. When are we kicking off construction on the land? How long will the construction take? You must have a planning schedule with you. I do not want you to go into the details, but could you guide us on when the first construction is expected to start? We can then work out the timing for the machinery and the remaining activities.

Sanjana: With respect to construction, as I said, we are expecting land approval this month. Accordingly, construction is expected to start around the middle of September. We should then take approximately 9 months to complete the entire process. Around December is when we will apply for, or rather order, the equipment, which we expect to be at our facility by approximately April or May. We are accordingly expecting 2 months of trials.

Amit Mishra: Understood. To get some context, is this machinery more automated and does it take a little longer to assemble than the previous legacy machines? How are we sure that we will be able to assemble everything, including utilities, connections, and so on, within 2 months and start ramping up from July onward?

Sanjana: In the last few years, when we implemented mono-PERC, installation and commissioning took that amount of time. We are hopeful that we will be able to do the same here. Given that we are currently upgrading one of our lines to TOPCon, we expect that this will provide us with good learning to implement the greenfield project faster.

Operator: Thank you. The next question comes from the line of Rajender Pasi with NP Analysts. Please go ahead.

Rajender Pasi – NP Analysts: Hello. Am I audible?

Operator: Yes.

Rajender Pasi – NP Analysts: My first question is regarding the order book. Right now, I believe we have close to 1,200 crore worth of order book. What are the company's internal targets for where the order book should stand by the end of FY27 and going forward? What kind of inquiries are we receiving right now? I am essentially looking for a number to consider for the future.

Management: Could you repeat your question?

Rajender Pasi – NP Analysts: My question is regarding the order book. As of now, the order book stands at 1,200 crore, right? What are the company's internal targets for where the order book should stand towards the end of FY27 and going forward? What kind of inquiries are we receiving right now? I am essentially looking for a number to consider for the future.

Management: We are completely focused on the DCR market, so we regularly receive inquiries to supply solar cells and solar modules in the DCR market. We continue to disclose only firm purchase orders and repeat business under which the orders are complete. We are not targeting a higher order book or anything like that. We continue to focus on the production and supply of material to our regular customers.

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Websocket Energy System

11 August 2026

The order book denotes confirmed purchase orders only. There are many module manufacturers and customers who place orders regularly on a routine basis without entering into a fixed-term contract.

Rajender Pasi – NP Analysts: A lot of people have asked this question, but I still want to understand the EBITDA margin. Our EBITDA margin has decreased year-on-year as well as quarter-on-quarter. Year-on-year, I understand that we have a higher proportion of modules this quarter compared with last year. However, what about quarter-on-quarter? If I look at the {? DCR portal data ?}, I think the cell percentage was higher this quarter compared with the previous quarter. Still, our margins fell by almost 2–3 percentage points quarter-on-quarter. Could you explain that in more detail?

Management: You are correct that one of the reasons was the mix of cells and modules. Apart from solar cells and modules, there was also some softening in the price of solar cells during the previous quarter, and there was some increase in {? BOM cost ?}, particularly silver. That also put pressure on margins. There has therefore been some decline in margins, on account of the decline in prices and the increase in BOM costs.

Operator: Thank you. The next question comes from the line of Pratul Shah with Anubhuti Advisors. Please go ahead.

Pratul Shah – Anubhuti Advisors: Thank you for the opportunity. I wanted clarification on an earlier point. When we were setting up the plant in Andhra Pradesh for Phase 3, commercial production was expected to start, I think, in June 2027. Now that we are shifting this to West Bengal, when is commercial production actually expected to start?

Management: At this stage, we are not anticipating any change in the overall project timelines. We have shortlisted land in West Bengal and are currently awaiting the requisite approvals. As of now, there is no change in our capex plans, project costs, or funding strategy. Importantly, establishing the expansion in our home state provides us with significant synergies in terms of infrastructure, availability of skilled manpower, and operational resources. We are hopeful that any interim delay arising from the change in location will be substantially offset by these operating synergies.

Analyst1: What about the cost of materials and the COGS component of the P&L? We understand that realizations are declining somewhat on a quarter-on-quarter basis, but how is the input cost being affected? For example, ingots, wafers, and so on. You might be importing these, and silver prices have moved somewhat. For this quarter, if we look at it quarter-on-quarter, the price has gone down. How is that cost behaving currently? I wanted to get your view on that.

Management: You are correct that the silver price has come down. However, we import silver paste from China and other countries, so there is a lag between the current market price and the price at which we absorb the silver cost. We expect that this lag will create a cost reduction in this quarter. With respect to wafers, prices are more or less similar. There has been no increase in cost on account of wafer prices.

Operator: Thank you. The next question comes from the line of Hridhay Choksey with Indus Equity. Please go ahead.

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Websol Energy System

Hridhay Choksey – Indus Equity: Thank you for the opportunity. I have one quick question. As we are ramping up our capacity by an additional 4 gigawatts next year between modules and cells, and then by another 4 gigawatts, I think, the following year, are we confident of maintaining utilization, efficiency, and everything else with such a significant ramp-up?

Management: We are undertaking a 4-gigawatt expansion in 2 phases. The total expansion will be 4 gigawatts of additional cells and 4 gigawatts of solar modules. We are not doing 8 gigawatts. We are undertaking it in phases.

Hridhay Choksey – Indus Equity: I meant 8 gigawatts in total.

Management: No, it is 4 gigawatts in total. We are undertaking it in 2 phases of 2 gigawatts each. That is why, to manage any technology risk, we are undertaking it in 2 phases.

Hridhay Choksey – Indus Equity: Are we confident of ramping up at a similar speed to what we have demonstrated with our existing facilities?

Management: As of date, we are confident that we will be able to ramp up. To train ourselves, we are currently converting our existing 600-megawatt mono-PERC line into a TOPCon line. This will help us gain practical experience with TOPCon before we undertake a greenfield expansion.

Operator: Thank you. The next question comes from the line of Mukesh Agarwal with Turbo. Please go ahead.

Mukesh Agarwal – Turbo: Good evening, everybody. Since the war is going on in West Asia, is it affecting us in any way? If it is affecting us, how is it affecting us?

Management: On account of this war, there has been some increase in the cost of BOM items that are used more extensively in solar modules. In solar cells, there has been no impact on wafer prices, and the silver price has come down. Therefore, in the cell segment, we are not anticipating any impact on BOM. However, in the case of solar modules, there is an impact on the BOM front.

Mukesh Agarwal – Turbo: Thank you.

Operator: Thank you. The next question comes from the line of Ankur Jain, an individual investor. Please go ahead.

Ankur Jain: Thank you for the opportunity. I have 2-3 questions that are somewhat related to what has already been asked.

My first point is that we are saying there is no information that management is not sharing. It is not about not sharing information, but about sharing it at the right time and in a timely manner. One example is that, for the earlier 6-8 months, we had been planning an expansion in Andhra Pradesh. However, yesterday we were told that we are moving from Andhra Pradesh to Kolkata. {? Bandhopadhyaji ?} and {? Sandhyaji ?} said that we expect land approval within this month. Does this not show that updates are not being provided in a timely manner?

My second question is whether this does not show that the planning is incompetent. We spent 6-8 months planning the expansion in Andhra Pradesh, and now we are saying that it is much better to

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expand in Kolkata. My confidence in management is therefore also being shaken, and I am sure this is true for many other investors as well.

My third point is that management needs to acknowledge that investor relations and public relations are very poor, and we need an immediate change in strategy. If funds have to be raised for the expansion through equity dilution, then at such a poor market valuation, it would become difficult for the company as well. These are my 3 questions.

Management: With respect to the change in location, we have been operating on the basis of what we believe would be the best way forward. That is what has led to the change in location. As we have mentioned multiple times previously, we believe there would be greater synergies here.

The 6 months spent in Andhra Pradesh and all the effort made in that regard have already occurred, but we are looking ahead and believe that carrying out the project here would be better for the organization. That is why we have taken this decision.

With respect to increasing our investor relations and public relations efforts, the point is well taken. We have tried to increase our efforts, and we will continue doing the same. We will continue interacting more with the investor community in the time to come.

Operator: Thank you. The next question comes from the line of Sandhya Yadav with Wealthmine Advisory. Please go ahead.

Sandhya Yadav – Wealthmine Advisory: Hello, sir. Am I audible?

Operator: Yes, Sandhya. We can hear you.

Sandhya Yadav – Wealthmine Advisory: I have a couple of questions. The 150-megawatt TOPCon upgrade is expected to be commissioned by March 2027 at a cost of 270 crore. Could management indicate the expected revenue, EBITDA contribution, EBITDA margin, utilization ramp-up, and payback period once the capacity is fully operational?

Management: We expect to complete the TOPCon upgrade by March 2027. This will generate 150 megawatts of additional capacity. As of now, TOPCon solar cell prices are higher than mono-PERC solar cell prices. Therefore, there will be incremental revenue on account of both factors. We will gain 150 megawatts of additional TOPCon capacity, and the price difference between TOPCon and mono-PERC will also be captured. We will therefore receive a {? 750 megawatt price of TOPCon cells ?}. However, it is difficult to predict an exact estimate of how much this will increase as of now.

Management: The incremental gain is on account of the increase in capacity as well as the increase in watt-peak per cell in the case of TOPCon and the higher efficiency levels. For example, in mono-PERC, the per-watt-peak output is currently 7.6–7.7, whereas in TOPCon, we expect it to be above 9.5. That is the first increase.

Second, our current base is 600 megawatts, which will become 750 megawatts. Accordingly, the number of cells we produce will also increase.

Websol Energy System

Third, realization per unit of watt-peak is also higher in the case of TOPCon. Owing to all these 3 reasons, we expect incremental revenue once the line is up and running.

Operator: Thank you. The next question comes from the line of Sushil Choksey with Indus Equity Advisors. Please go ahead.

Sushil Choksey – Indus Equity Advisors: Sanjana, if I heard you correctly, and if management is also on the line, are you expecting that the conversion from mono-PERC to TOPCon, as the yield per watt-peak increases and realization becomes higher, will result in a payback period of less than 2 years or 2.5 years for the entire capex?

Management: We expect the payback period for this capex expansion to be between 2 and 3 years.

Sushil Choksey – Indus Equity Advisors: So, considering the incremental revenue and EBITDA generated per watt-peak, the additional production, and the movement from mono-PERC to TOPCon, the 270-crore capex would be paid back in less than 3 years, even if not within 2 years.

Management: Yes, you can consider that.

Operator: Thank you. The next question comes from the line of Sukrit Agrawal with Balaji Investments. Please go ahead.

Sukrit Agrawal – Balaji Investments: Good morning, management. How do you expect to unlock value for shareholders who have held the shares for the past 3 months and incurred a loss of around 15–20% over the past 3 months? What is management doing to address this? Thank you.

Management: Management has control over operations, and we are doing whatever we can on the operational front. If you look at the company's performance over the last 2 years, you will see this. However, we do not have any control over the stock price. The stock price depends on many internal and external factors, as you are better aware, and also depends on how prices are moving across the industry. We can only say that we do not have any control over the stock price.

Operator: Does that answer your question, Sukrit?

Sukrit Agrawal – Balaji Investments: Yes, that is fine.

Operator: Thank you. The next question comes from the line of Sagar Gokani with ITI. Please go ahead.

Sagar Gokani – ITI: Thank you for the opportunity. The question is about inventory levels, which have been continuously rising. We understand that inventory has increased from 160 crore by another 7% or so. Given that we have a large order book, what is the reason for carrying such a large inventory?

Management: Sometimes it is also cyclical. There can be delays because of customers taking delivery. It has not been a sharp increase in inventory, if you look at it. Since we started increasing the production of solar modules, there has been an increase in the inventory we are carrying. However, we do not foresee any alarming position as of June 30, 2026.

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Management: To add to that, during the monsoon period, installations slow down and off-take also slows down. However, we cannot stop production; we continue production because demand will start rising once the monsoon is over. During the monsoon, installations stop in many places, such as Assam at present. Installations are almost zero there, so off-take is also very low. Production therefore goes into inventory. Once the monsoon is over, it will definitely become more mobile.

Sagar Gokani – ITI: Sorry—

Management: Understood.

Management: One more thing is that we use our own cells to make our modules. Unless the modules are sold, the cost of the cells is also blocked in the modules, and the revenue is not realized. Once the modules are sold, the revenue from both the cells and the panels is realized at the same time.

Sagar Gokani – ITI: Understood. That is very helpful. Thank you.

Operator: Thank you. The next question comes from the line of Ankush Agarwal with Surge Capital. Please go ahead.

Ankush Agarwal – Surge Capital: My earlier question was stopped, I think. Can you share the realization currently?

Management: Current realization for solar cells is {? 0.125 cent per watt-peak ?}, and for solar modules it is around {? 20.50 rupees ?} INR.

Ankush Agarwal – Surge Capital: You said 12.5 and 20.5 for cells and modules for Q1. However, your other commentary was that realization has increased after Q1. You are sharing the same numbers.

Management: No, I am giving the Q1 figures.

Ankush Agarwal – Surge Capital: I am asking for the current figures. You shared the Q1 figures earlier.

Management: There has been some increase in solar cell prices. They are hovering around {? 13 cents per watt-peak ?}.

Ankush Agarwal – Surge Capital: And the module price?

Management: The module price is hovering around {? 21 to 21.5 ?}.

Ankush Agarwal – Surge Capital: Is the market dynamic shaping up as one would have expected with ALMM? It has obviously been deferred somewhat, but after June, how do you see the demand-and-supply dynamic shaping up for the industry?

Management: The ALMM mandate was postponed from June to December. This indicates that solar cell capacity still remains much lower than module capacity. Because of this, they had to move the deadline. This is directly correlated to the amount of capacity that will come on stream by December. How the deadline moves will depend on how much capacity we are able to see on the

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ground by then.

Ankush Agarwal – Search Capital: That was all. Thank you.

Operator: The next question comes from the line of Krupal Rathod with Shree Bahubali Stock Broking. Please go ahead.

Krupal Rathod – Shree Bahubali Stock Broking: Hello. Am I audible?

Management: Yes, Krupal.

Krupal Rathod – Shree Bahubali Stock Broking: Thank you for the opportunity. I had 2 questions. First, the order book was 60% modules and 40% cells in FY26, and it has shifted to 52% modules and 48% cells in FY27. Is this an early indication of strong cell demand, or is it simply timing-related? What mix should we expect for FY27?

Management: Could you repeat your question? I was not able to hear you. Your voice is a bit faint. Could you please repeat it?

Operator: Krupal, please use your phone in handset mode if you are using a hands-free device.

Krupal Rathod – Shree Bahubali Stock Broking: I am on a handset. I will repeat it. The order book was 60% modules and 40% cells in FY26, and this quarter it shifted to 52% modules and 48% cells. Is this an early indication of stronger cell demand, or is it timing-related? What mix should we expect for FY27?

Management: We continue to disclose only firm purchase orders, which are written, confirmed orders. It is difficult to comment on how the mix will evolve because it depends on realization on the cell and module fronts.

In the case of cells, we are converting our own cells into modules, so they are being used captively. We can say that we are confident that whatever we are producing, we have orders ahead of us, or orders in the pipeline, to sell everything that we are producing. There is definitely some cyclicalities from quarter to quarter, but on a broad basis, we have that order visibility. How the mix changes is a discussion around realization, and it is very difficult to predict what it will be in FY27-28.

Krupal Rathod – Shree Bahubali Stock Broking: As a follow-up, cell production was 259 megawatts and module production was 103 megawatts in Q1. How much of the cell production was sold to external customers versus consumed internally for modules?

Management: We sold roughly 153 megawatts to external customers.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Management: Thank you very much for your questions. If we have not answered anything, we will come back to you. We will stay connected and provide further updates as and when required.

Websol Energy System

11 August 2026

Operator: Thank you, sir. Thank you, ma'am. Ladies and gentlemen, on behalf of Websol Energy System Ltd., that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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