Management Discussion

Sohan Lal Agarwal - Executive Director & Managing Director, Websol Energy System Ltd
Thank you, ma'am. Good afternoon, everyone. Thank you for joining us for Websol Energy System Limited's earnings call. Wishing you and your loved ones a very happy and prosperous Deepavali. Before getting into the quarterly numbers, I want to spend a few minutes on the industry we are operating in. There is a lot of excitement around renewable energy and solar manufacturing in India today, and rightly We are witnessing a fundamental shift in how India thinks about energy security, domestic manufacturing, and the role of renewable energy in our future.

After more than 30 years in this business, I see a real opportunity for Indian manufacturers who can translate rising demand into consistent production. High product quality and reliable customer delivery. This is where I believe our experience gives us an advantage. India added about 20.8 gigawatts of solar capacity in the first 6 months of this financial year. That is very significant number. The first half of calendar year 2027 has witnessed India's highest ever Solar installation for a 6-month period.

Demand is coming from large solar parks, commercial and industrial users, rooftop installations, and government programs. With storage and hybrid projects becoming more important, the way in which solar power is being used are also changing. For a manufacturer like WebSolar, however, I see 2 sides of this opportunity. The first is demand. The second is the structure of manufacturing itself. India has built a very large modern manufacturing base, but making reliable, high-efficiency solar cells is a different challenge.

It requires technology, process control, experienced people, and time to get the right yields. The ALMM List 2 Premium work is important because it encourages more domestic sales manufacturing. The government has allowed a limited commission window for certain projects, but the larger direction towards domestic value addition remains clear in my view. The companies that do well will be the ones that can manufacture consistently, control costs, and adapt quickly when the market changes. That is the backdrop against which I look at our quarter.

Our solar cell line operated at 91% utilization in Q2. We produced a little over 255 MW of cells. I attach importance to this because it is one thing to install equipment and the other to keep it running at these levels quarter and after quarter. It reflects the work being done inside our Palkha plant by our production and engineering team. We also recognize that we need to evolve with technology. Our conversion of an existing monopole line to copper is underway. We are moving from a 600 megawatt line to a planned 750 megawatt of copper line, which is targeted towards the end of this financial year.

The second major development this quarter was in Vishwamal, as informed earlier in September. We received the allotment of 54.20 acres at Falta Industrial Park for our proposed integrated facility of 4 gigawatts, planned in 2 phases. We know the place, we know the people, and we have an operating plant close by. There is a skilled workforce, an existing network of suppliers, and a familiarity with the local conditions. That cannot be created overnight. We will speak about timelines at each stage in some depth.

We are also encouraged by the renewed emphasis on industrial development and investment facilitation by the government in West Bengal. The administration has outlined its intent to strengthen the state's industrial ecosystem through a more investment-oriented industrial policy. Improved land availability, streamlined approvals, and renewed focus on ease of doing business.

Overall, we remain focused on executing our expansion roadmap, extending our technology capabilities, and maintaining operational and financial discipline.

With our ongoing capacity enhancement, transition towards top-of-the-line technology, and a proposed integrated manufacturing extension, We believe Websol is well positioned to participate in the next phase of India's solar manufacturing growth. I now hand over to Sanjana for her comments on the performance for the quarter and half-year ended. Sanjana, please.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Uh, thank you, sir. Good afternoon, everyone, and thank you for joining us today. I will now take you through Websol's operational and financial performance for the 2nd quarter and first half of financial year 2027. FY27 marked WebSol's highest ever half-yearly revenue and operating profit, with revenue reaching Rs 734 crores and EBITDA stood at Rs 254 crores. Profit before tax also reached a new half-year high. We delivered a strong financial performance during the quarter, with revenue growing by 114.6% year-on-year to Rs 361 crores.

EBITDA increased by 77.3% to Rs 128 crores, while net profit registered a growth of 73.2% to Rs 80 crores. For the first half of financial year 2027, revenue, EBITDA, and net profit recorded growth of 89.6%, 44.4%, and 39.2% respectively, reflecting the continued improvement in our operating performance. Our cash generation has also been strong. During H1 FY27, we generated Rs 244 crores in cash from operations compared with Rs 137 crores in the corresponding period last year. After taxes, net operating cash flow stood at Rs 212 crores against Rs 132 crores in H1 FY26.

This is particularly encouraging because our growth is translating into cash, giving us greater flexibility to fund our expansion A major milestone this quarter was becoming debt-free with the repayment of our ILDA debt in August, further strengthening our balance sheet and providing greater financial flexibility to support our future growth plans. On the operational front, as highlighted by sir, module and cell capacity utilization stood at 68% and 91% respectively during the quarter. The stabilization of our manufacturing operations at these levels is helping us maintain predictable production.

Absorb fixed costs more efficiently, and serve our customers consistently. We remain focused on driving operational excellence by continuously identifying opportunities to improve our cost structure and protect margins. Our approach includes disciplined procurement, better input utilization, process efficiencies, and tighter control over manufacturing costs. The moderation in silver prices, together with our effort to optimize silver consumption, has supported cost management and helped us maintain our overall blended margins.

We will continue to closely monitor commodity price movements and proactively manage input costs to safeguard profitability. On the order book front, our outstanding order book stood at Rs 1,280 crores at the end of the 2nd quarter financial year 2027. This provides visibility on near-term execution and reflects continued demand for our products. On investment, the immediate priority is to complete the Topcon upgrade conversion properly. For the next facility at Palta- For the next facility at Palta, we have the land allotment and the work ahead is to take the project through detailed planning and execution in a phased manner.

I also want to touch on the company's move into other parts of the renewable energy business. The board has approved pursuing opportunities in EPC, solar independent power production, solar parks, and energy trading. It has also approved the proposed subscription to 40% of Bright Earth Cell Private Limited for the energy trading opportunity. These initiatives highlight the company's vision to

forward integrate and emerge as a complete energy solution provider. These businesses will be undertaken through separate subsidiaries which will be incorporated in due course.

Further developments will be communicated to investors as and when appropriate. These are steps towards broadening our presence, but they are at an early stage. As we evaluate these opportunities, we want the right expertise and a clear commercial case before committing further capital. Manufacturing will remain our core business, and that is where the bulk of our attention continues to be. Overall, our focus remains on profitable growth, operational efficiency, and prudent financial management as we build the next phase of WebSol's expansion.

We now open the floor to questions and answers. Thank you.

Questions & Answers

Operator
Thank you, ma'am. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on your touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. A gentle reminder to all the participants, to ensure that the management is able to address questions from all the participants in this conference, please limit your questions to 2 per participant.

I repeat, please limit your questions to 2 per participant. The first question is from the line of Mr. Virendra Verma from Implania Services. Please go ahead, sir.

Virendra Verma - Analyst, Implania Services
Yeah, good afternoon, sir, and thanks for giving me the opportunity. First, congratulations on good set of numbers. Uh, see, sir, in, in press release you have mentioned there is 4 gigawatt of expansion in West Bengal. Yeah, I'm

Operator
Sorry to interrupt. Can you come again with your question? Your voice is breaking in between.

Virendra Verma - Analyst, Implania Services
Okay. Yeah, yeah. Is it- I am better? Is it better now?

Operator
Yes, sir. Please come again with your question. Thank you.

Virendra Verma - Analyst, Implania Services
Yeah, yeah. Thanks for the opportunity. See, my question is Company has stated that 4 gigawatts of this capacity solar cell manufacturing will be coming up. So if you give a detailed timeline plan as well as financing plan.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
So yeah, so we've been allocated land in West Bengal very close to our current facility Yes. So as we have communicated in the month of September, we have been allocated 54.2 acres of land for this 4-gigawatt integrated project. This project will be completed in 2 phases of 2 gigawatts each. And with respect to funding, we are anticipating, or rather estimating, a project cost of 1,350 crores

for the first phase of 2 gigawatts. And the funding plan with respect to this would be that the equity portion, as of now, we feel comfortable that we'll be able to fund through our internal accruals.

With respect to the remaining part, we expect that we will be raising some amount of debt for this. Expansion. Uh, to touch a little on the timelines, as you asked, so currently, uh, land development exercise is underway. So we are hoping to complete the same by early next year, post which the construction phase will commence. Currently, our teams are evaluating all the technical details. They are in touch with the necessary vendors for the equipment and other facilities, utility, and electrical, um, Supplies.

Uh, we are hoping that we will be able to, uh, move as per our internal timeline and start trial runs by the 3rd quarter of the next financial year.

Virendra Verma - Analyst, Implania Services
Uh, that is somewhere around, uh, December 28th or 29th. Sorry, 27th or 28th?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
2027. Yeah, yeah,

Virendra Verma - Analyst, Implania Services
Sure. Thanks.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
And one

Virendra Verma - Analyst, Implania Services
More question, ma'am. Uh, see, like, you have also appointed a new CEO for your renewal business. Uh, what will be his role and why? I think to my understanding, this business is yet to begin revenue operations. So what will be the responsibility and why when at this moment he has been appointed?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
So, uh, of course our plan is to scale and grow to the extent of scaling all our manufacturing capacities. Also, we have announced entry into other forward-integrated verticals of solar. So definitely the idea is to strengthen our management and get professionals in the respective streams to lead from the front. So Vinay has been appointed the CEO of WebSol Renewables. WebSol Renewables business is going to be the manufacturing of the topcon capacities of cell and modules. In addition to that, Vinay is carrying significant experience in execution of lot of power development projects through his past experiences, and definitely he will be adding value to the newer verticals that the company is planning to come up with in time to come.

Virendra Verma - Analyst, Implania Services
Okay, thank you. And by when this, this can see some operation from this subsidy?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
So the subsidiary right now, Websol Renewables, is going to be, uh, starting with the, uh, 2 gigawatt, uh, Topcon integrated line, right? So that, as I communicated, will come up sometime in Q3 financial year '27-'28.

Virendra Verma - Analyst, Implania Services
Oh, thank you, madam.

Operator
Thank you. Participants, you are requested to limit your questions to 2. The next question is from the line of Mr. Manav Choksi from KR Choksi Shares and Securities Private Limited. Please go ahead,

Manav Choksi - Analyst, KR Choksi Shares and Securities Private Limited
Sir. Uh, hello. Hi, good afternoon, Sonal ji and team. Uh, wishing everyone a happy Diwali in advance. Um, I just had one question, uh, on the, uh, energy trading, EPC, uh, IPP business. What's the vision there? How do you see that business shaping up in the next 1 to 2 years? And if there are any chances of also getting into other adjacencies like inverters and BESS around solar and battery. So if you could just give your vision around how you see that thing around solar and its ancillaries.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Right. So the vision for EGC at Websol is captive and capital light. So it will help us build our own IPP and PAF projects and it will help us serve module customers who want turnkey supply. So the idea behind this vertical is that it can help us emerge as complete energy solution providers and it should help us enable to capture the entire energy value chain. So we are building this business through separate SPVs which will carry no manufacturing capital. And we will report it separately once material.

We are expecting that this will serve as a channel for cells and modules and not a profit center that will touch our manufacturing margins. So manufacturing will definitely continue to take majority of our capital and it will continue to be our primary business. The intention of these forward-integrated verticals is only to give us access to the broader market and help us emerge as complete value chain providers.

Manav Choksi - Analyst, KR Choksi Shares and Securities Private Limited
Got it. Um, that was all from my side. Thank you.

Operator
Thank you. The next question is from the line of Ms. Jasmine Sorana from VT Capital. Please go ahead.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Uh, hi, I have 2 questions. The first question is, uh, What is our capacity today by technology and what is the cell and module capacity and what is the outlook on it for the same? The other question is, what is our plan for ALMM3 and ingot wafers, if you could throw some light on it please? Yeah, so our current cell capacity stands at 1.2 gigawatts, which we are manufacturing using monocrystalline silicon. Monoproc technology, and the module capacity is 550 megawatts. We are currently in between upgrading one of our monoproc lines of 600 megawatts to TOPCon, which will result in incremental capacity of 150 megawatts.

So by end of this financial year, we expect to be a cell capacity of 1.35 gigawatts, which includes 600 megawatt monoproc and 750 megawatt TOPCon. And we will be a 550 megawatt module capacity. So that is on our current capacity of this financial year. And looking forward, we are planning to get a 4 gigawatt integrated facility in a phased manner, which will be a PPP project. So the first 2 gigawatt is expected to come live by quarter 3 of financial year '27-'28. Great. And what is our plan for ALMM3 and the interface?

Right, so as we've already announced that we are going to backward integrate to Invoicing Reaper

as well, so definitely we are right now in touch with the technical providers for the necessary evaluation, uh, taking to take this project over. So we are just waiting on clarity of the deadlines before we can commit any capital to this project. We are definitely aggressive and we are definitely going to implement this project, but we will be able to give further clarity with respect to timelines only once the ELMM, uh, uh, let's see, mandate is clear in terms of the timeline.

Sushil Choksy - Analyst, Indus Equity Advisors
Any, any

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Idea by when that this can be So as of now, uh, it's June 28th, so we are working as per that timeline, but we are monitoring closely to see if there's any sort of delay on that front. Can

Operator
I squeeze in just one more question, please? Yeah, please do. I just want to- thank you so much. I just wanted to know the cash flow performance and the margins.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Can you repeat your

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Question? I wanted to know how- yes, for this quarter, please.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, uh, if you see your results, so I think the- we have, uh, generated cash flow from operation is around Rs 213 crore in this quarter, in this half year. And if you see, the cash flow from operation has increased from last year's Rs 120 crore So there is a healthy cash generated from the operating activity, and we are using that cash to repay the IREDA debt. And also we are using this cash activities for our top-up and upgradation projects.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Okay, so is there any particular outlook for how we'll be using the cash flow, where the cash flow number should be?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Cash flow number 2B, uh, are you asking a forward projection for cash flows?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yes, a rough range is possible.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, so we believe that, uh, the cash flow in the later half also will be strong, and we will use the cash flow for expansion activities.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Okay, okay, thank you so much.

Operator
Thank you. The next question is from the line of Mr. Rahul Joshi from Soar Enterprises. Please go ahead. Hi, good afternoon.

Virendra Verma - Analyst, Implania Services
Yeah, am I audible, ma'am?

Operator
Yes, we

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Can hear you.

Virendra Verma - Analyst, Implania Services
Yeah, uh, good afternoon everybody and congratulations for keeping the momentum going. Uh, one indeed, uh, amazing news that came last quarter- uh, sorry, last month- was the allocation of the land. And thanks, Indra, for sharing the timelines on that. Uh, another interesting thing which came up yesterday in the update was, uh, entry into the new businesses, uh, that is planned for the EPC and others. Uh, just one question on that, uh, any, uh, uh, thought on getting into the, uh, BES, uh, side of the business as well?

Because, uh, most of the competition that we are into are getting into this line. And considering the kind of ramp-up that the government is talking about, uh, there would be a substantial requirement for the BES storage platform as well. So any thoughts on that?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, no, you're absolutely right. I think the whole industry is very aggressive when it comes to BES, and so are we. We definitely feel that BES solar, that is a good compliment. And we definitely- if we can help store the energy, that is definitely going to make the future brighter. So we are evaluating this opportunity. We don't have any firm plans yet to share, but, uh, definitely once we have some clarity on plans to enter this, we will be sharing the same with investors. But as of now, I don't have any concrete plans to share.

Virendra Verma - Analyst, Implania Services
Okay, just one follow-up question on that. From these new initiatives that we're planning on EPC and the others, what kind of a revenue are we expecting from it? And from when do you think that these revenues would start accruing?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Right, so I think, you know, it's very, uh, preliminary right now, and it's premature to be commenting on projected revenues. So the idea, as I mentioned earlier, was that, you know, we want to become like a one-stop solution for energy solution provider, right? Like we want to become an energy solution provider wherein we capture the whole chain from the silicon, we make the wafer, then we make the cell, we make the module, and we are able to consequently- install and commission the modules to be able to generate power.

So that is our vision, that we want to be a part of the entire value chain. So definitely verticals like EPC and power development are new for us right now. The board has given us a go-ahead to explore these opportunities because they also feel that, you know, this is where the industry is heading now. Because, uh, you know, like, if you have access to the whole value chain, then you can cater to the customer directly. So we are making an effort to explore these fields proactively, and only as time progresses will we be able to share more details with respect to how our efforts are evolving.

Virendra Verma - Analyst, Implania Services
Thanks a lot. Thanks a lot.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Thank

Operator
You. The next question is from the line of Mr. Gaurav Singh from Aditya Birla. We'll move on to the next question. The next question is from the line of Mr. Rahul from Hemani Financial Services. Please go ahead.

Rahul Hemani - Analyst, Hemani Financial Services
Hi, good afternoon to all. My question is, does the management look at warrants as an option? Do you want to take warrants as of now, maybe in the coming 2 months, 3 months?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, uh, I think, uh, if you see your current balance sheet strength, and we are confident that we will be able to fund our expansion on the basis of the internal approvals and the current financial position we have. So we have not decided to raise any equity as of now. Obviously, in case we require any equity, then we will So as of now, we have not decided to take any warrants or something. So if we decide anything, we will inform the market as per the, as per the SEBI regulations.

Rahul Hemani - Analyst, Hemani Financial Services
Okay, and I think if I'm not wrong, uh, maybe 6 months ago the first CAPEX requirements were around Rs 1,700 crores, which is now, uh, Rs 1,300 crores if I'm not wrong, right?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Yeah, so we are projecting, uh, this CapEx to be around Rs 1,350 crore as of now.

Rahul Hemani - Analyst, Hemani Financial Services
And, and how much of that will be from internal accruals?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, so, uh, we are, uh, projecting, uh, roughly, uh, Rs 400 to Rs 500 crore from internal accruals, and rest will be raised in form of debt.

Rahul Hemani - Analyst, Hemani Financial Services
All right, thank you.

Operator
Thank you. The next question is from the line of Mr. Geetharth Tandon from Green Portfolio Private Limited. Please go ahead.

Virendra Verma - Analyst, Implania Services
Thank you for the opportunity. Actually, I wanted to know one part, that out of the 54.2-acre land allotment to you, 4 gigawatts will be used for cell expansion, right? So afterwards, how much land bank would be available?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Uh, sorry, your voice was a bit, um, feeble. Can you please repeat your question?

Virendra Verma - Analyst, Implania Services
What I was trying to say was that out of the 54.2-acre land bank which you are using for 4-acre expansion of solar part, so out of that, how much acre of land bank will be available, and will that be used for the Baker and Indore as well, or You are planning to get wafer and inlet somewhere else?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, so basically wafer and inverter will be put at a different facility. The 54.2-acre land is just for the integrated Topcon facility.

Virendra Verma - Analyst, Implania Services
Okay, got it. And for wafer and inlet part, how much CapEx are we planning to do? Because, uh, I think 1, 1.5 years would be used for the plant setup, and you are targeting it by the mid of 2024.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, so, uh, we are still evaluating, uh, exactly how much CapEx will be required, and we are in advanced stage. So I think, uh, by next quarter we will be able to confirm how much the CapEx will be required.

Virendra Verma - Analyst, Implania Services
Okay, so during that point of time you will be planning to add some part of equity, equity infusion, because I think As per my calculation and analysis, internal accruals would not be sufficient to fund that expansion. Am I right in this, or is there any change?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So if you see your September results, we are, we are a debt-free company with a net worth of Rs 780 crores, and we believe that the cash accrual will be healthy in the coming future. So regarding What will be the- we will evaluate how much equity and debt position will be after considering the vapor project. And in case any, uh, requirement arises, we will definitely look into the other revenues, how to raise the funds for the vapor thing. But as of now, we believe that, uh, we can do the expansion with our internal approvals and the current, current, uh, funds we are having in the company.

Virendra Verma - Analyst, Implania Services
So it's reported. Thank you.

Operator
Thank you. A reminder to all the participants, if you wish to ask a question, you may press star and 1 on your touchtone phone. The next question is from the line of Ms. Jasmine Surana from VT Capital. Please go ahead, ma'am.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Hi, I also wanted your outlook on the margins, please. EBITDA margins.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So, uh, ma'am, if you see my EBITDA margin, EBITDA margin, we have maintained consistent EBITDA margins and our EBITDA margins are- if you see our half-yearly basis, our EBITDA margin is

35%. And we believe, as we have also informed over the earlier We expect, uh, EBITDA margin to stabilize in the range of 30% in this financial year. But considering the new CapEx is coming on, we do believe, uh, some moderation will be there in the EBITDA margins.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Okay, great. And by FY28-29, do we expect a ramp-up there?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Ma'am, uh, it's very difficult to comment on what will be the margin on FY28-29 because there are, uh, Many external forces are working on this. It depends on how much will be the capacity and how much will be the demand in FY28-29. But we still believe this is a high-tech industry and this industry will continue to, uh, generate a decent set of EBITDA margins.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
But to comment on

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
The exact number of margins is very difficult.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
No problem, I understand. Thank you so much. Happy Diwali.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Thank you.

Operator
The next question is from the line of Mr. Gaurav Singh from Aditya Birla. Please go ahead.

Gaurav Singh - Analyst, Aditya Birla
Hello, am I audible?

Operator
Yes, sir, please go ahead.

Gaurav Singh - Analyst, Aditya Birla
Uh, so my question is with reference to technology. As we have seen that in last month, China has came out with the proposal that they will be restricting transfer of TOPCon and other relevant technology, uh, to the world where they are exporting. So my question is, uh, the line which we are renting up and the line, uh, and the 4 gigawatt, uh, which we are planning in future, so are we going to use the technology which China is supplying Because in our, uh, in your website it is mentioned that we use the Chinese technology.

So will there be any impact of this action of China on our production or our future plan? Because technology plays a very important role, uh, it could lead to hampering the future plan as well. So I just wanted to know the clarity on this.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, good afternoon. So actually, um, China has put an embargo on certain equipment which are, uh, you know, mainly furnaces. So we have already suppliers outside China also for providing the same. So we are, you know, so we are not constrained by the Chinese restrictions. There are certain

other instruments, equipment that we get from China, they are not in that list. So overall, we are quite safe as far as Our, uh, because, you know, we have not placed order as a turnkey line to any Chinese company.

So from that angle, we are quite safe. So we don't have any issue.

Gaurav Singh - Analyst, Aditya Birla
So with reference to the timeline which we are modernizing, uh, this, uh, are we going outside China

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Only? So German company, so we don't have any problem.

Gaurav Singh - Analyst, Aditya Birla
And for the 4 gigawatts which we are planning, that would be also outside China Thank you very much, Madam, for clarity.

Operator
Thank you. A reminder to all the participants, if you wish to ask a question, you may press star and 1 on your touchtone phone. The next question is from the line of Mr. Chetan Purohit, an individual investor. Please go ahead.

Chetan Purohit - Analyst, Individual investor
Good afternoon everyone. [Foreign Speech] on the basis of the future prediction [Foreign Speech] All of us [Foreign Speech] questions majority questions covered [Foreign Speech] March twenty seven December twenty seven [Foreign Speech]

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Uh, yeah, so December '27 is what we are targeting, that we will start our- I mean, by December '27 rather. So we will start our first 2 gigawatt TOPCON integrated facility. That is the plan.

Chetan Purohit - Analyst, Individual investor
Okay, thank you very much. Thank you.

Operator
Thank you. The next question is from the line of Mr. Amit Mishra. An individual investor, please go ahead.

Amit Mishra - Analyst, Individual investor
Hi, good afternoon everyone. Uh, thank you for the opportunity. Um, so, uh, I have, uh, one question related to the TOC 1 upgrade. Uh, can you please confirm that if the machinery has already arrived and, uh, or we are still in procurement phase? And the related, uh, you know, the, the price per megawatt increase because we go from 600 megawatt to 750 megawatt, uh, TOPCON. So between monopack and TOPCON, the efficiency increase is almost 7%, uh, so the price would be proportional as well, or is there additional part of it because of the durability, size, etc.?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, so basically with respect to the question on the equipment arrival, so we've already finalized the equipment list for the top 1 upgrade. The advances have been paid and the equipments have been accordingly ordered. Most of these equipments have been shipped and are on the way to reach our facility. Currently activity at plant that is ongoing is the completion of the civil work and

readiness of the utility facility and to kind of welcome these equipments on the floor. So I think we are on track.

We had announced that we will commercialize by March 2027, which is the last quarter of the current financial year, and our plan still holds good with respect to the same. And I'll give the line to Amit for the realization. Yeah.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
So Amit, you are correct. Price realization in, uh, TOFCON is higher in, uh, in compared to the monopole. But to comment on how much it will be higher, it will be very difficult to comment on. But as of now, we are hearing there is a gap in price of monopole cells and TOFCON cells. It can be around 1 cent.

Amit Mishra - Analyst, Individual investor
Right, understood. Um, going back on the larger CAPEX Uh, greenfield. Um, we, we just made the payment for IREDA around 110, then the land payment 28, and then we are of course buying machines for top-con line, uh, for this brownfield expansion. So, uh, I just want to understand, out of 1,300 crore that we are putting for this first phase, 2 gigawatts, Um, internal accrual, okay, our equity part with the debt, we can- we do. So just want to understand, we, we are okay, means in when we are going to put the machine reorder.

I think last time when we talked it was December, and that was the timeline given for machine reorders. So we are in November. Um, so, uh, when we say that we are comfortable funding this by internal accrual and debt. We haven't had the details on that so far. Uh, have we finalized, uh, debt already, or what's, what's the status?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, so you're right, the upcoming greenfield expansion is going to be approximately Rs 1,350 crores, and the top 1 upgrade which we are currently doing at current Fanta plant is around Rs 270 crores. So just to give some further clarity on this, with respect to the Topcon upgrade, as per our estimation, we are very, uh, well prepared to fund the same from our internal accruals. In fact, the project, as you know, is already ongoing. The equipments are to arrive, so we have already made maximum payments for this project.

However, we will be raising debt for the greenfield OpCon project. And for the current upgradation, though we are well prepared to fund the same, we may take on some leverage for which we are already in discussion since we do have an appetite to service some debt as of now. Like, as you correctly mentioned, we've repaid Irida, so we do have some appetite to take on some leverage even for the current project. Project, but we don't foresee any delay in timeline on account of funding because we are well prepared to complete this project without any debt also.

Amit Mishra - Analyst, Individual investor
Right. And, and the construction has started for the greenfield?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
So for the greenfield, as I mentioned, we are currently doing the land development exercise. The construction is expected to commence, uh, for, uh, end of this financial year, as in by January January next year. Yeah, so we'll be going for a PEB, so that technically will happen at the vendor side. So at our facility, we will be doing the land development and the civil work, which will- land

development has commenced, civil will commence sometime in January next year.

Amit Mishra - Analyst, Individual investor
Right. And just if I can squeeze one more on the EPC, IPP, and, uh, I'm sorry, you'll have

Operator
To rewind the queue.

Amit Mishra - Analyst, Individual investor
Okay, sure, no problem. Thank you.

Operator
Thank you so much. The next question is from the line of Mr. Sushil Chokshi from Indus Equity Advisors. Please go ahead.

Sushil Choksy - Analyst, Indus Equity Advisors
Congratulations to the excellent performance. Going back to the cell business Which is a predominant forte. So, Anilaji, if you can upgrade that- there is a lot of noise that there is too much of capacity coming up, but the cell-to-module capacity still seems to be a constraint for next 2-3 years with new government rules, regulation, ALM, and things like that. And based on the forecast of demand between Suryagarh and, uh, other schemes which government is rolling out and other schemes How do you see the supply mismatch between cell and module, and how WebSol benefits by accelerating compared to what you are giving in commentary for the expansion?

That's my question number one.

Sohan Lal Agarwal - Executive Director & Managing Director, Websol Energy System Ltd
Yes, so sir,

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
As you correctly pointed out that the cell and the module gap gap is quite immense as on date. And the fact that the deadline for ALMM List 2 implementation has been extended indicates that that necessary cell capacity is still not there in India. So as primary cell manufacturers, we see this as an opportunity definitely because we are cell-focused and all the modules that we make are DCR and ALMM compliant. So definitely we are at the benefiting end of this. And with respect to how the situation will evolve in the next 2-3 years, I think it's going to be a factor of how many cell capacities come on the ground.

So definitely we've heard very ambitious announcements, but the amount of capacity addition which we mentioned during our opening was approximately 20 gigawatts in the first 6 months of the year. So definitely the additions have been lesser than expected. So it depends now how quickly these capacities are able to come up to bridge that gap between cell and module.

Sushil Choksy - Analyst, Indus Equity Advisors
My second question is to Vasanthi ma'am. The Topcon enhancements or enhancement capacity of monofac from the current capacity with increment 20% Is this machinery being ordered keeping in, in line with our 2 gigawatt expansion learning curve experience, uh, interface with the technology vendor supply chain, whereby that we should be able to accelerate the next 2 gigawatt and the following 2 gigawatt? Or both the business, uh, the machinery manufacturer and technology may have a little difference between the Germans and the Chinese or the any other supplier?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Yeah, no. So more or less, you know, this expansion that- sorry, conversion that we are doing, that will be the learning curve for us. And the 2 gigawatt would be more of an extension to this expansion, the conversion that we are doing. So whatever we learn from through the conversion, that will be used, utilized fully for the 2 gigawatt expansion. Regarding- so that is about how we learn. What else did you ask? Sorry, if I can-

Sushil Choksy - Analyst, Indus Equity Advisors
Hello? Yeah, ma'am. And basically, this will be a learning curve for the 2 gigawatt entire operation which we are planning. I understand that. Can you accelerate like the previous plant which we enhanced at a faster pace of implementation and capacity? Yeah, 2

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Gigawatts that we will have the expansion, it will be at a much faster rate. And because the good thing is the new 2 plants are going to be nearby, so we will have the opportunity of training our people for the 2 gigawatts in this line itself and then take moving them there. So yeah, so that will be a big advantage.

Sushil Choksy - Analyst, Indus Equity Advisors
Is Centrocom an aggregator here too?

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Uh, yeah, mostly we are thinking like that only. The

Sushil Choksy - Analyst, Indus Equity Advisors
Second, uh, request is, uh, a worst-case scenario. Do you estimate 50-50 for the 2 gigawatt between equity and debt, or the number would be looking a little different hearing our previous quarter's con call?

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Means 50-50 means

Sushil Choksy - Analyst, Indus Equity Advisors
50 equity, 50% debt.

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
For this, uh, 1350

Sushil Choksy - Analyst, Indus Equity Advisors
Crore. Yeah, so we

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Are, we are targeting as of now is the, uh, around 30% equity, 70% debt.

Sushil Choksy - Analyst, Indus Equity Advisors
But if you are not counting your second half next year's cash flow in the expansion plan for the first 9 months

Amrit Daga - Chief Financial Officer, Websol Energy System Ltd
Sir, that is that flexibility we are having. In case we, we will be having more fund, we will utilize that

as debt. So that is an obvious thing, but we are, uh, we, we are planning to take a debt as per 30-70 ratio and we will utilize as per the requirements.

Sushil Choksy - Analyst, Indus Equity Advisors
No, application- I am looking for more of your confidence. Is it possible based on the current price scenario and the cash flow Can it be achieved on 50-50? You may get a sanction for 100% finance, that is a different matter. I am not suspecting. Yeah, is it possible to feasible based on current metrics at 50-50? That's all I'm asking.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
I think where we are coming from is that we are, uh, we have a 70-30 ratio which we are going for. Reason for that is that definitely the project could be executed at 50-50. But we want to take a 70-30 sanction from a perspective that we see further CapEx coming our way. We have another 2 gigawatts to execute ahead of the first 2 gigawatts. We have wafer invert also coming up. And given that currently we have no leverage on our books, I think it would be prudent to potentially raise some substantial debt at this stage to be able to cushion for the upcoming CapEx.

Sushil Choksy - Analyst, Indus Equity Advisors
Basically, you're keeping enough cash flow to accelerate the next 2 gigawatts and any other value addition for backward yielding.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Absolutely, absolutely. We would want to keep that level of capital in our hand. Yeah.

Sushil Choksy - Analyst, Indus Equity Advisors
Happy Diwali to all at Websol and good luck.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Thank you.

Operator
Thank you, ladies and gentlemen. Due to time constraints, I now hand the conference over to the management for closing comments.

Sanjana Khaitan - Executive Director, Websol Energy System Ltd
Okay, thank you so much everyone for your questions and wishing everyone a very happy Diwali.

Operator
Thank you, ma'am. On behalf of TwoWiz Consultants, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.