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November 19, 2026

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Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: 544418

Name of Scrip: OSWALPUMPS

Sub: Transcript of the Earnings Conference Call for Q2 FY 2027 held on November 13, 2026

Dear Sir/ Madam,

Please find enclosed the transcript of Earnings Conference Call conducted by the Company for Q2 FY 2027 on Friday, November 13, 2026.

This is for your information and records.

Thanking you,

Yours faithfully

For **Oswal Pumps Limited**

Anish Kumar

Digitally signed by Anish Kumar
Date: 2026.11.19 16:40:11 +05'30'

Anish Kumar
Company Secretary and Compliance Officer

Encl: As above

"Oswal Pumps Limited

Q2 FY27 Earnings Conference Call"

November 13, 2026

MANAGEMENT: **MR. VIVEK GUPTA – CHAIRMAN AND MANAGING DIRECTOR – OSWAL PUMPS LIMITED**
MR. AMULYA GUPTA – WHOLE-TIME DIRECTOR – OSWAL PUMPS LIMITED
MR. AVADHESH K. SINGH – GROUP CHIEF OPERATING OFFICER – OSWAL PUMPS LIMITED
MR. VIJAY KUMAR YADAV – CHIEF FINANCIAL OFFICER – OSWAL PUMPS LIMITED
MR. SANJEEV SANCHETI – HEAD – UIRTUS ADVISORS LLP – INVESTOR RELATIONS ADVISORS – OSWAL PUMPS LIMITED

MODERATOR: **MR. ANIKET JAIN – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Oswal Pumps Limited Q2 FY27 Earnings Conference Call hosted by Anand Rathi Share and Stock Brokers Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniket Jain. Thank you, and over to you, sir.

Aniket Jain: Thank you. Good afternoon, everyone. On behalf of Anand Rathi, I welcome everyone to the Oswal Pumps Limited Q2 FY27 Earnings Call. We are pleased to have with us the senior management team of Oswal Pumps led by Mr. Vivek Gupta, Chairman and Managing Director, Mr. Amulya Gupta, Whole-Time Director, Mr. Avadhesh K. Singh, Group's Chief Operating Officer, and Mr. Vijay Kumar Yadav, Chief Financial Officer. We also have with us Mr. Sanjeev Sancheti, Head of Uirtus Advisors and Investor Relations Advisors to Oswal Pumps.

Without further delay, I would now like to hand over the call to Mr. Sanjeev Sancheti. Over to you, sir.

Sanjeev Sancheti: Yes. Hi. Thank you, Aniket, and good afternoon to everybody. Before we begin the call, I would like to draw your attention to the Safe Harbor statement included in the earnings presentation, which may -- which contains forward-looking statements and is also available on the BSE and NSE websites.

I would request you to go through that, before the Q&A session starts, if you have already not gone through it. With that, I would now hand over the call to Mr. Vivek Gupta for his opening remark. Over to you, Vivek ji.

Vivek Gupta: Thank you, Sanjeev ji, and very good afternoon, everyone. On behalf of Oswal Pumps Limited, I warmly welcome all of you to our Q2 and H1 FY27 earning call, and thank you for taking the time to join us today. Q2 FY27 was a quarter of sequential growth for us. Revenue from operations increased by 6.9% quarter-on-quarter to INR506.3 crores. Operating EBITDA stood at INR57.5 crores, translating into a margin of 11.3%, while PAT stood at INR39.6 crores with a margin of 7.7%.

Operating EBITDA margin reduced by 437 basis points quarter-on-quarter, primarily due to higher raw material cost and increased operating expenses. Higher raw material costs accounting for approximately 210 basis points of the decline, driven by an increase in aluminium frame, glass, and copper price, as well as higher zinc and steel cost of the company’s subsidiary Walso Solar Solutions Private Limited, particularly in relation to orders secured at earlier input cost levels.

The remaining 227 basis points were attributable to higher employee costs associated with strengthening the company's workforce to support the scale-up of its solar EPC business, increased project-related operating expenses, and higher debtors provisioning resulting from the

applicable accounting standard. Consequently, PAT margin declined by 343 basis points quarter-on-quarter to 7.7%, largely reflecting the decline in operating profitability.

Some of these costs increasing are transient in nature, and we expect these to normalize in the medium to short term. The company solar pump order book currently stands at 9,487 pumps. Supported by a near-term pipeline of approximately 10,000 pumps across direct PM-KUSUM, Magel Tyala, indirect PM-KUSUM, and export opportunities. Against the backdrop of delays in the rollout of PM-KUSUM 2.0, we are actively diversifying beyond our core government-led solar irrigation business into rooftop solar utility, scale solar, and commercial and industrial solar EPC.

Our combined order book across these solar EPC segments stands at approximately 143 megawatt, with a further pipeline of 168 megawatt. We believe these initiatives will broaden our addressable markets, strengthen our revenue base, and create additional avenues for long-term growth. I would now like to spend a few minutes on an important strategic decision taken during the quarter, which is our plan to set up a solar cell manufacturing facility and to relocate a part of our unutilized IPO proceeds towards it as part of our continued focus on strengthening backward integration and building a fully integrated solar manufacturing ecosystem.

We have proposed setting up a 1.2 gigawatt TOPCon solar cell manufacturing facility through our wholly owned subsidiary Oswal Solar Energy Private Limited at Karnal. The project, a total estimated investment of INR455.85 crores, of which INR159.85 crores is proposed to be funded through a reallocation of unutilized IPO proceeds. With the balance of INR296 crores through term debt, for which we have already received in principal section.

The proposed variation in IPO objects is subject to shareholders' approval, and commercial operations are expected to commence in April’28. The rationale behind the investment is driven by the growing importance of securing a reliable and cost-competitive supply of domestically manufactured solar cells. With increasing demand of DCR solar module under government-backed programs such as PM-KUSUM and PM Surya Ghar, the availability and pricing of domestic solar cell have become critical factors for manufacturers.

Currently, solar cell availability remains constrained while dependence on external supplies exposes manufacturers to pricing volatility, higher procurement cost, and restrictive commercial terms. By establishing our own solar cell manufacturing capabilities, we aim to address these challenges and gain greater control over it -- over this critical component of our supply chain. Importantly, the proposed investment also reflects a strategic reprioritization of our capital expenditure plans.

We currently have an existing solar module facility, capacity of approximate -- approximately 570 megawatt, with an additional 1,000 megawatt capacity under implementation. Together, these capacities are expected to adequately support our near-term module requirements, allowing us to defer the balance 500 megawatt of the originally planned module expansion. Similarly, of the originally proposed 1,500 megawatt EVA encapsulated -- encapsulant manufacturing

capacity, we are proceeding with 1,200 megawatt, which is expected to largely meet our internal requirement, while the remaining 300 megawatt will not be pursued under the revised plan.

We have also proposed reallocating the investment originally earmarked for the aluminium frame manufacturing facilities, as these components can be sourced externally. These approaches -- this approach enables us to prioritize capital allocation towards solar cell manufacturing, where backward integration offer greater strategic value and potential financial benefits.

Once operational, the proposed solar cell facility is expected to meet approximately 75% of our overall solar cell requirement, significantly reducing our dependence on external suppliers and strengthening supply chain reliability. Beyond ensuring great availability of DCR-compliant cells, this integration is expected to improve cost competitiveness enhance quality control, and provide greater flexibility in executing large-scale orders.

Over the medium to long term, we believe this investment will strengthen our competitive position in the government-backed solar programs, support the continued growth of our solar business, and contribute positively to our consolidated profitability and margin profile. Looking ahead, our priorities are clear: discipline execution of the existing order book, restoring operating margins through cost optimization and operational efficiencies, and scaling our presence across a more diversified solar solution portfolio.

Alongside this, we remain committed to strengthening backward integration and building a resilient platform for sustainable growth and long-term stakeholders' value. With that, I will now hand over the call to our CFO, Mr. Vijay Kumar Yadav, who will take you through financial performance in greater detail. Over to Vijay ji. Yes.

Vijay Yadav: Thank you Vivek sir, and good afternoon, everyone. I will now take you through the key financial highlights for Q2 and H1 FY27. I trust you have had the opportunity to review our earning presentation and financial disclosure. As Mr. Gupta has already discussed our quarterly financial performance and key business developments, I will focus on the company's balance sheet, financial position, working capital management.

As of 30th September '26, our net debt stood at INR531 crores, translating into net debt-to-equity ratio of 0.30 times and net debt-to-operating EBITDA ratio of 2.02 times on an annualized basis. Turning to our working capital position, the cash conversion cycle stood at 257 days as of 30th September '26, as compared with 244 days as of June 30th, '26. While receivable days remaining stable at 229 days, inventory days increased from 43 days to 56 days, resulting in a moderate increase in overall working capital cycle.

I would like to highlight that our receivables are entirely from government and government-backed counterparties, providing a strong visibility and assurance regarding their recoverability. On a collection front, I am pleased to share that we received approx. INR208 crores against our outstanding receivable in early October '26. This represents a positive development in our working capital cycle, and we expect collection to improve progressively, supporting a gradual

reduction in working capital requirements and associated finance costs. With that, we would now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pranshu Bansal, an Individual Investor. Please go ahead.

Pranshu Bansal: Good afternoon, sir. Thank you, sir. For giving me this -- hello?

Vivek Gupta: Hello. Good afternoon, Pranshu ji.

Pranshu Bansal: Sir, thank you, sir, for giving me this opportunity. So, sir, my first question is, sir, you have mentioned about the competitive pricing around Magel Tyala project and input cost increase. So how we can look forward in terms of sustainable EBITDA margin and PAT margin as this pricing pressure can also come in PM-KUSUM 2.0 whenever it will be launched.

Vivek Gupta: Okay.

Pranshu Bansal: So this is my first question.

Vivek Gupta: Right. Pranshu ji, basically, PM KUSUM 2.0 is nearly expected to launch at any time. As for the Magel Tyala scheme, it is coming to an end. Regarding the new features added by the government in PM KUSUM 2.0, the best part is that the government has made this program highly innovative and modified. The products we have developed for this are currently manufactured by only two or three players in India.

So the entire industry and even the government believe that the prices seen in Magel Tyala biddings will be much better due to innovation, as these advanced products are limited to a few suppliers, commanding higher costs and better margins. Furthermore, since we supply pumps to other bidders and participants in the market, we will provide them with reasonable pricing so they cannot underbid in the market. So definitely, after the launch of PM KUSUM 2.0, our margins and bidding will come with better prices and better margins.

Secondly, the market was previously very volatile and unstable due to geopolitical factors, which we now feel is moving toward stability. Therefore, the margins that were sacrificed or impacted due to rising raw material costs are expected to be recovered gradually in the coming quarters. Third, we also expect some margin expansion from value engineering and other ongoing efforts by the company, such as setting up our solar cell plant to further increase our margins in the future. Thank you, Pranshu ji.

Pranshu Bansal: Sir, my -- so sir, basically, when we can expect this PM-KUSUM 2.0 to get launched?

Vivek Gupta: Okay. Look, our Central Minister Pralhad Joshi ji has publicly stated twice that they can launch it at any time. Secondly, the government is expecting very big results from PM KUSUM 2.0, so they do not want to leave any room for deviation or deficiency in the launch. Therefore, they have implemented all necessary requirements for unique products to ensure maximum benefit reaches farmers at a high level.

Due to minor corrections, the file has experienced slight delays. However, based on the assurances given to the entire industry and us during our meetings with the ministry, we expect it to roll out within this calendar year without delay. Thank you, Pranshu ji.

Pranshu Bansal: Can we expect this coming during the budget period in February?

Vivek Gupta: Sir, we are expecting it within this calendar year -- meaning by December, the entire industry expects it to be launched.

Pranshu Bansal: So sir, my second question is, sir, in the Q1 FY27 conference call, you mentioned that you would grow by 10% to 15% in Q2 FY27 compared to the same quarter of the previous year. So what has really changed during these 2 months that we were not able to achieve our targets?

Vivek Gupta: Pranshu ji, the biggest factor is that earlier the company's total dependence was solely on Magel Tyala, and the company is continuously making efforts to diversify into rooftop and other EPC businesses. While we have collected good orders in some areas -- such as securing a large order from Rajasthan, as well as orders from Andhra Pradesh and Telangana -- execution speeds for orders from new states take time because it is new for us.

We do not want to make mistakes in rushing to achieve revenue that would force us to backtrack or face delays in payment collection, so we are proceeding with caution. The revenue and visibility we showed earlier are already in our order book, and the only difference is that execution is pushed forward slightly into the future. Otherwise, there are no concerns regarding visibility.

Pranshu Bansal: Okay. So sir, we are expecting a 20%, 25% growth…

Moderator: Sorry to interrupt, Mr. Bansal.

Pranshu Bansal: Okay.

Moderator: I request you to join back the queue for more follow-up questions.

Pranshu Bansal: Okay, ma'am.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, in order to ensure that the management is able to address questions from all the participants in the conference, please limit your questions to two per participant. The next question is from the line of Karan Kamdar from Choice Institutional Equities Limited. Please go ahead.

Vivek Gupta: Hello, Karan ji?

Moderator: Mr. Kamdar sir?

Karan Kamdar: Hello. Good afternoon. I am audible now? Sorry about that.

Vivek Gupta: Yes.

Moderator: Yes sir, please…

Karan Kamdar: Yes. Sir, so what I wanted to know is, what we are expecting in terms of revenue from the solar cell, and this sudden shift in strategy, how well are you prepared for starting a new factory, and how do you expect to meet the timeline?

Vivek Gupta: Sir, firstly, we will not receive direct top-line revenue benefit from the solar cell plant because it is for our own internal consumption. We will consume approximately 75% to 80% of our module capacity requirements in-house.

Secondly, its direct impact will be on our bottom line. Today, if you look at solar cell prices and availability concerns in India, every solar cell manufacturer dictates terms for supply and charges very high prices. Based on the agreements we have entered into with solar cell suppliers for future prices after a year, we expect our bottom line and EBITDA margins to improve significantly, which excites us greatly.

Karan Kamdar: Got it, sir. Sir, what sort of EBITDA margin expansion are we forecasting, and what is the total capex? So, I think INR450 crores, right?

Vivek Gupta: The total capex is INR455 crores. Yes.

Karan Kamdar: Okay. And what sort of appreciation are we expecting in EBITDA margin, if you can quantify from maybe, let's say, current levels or a normalized level?

Vivek Gupta: Okay. Looking at the market today, we expect to manufacture approximately INR800 crores to INR900 crores worth of solar cells internally, which will supply our internal requirements without generating standalone top-line revenue. Based on that, we expect an EBITDA improvement of 6% to 7% on our overall sales from solar cells, based on the agreements secured with suppliers for 1 year out.

Should supply increase significantly over the next year, there might be a slight softening in EBITDA margin, but Oswal will secure an absolute margin improvement because it directly hits our bottom line. Setting up the solar cell plant puts us in an immediate win-win position. Yes.

Karan Kamdar: Got it, sir. Yes. Sir, now coming to KUSUM 2.0, when can we expect revenues, let's say, to flow in, assuming it launches around the end of December?

Vivek Gupta: Okay. So, see -- Yes. Sorry, please continue.

Karan Kamdar: So, I was just trying to understand, by when should we expect revenue to flow in, and new orders to start executing and to show up on the bids?

Vivek Gupta: Sir, the information coming to us from active connections across departments is that the government is working on two fronts: obtaining PMO office approval, which we can expect at any time, and simultaneously empowering tendering authorities. Our internal information indicates that the government has already hired tendering agencies and preparations have started so that launch delays do not waste further time.

Immediately after launching the scheme, within a month, departments will call pre-bid meetings and launch the tendering system. So I think, definitely, we cannot expect within this year, this scheme, but we are expecting first quarter of next financial year implementation will ramp up significantly, everyone expects the official launch to occur maximum within this calendar year based on strong current inputs.

Karan Kamdar: Got it, sir. Thank you and all the best. Thank you.

Vivek Gupta: Thank you.

Moderator: Thank you. The next question is from the line of Sanyam Dhoka from Front Wave Research Limited. Please go ahead.

Sanyam Dhoka: As rooftop and solar projects are clearly becoming a larger part of our business, so I just wanted to ask, at full scale, what will be the EBITDA margin and payments cycle we expect from this business compared to our scheme pump business?

Vivek Gupta: Can you repeat this question, please?

Sanyam Dhoka: I was mentioning, as rooftop and solar projects are clearly becoming a larger part of our business as PM-KUSUM is getting delayed, at full scale on this business side, what is the EBITDA margin and the payment cycle for the receivables and stuff are we expecting as compared to the scheme of pumps?

Vivek Gupta: Okay. Sir, up to this point, the company built its expertise in PM-KUSUM pumping systems. Starting this year, we have diversified into rooftop solar across various states. For example, in Bihar, which we expect to be a major business center in the near future, the margins are structured on a long-term basis combining RESCO and capex models. Initially, we will not see profitability in the first year from Bihar, but profitability will flow over the remaining 5 years.

In contrast, for the Telangana project, we expect an EBITDA margin around 13% to 15%. For our upcoming orders from Rajasthan, we expect EBITDA margins of 10% to 13%, subject to final execution and visibility once supplies begin. Our primary focus right now is gaining experience and building expertise in this new line rather than maximizing EBITDA margins in year one.

Regarding receivables for rooftop solar schemes, based on past tenders and industry experience, we expect a payment cycle of 90 to 120 days.

Sanyam Dhoka: Yes. Okay. Got it, sir. And sir, at the start of the call, it was mentioned we received INR208 crores at the start of October. So, how much of it was from the Maharashtra Government, and are we using that money that we received to repay your short-term loan that we took on? Also for the Q3 and Q4 of FY27, how are we looking at the collections coming in?

Vivek Gupta: Okay. So this INR208 crores entire amount we received from the Maharashtra Government, number one.

Sanyam Dhoka: Okay.

Vivek Gupta: And the second -- Yes, within this quarter also, we are expecting very good amount of next payment from Maharashtra government, as well as from Haryana and Karnataka. And definitely, we are very well connected with Maharashtra. And they are also assuring that within this quarter, we will get a reasonable amount of payment. But definitely, next quarter, you will be happy. Entire industry will be happy to get all these receivable payments.

I think, so before launching or before continuation of PM-KUSUM 2.0, government will definitely clear the payments of the previous schemes very quickly and actively.

Sanyam Dhoka: They will clear it? Yes.

Vivek Gupta: Yes. Because till now, there is no indication from the government or we do not have any such input that there is any special reason for the payment delay. So, the states are following up on their own, with all their resources and sources, so that the vendors get the payment as soon as possible, because they are expecting the next scheme in a very big way. So, it will be possible only when the vendors are happy. So, I think…

Sanyam Dhoka: Definitely.

Vivek Gupta: There is a delay, but there is no such disconnect, there is no such concern in which there is any seriousness. Yes.

Sanyam Dhoka: Okay. So sir, in this delay, whatever receivables are there [inaudible 00:30:06], if you have any idea on it?

Vivek Gupta: Pardon, sir?

Sanyam Dhoka: Receivable amount, which we have like of INR1,300 odd crores.

Vivek Gupta: Right.

Sanyam Dhoka: [Inaudible 00:30:20] 120-day overdue, beyond 180-day overdue?

Vivek Gupta: I think so. Based on our discussions with departments, we expect that by the end of the fourth quarter, our debtor days, currently running at 225 to 226 days, will improve to around 150 to 160 days.

Sanyam Dhoka: [Inaudible 00:30:53] receivable days. That will really help…

Vivek Gupta: Yes. [Inaudible 00:30:56]. Absolutely. We are expecting and government is also working very nicely on this.

Sanyam Dhoka: Yes, sir, we received [inaudible 00:31:04] odd crores also, so it's a very positive sign. So, looking forward to getting this in. All right, sir. Thank you.

Vivek Gupta: Absolutely. No, sir, the good days of receivables are about to start. So many positive vibes are coming. We are expecting from everywhere. Yes.

Sanyam Dhoka: Thank you so much for taking my question.

Vivek Gupta: Thank you.

Moderator: Thank you. The next question is from the line of Karan, an Individual Investor. Please go ahead.

Karan: Sir, as you said, In the last two quarters, guidance estimates were not met…

Vivek Gupta: Sir, your voice…

Moderator: Karan sir, could you speak a bit loudly, please?

Vivek Gupta: Your voice is not clear, Karan ji.

Karan: One minute. In the last two quarters, Q1 and Q2, your guidance didn't meet the estimates, that's my question. And why did you give the guidance of 10%, 15% if you couldn't achieve it? This is my question.

Vivek Gupta: Ma'am will you please translate for me, I didn't understand, hello?

Moderator: Actually, the voice is not as clear.

Karan: Okay. One minute.

Vivek Gupta: Actually I also don't understand…

Karan: Am I audible?

Vivek Gupta: Hello?

Karan: My question is, in H1, you didn't meet the estimates of Q1 and Q2, the guidance you gave. So, will the guidance you gave be fulfilled by including H2 or not? If you can't do it, what was the meaning of that guidance? Please tell me the reason for that.

Vivek Gupta: Karan ji, your point is well taken. While Q2 results were softer, we expect to cover this performance in Q3 and Q4. While the shortfall against guidance in Q1 and Q2 may not be fully recovered in Q3 and Q4, the company is expected to deliver sequential improvement in performance during the second half of the year.

Karan: Anyway, the process will be completed?

Vivek Gupta: Yes, sir.

Karan: Thank you.

Vivek Gupta: We are making sincere efforts. And the whole company is working very hard to cover the losses that the company has faced in the future in any way. So that our partners, our stakeholders, the people who have put their trust in us, we are able to meet their expectations. That we are trying our best.

Karan: Okay. One more question from me. When will the cash flow be positive? When will the balance sheet be clean and secure?

Vivek Gupta: Sir, look, we are getting 100% strong visibility that within this financial year, our cash flow is going to be positive. So there, we are getting visibility like the government receivables. And the team is also working very actively on our receivables. We are doing it more actively. And now, there is pressure on every state government to clear old dues before a new scheme. So we are definitely expecting that cash flow will be positive within this financial year.

Karan: Okay. And just solve the problem of receivables. Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Arjun Tambe from Aurrevia Crest Limited. Please go ahead.

Arjun Tambe: Namaskar. So last time when we talked, you said that your vision for 2030 would be around revenue. You said that it would be around INR4,000 crores to INR4,500 crores?

Vivek Gupta: Right, sir.

Arjun Tambe: Right. And there can be some hardship in FY27. So, 10%, 12% revenue growth would be sufficient for us. Correct?

Vivek Gupta: Right.

Arjun Tambe: So, is our guidance of INR4,000 crores to INR4,500 crores still intact?

Vivek Gupta: Absolutely, sir. Look, Mr. Arjun, it is very clear to you that FY27 is a challenging year for us. If we look at it in all aspects, we are very excited for the coming year and we are fully prepared. Because PM Kusum 2 is expected to be launched anytime, number one. And second, we never thought that we would be able to participate so actively in the solar EPC business.

So, we are getting good visibility for that as well. So definitely, the future is very bright for Oswal. We can see that very clearly. And plus, by October, our cell plant will also be active from next year. So again, the company is going to be stronger morally and fundamentally. And to participate in other projects. So, our bottom line will also be strong. And the revenue will also be strong. So definitely, there is no difference in visibility.

Arjun Tambe: Okay, sir. Okay. Thank you so much.

Vivek Gupta: Thank you, Arjun.

Arjun Tambe: And what will be our steady state margins on a normalized basis? 20%-25% on an EBITDA level?

Vivek Gupta: Okay. After the operation of the cell plant, I can tell you one thing. Our margins, 20 and 25, we are expecting 100% in between. We are not expecting below that. But definitely, until our cell plant is not operated, then I cannot give a very clear visibility at this moment that EBITDA

margins will be less. But definitely, I can say that the EBITDA margins in quarter 2 are lowest. That is the lowest. We are not expecting these margins in the future. We are expecting much better than these margins.

Arjun Tambe: And you just said that because of your solar cell, 6%-7% incremental margin change will occur in EBITDA.

Vivek Gupta: Right.

Arjun Tambe: So, in 20-25%, have we incorporated it or not?

Vivek Gupta: The visibility that we just told you about 20%-25%, I just said that after the solar cell comes, I can see this visibility very clearly that our EBITDA margin will come between 20 and 25 on a consolidated level after running of solar cell plant.

Arjun Tambe: Okay. And our FY27-26 non-government revenue is around 15%. Right?

Vivek Gupta: Right. Approximately.

Arjun Tambe: Approximately. So, going forward, how much are we going to increase? Any idea on that?

Vivek Gupta: Definitely, our whole team is actively working and thinking that in FY28, non-government business total business around 25%, maybe 30% and 25% we will achieve somehow. But definitely, we have a target to achieve more than 25%. Our internal team and management have taken this very clear target.

Arjun Tambe: Okay. Thank you so much. All the best.

Vivek Gupta: Yes. Thank you. Thank you very much.

Moderator: Thank you. Next question is from the line of Kunal Bhalgat from Bhalgat Investments. Please go ahead.

Kunal Bhalgat: Hello. Yes, sir. I have two questions. Hello.

Vivek Gupta: Yes, yes. Please, sir.

Kunal Bhalgat: So, the first one is regarding exports. Can you just throw light upon what developments the company has done within the last one year for exports? And some reports suggest that in South Africa, the solar pump market is growing with 20% CAGR. So, is the company tapping into that opportunity?

Vivek Gupta: Okay. Definitely, if we look at it, in the last one year, in the export market, we have not done good work separately. We are working as per the routine. And definitely, till now, we have not focused much on the export of solar pump. But definitely, since some time, our company's team has increased their focus to tap the export market.

So, I think in the coming 3 months-4 months, I will be able to give you some visibility as to what efforts we are making and in the coming time, till when we will be able to take its output and what output we will be able to take. But this thing, I am clearly indicating to you that the company is seriously going to tap the export market of solar pumps very effectively. That, I am assuring you. Yes.

Kunal Bhalgat: Okay. And sir, my second question is regarding cash conversion cycle. What improvement can we look in Kusum 2.0 regarding the cash conversion cycle and how much maximum utilization we are expecting to touch once the Kusum 2.0 orders are in our revenue flow?

Vivek Gupta: From PM Kusum 2.0, the entire industry's expectation is not only from the volume of business, but also that this scheme in a very refined way, as the government has said in different meetings. And the main pain of the entire industry is that the payments are getting late. So, the payments which are the retention money, the major delay, we have given a lot of suggestions about which the government has taken very seriously.

But definitely, as soon as this scheme is launched and the first tender pre-meetings will come, we will get to know what steps have been taken because of which our cash conversion cycle, as we gave them suggestions and they assured, I think our cash conversion cycle should come in 140 days-150 days if all those conditions are met by the government. This is what I think.

Kunal Bhalgat: Okay, sir. Thank you. All the best.

Vivek Gupta: Thanks. Thank you.

Moderator: Thank you. The next question is from the line of Devansh Agarwal from Iconic Asset Managers. Please go ahead.

Devansh Agarwal: Yes. Thank you for the opportunity, sir. Sir, just I have one question. While you have given your commentary on margins, on reasons why margins have seen a drop, but just I wanted to ask again on gross margins. Our gross margins were 38% and I think this quarter we have been 32%-33%. So, apart from raw material price hikes which have caused margins to drop, what have been more other factors due to which our margins have been quite low? Just one question.

Vivek Gupta: Definitely, there are two-three reasons here. One is the major reason for raw material. But second, the company is focusing a lot on diversifying its business. Solar EPC business, rooftop business and other opportunities. So, there the company is doing a lot of quality hiring. And they are also doing some operating expenses so that in the future we get the benefits which we may not get today but it is very important to secure the future.

Third, our subsidiary company, their old commitments which have affected prices and profitability have also been fulfilled by this quarter. So, all these things seem like in the future there will be a lot of control and results will also come. But overall, this was the impact till now.

Devansh Agarwal: Yes. Okay, sir. And just to add up on that, our gross margins say of 32%-33%, sir, do you think that this would be the bottom and margins should either be stable or quarter by quarter we can show margin improvement.

Vivek Gupta: Definitely, as I said that the results of this quarter have come to us. We can see that our whole team has been disappointed. And there is visibility of our team that these margins will improve from quarter to quarter. I think these EBITDA margins that we have taken, we feel that it is the lowest. We are not able to expect below this.

Devansh Agarwal: Okay. Got it, sir. Thank you so much for the opportunity and all the best for the next quarter.

Vivek Gupta: Yes. Thank you. Thank you very much.

Moderator: Thank you. The next question is from the line of Ramesh, an Individual Investor. Please go ahead.

Ramesh: Good evening, sir. FY27 has been a little bad for us from the point of view of profits and turnover. What do you expect the FY27 to end at turnover-wise and profit-wise and what is your vision for FY28? Can we look forward to a much better year in FY28?

Vivek Gupta: Okay. Definitely, FY27 we expected that it will not go very well. But we did not expect that the geopolitical position and other differences will be more. But one thing is very clear. This is the most challenging year in terms of PM KUSUM 2.0, which has been delayed. There have been other factors like our new experience and new team hiring, all these expenses and learning costs we are paying on this. So, regarding FY28 our entire team and ecosystem is very much excited and very much confident in the coming future the business of the company will also increase a lot especially of PM KUSUM 2.0. Second, our experience with PM Surya's Ghar will also increase in the coming time. Third, as I told you that our private sale is between 10%-15% and non-government sale. Again, we are expecting this sale to be between 25%-30%. So, multiple factors are going to happen so that the company in FY28 will reach its original scope of progress. So, there is no doubt that we are very much sure.

Ramesh: Sir, can you quantify what will be the turnover and profit for FY28? Approximate, your vision.

Vivek Gupta: Ramesh ji, at this moment, as soon PM KUSUM 2.0, launches, there are a lot of modifications. We have developed the product and the product is very innovative. So, once we are visible, we will be able to give you clear visibility and indication. So, I think so, by next quarter, a lot of things will be visible so that I can give you very authentic and such visibility in which you can trust that the company will do it with full effort. So, I need some time for this. Definitely, I will take some time to give you the authentic visibility.

Ramesh: Okay, sir. Thank you. And what about FY27? That I think you are clear about it. What will be the end result for this year?

Vivek Gupta: In FY27, definitely, from last year, our revenue will achieve more. There is no doubt about it. We are not going to fall in revenue. Definitely, EBITDA margin has hit the bottom line. So, I

have given you very clear visibility. Otherwise, as it is going on, we will go towards better than quarter 2. I don't see any visibility towards minus.

Ramesh: But sir, can you quantify how much it will be by end of the year?

Vivek Gupta: End of the year -- last year, our revenue was around 2000. So, we are expecting revenue of 15-20%. So, we are meeting more than the visibility. I don't see any issue in revenue. We will go to plus from 2000. There is a slight difference. We will go around 10%-15%. But bottom line, I would like to tell you that today, according to volatility, I can only indicate that the EBITDA margin will not go below quarter 2 in quarter 3 and quarter 4. Improvement will come from this. So, you can calculate the balance of revenue according to that.

Ramesh: Okay. Thank you. Thank you so much.

Vivek Gupta: Thank you, Ramesh ji. Thank you.

Ramesh: We will come back to you in the third quarter.

Vivek Gupta: Yes, absolutely, sir.

Ramesh: Thank you. Thank you so much.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Vivek Gupta: Thank you all of you. As per your trust, the company will make your trust with full sincerity. We will try our best. Thank you for giving me trust. Thank you very much.

Moderator: Thank you. On behalf of Anand Rathi Share and Stock Brokers Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.