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Date: November 04, 2025

To

The Secretary

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400001

Scrip Code: 544238

To

The Manager,

Listing Department

National Stock Exchange of India Limited

Exchange Plaza, C-1, G Block, Bandra-Kurla

Complex, Bandra (East), Mumbai – 400 051

Trading Symbol: PREMIERENE

Sub: Transcript of the conference call on financial results for the quarter and half year ended on September 30, 2025.

Dear Sir/ Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call discussing the financial results for the quarter and half year ended on September 30, 2025. This call took place at 10:00 hours IST on Wednesday, 29th October 2025.

The above information will be made available on the website of the Company.

This is for your information and records.

Thanking you,

Yours truly,

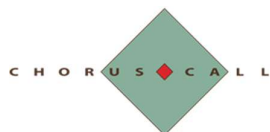
For Premier Energies Limited

Ravella Sreenivasa Rao

Company Secretary & Compliance Officer



“Premier Energies Limited
Q2 and H1 FY26 Earnings Conference Call”
October 29, 2025



MANAGEMENT: **MR. CHIRANJEEV SINGH SALUJA – MANAGING
DIRECTOR – PREMIER ENERGIES LIMITED
MR. SUDHIR REDDY – CHIEF STRATEGY OFFICER AND
DIRECTOR – PREMIER ENERGIES LIMITED
MR. NAND KISHORE KHANDELWAL – GROUP CHIEF
FINANCIAL OFFICER – PREMIER ENERGIES LIMITED
MR. VINAY RUSTAGI – CHIEF BUSINESS OFFICER –
PREMIER ENERGIES LIMITED**

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Premier Energies Limited Q2 and H1 FY26 Earnings Conference Call, hosted by ICICI Securities 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 touch-tone telephone.

Please note that this conference is being recorded. I now hand the conference over to Mohit Kumar from ICICI Securities Limited. Thank you and over to you.

Mohit Kumar: Thank you, Iqra. Good morning. On behalf of ICICI Securities, I welcome you all to the Q2 FY26 earnings call of Premier Energies. Today, we have with us from the management, Mr. Chiranjeev Singh Saluja, Managing Director, Mr. Nand Kishore Khandelwal, Chief Financial Officer, and Mr. Vinay Rustagi, Chief Business Officer. We'll begin with the opening remarks from the management, which will be followed by Q&A. Thank you and over to you, sir.

Chiranjeev Saluja: Thank you, Mohit. I'm audible to you?

Mohit Kumar: Yes, sir.

Chiranjeev Saluja: All right. Good morning, everyone. Thank you for joining us today for our Q2 FY26 earnings call. I am Chiranjeev Saluja, Managing Director of Premier Energies, and I'm joined today by my colleagues, Mr. Khandelwal, Group CFO, Mr. Sudhir Reddy, Chief Strategy Officer and Director, and Vinay Rustagi, Chief Business Officer. The company has reported another quarter with record revenue and profit numbers. Beyond the financial numbers, let me talk about some key highlights of this quarter.

First, our new cell and module lines commissioned in Q1 have ramped up nicely, as you can see from the increased production numbers. The 1.2 gigawatt TOPCon cell line, which commenced trial runs in August, and it should fully ramp up shortly. Second, we have made a major announcement of scaling up our 4.8 gigawatt TOPCon cell project in Naidupeta, Andhra Pradesh, to expand it to 7 gigawatt.

The total capacity of our cell lines would be 10.6 gigawatt by September 2026, aligning closely with our module capacity and our mission 2028 target. What is important to note is that this upgrade is being done at a nominal cost, taking advantage of design efficiency, and is funded entirely through internal accruals. Third update is we won new orders, aggregating to INR6,511 crores in this quarter.

These order wins come from a mix of top-tier independent power producers from across the market, which shows a strong validation of our ability to offer cutting-edge products at competitive prices with attractive margins. As you all would have seen, we have completed two very important acquisitions in the inverter and transformer businesses.

KSolare is a leading Indian inverter manufacturer focused on the residential market. Our 5149 partnership with Syrma SGS, a diversified electronics manufacturer, brings complementary strengths and provides a solid platform for this business. KSolare has [inaudible 0:04:07] 143

crores in FY25. Our vision for this business is to increase the share of domestic value addition and market penetration over time.

On the transformer acquisition side, Transcon is poised to grow strongly with the total production capacity increasing from 2.5 GVA at present to 16.75 GVA by April 26. Transcon has rich experience and it is a 23-year-old company manufacturing transformers. The company is also moving up the value curve by moving towards more lucrative MV, HV, and EHV segments, which should improve margins on a growing top line. Both these acquisitions are highly complementary and value accretive.

This helps us in offering a portfolio of allied products to our clients. We expect that together with BSS, these new businesses will contribute approximately 30% of our revenue over time. Subtly, the business stands on very solid ground supported by growing renewable power demand, improving technology, falling costs, and the government's ever-growing commitment to domestic manufacturing.

We expect more Make in India policy initiatives for inverters, BSS, and the module supply chain in the near future. FY '27 would be an inflection point for our company as we more than double our cell and module capacity and create additional revenues from BSS, inverters, and ingot wafer.

Thank you. We are now open for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Deepak Krishna from Kotak Bank. Please go ahead.

Deepak Krishna: Hi, Chiranjeev. Hi, Vinay. Just wanted to sort of – yes, just wanted to understand this. So, if I look at your revenue from sales, based on your presentation, it's gone from roughly 420 to 440 crores, this Q-o-Q jump. And if I look at the sales number on the DCR portal, that's closer to about 347 megawatt last quarter and about 424 megawatt this quarter.

So, that implies that, you know, sales realizations have fallen Q-o-Q about, you know, between 10% to 15%. Is that correct? Are we looking at, something different or, is there like because the top corner is ramping up? Anything that you can sort of clarify on that?

Chiranjeev Saluja: Sure, Deepak. That's a very, very good question and I would love to clarify this. You know, the DCR portal was, launched by the Government of India more for traceability rather than, doing a financial analysis on sales and production.

So, what happens on a DCR portal is there are a lot of sales which are also inter-company or sell sales shown which are going into module production. To update you and the other shareholders on the call is that sales realizations in this quarter have marginally increased rather than decreased and the DCR portal is not the appropriate reflection which shows that there is a 22% increase in sales because that is also having sales made to inter-companies.

Deepak Krishna: Sure, sure. And maybe just on the two acquisitions, one essentially on KSolare, in terms of when you reach about a million inverter pieces capacity, you know, what would be the total gigawatt in terms of reach?

How are you sort of trying to capture the market? Because you're trying to focus on PM Surya Ghar. So, how was the current company doing it? And, you know, how do you see doing it? Do you also sort of build a franchise network as some of your peers or some of the consumer durable companies are doing? So, that's on KSolare. And so, if I look at a transformer company, it looks like a INR1,000 crores valuation for INR16 crores part.

Obviously, you are more than quadrupling capacity. So, how should we look at, current order book and, you know, the revenue that the transformer business would have, say, maybe, you know, in FY '27, FY '28. And similarly, maybe, you know, similar numbers in terms of inverter, broad range of revenue and margins that you're sort of targeting.

Chiranjeev Saluja: Sure. I'll pass this to Vinay to answer this question, Deepak.

Vinay Rustagi: So, you know, on KSolare, we know that the rooftop business in India is growing very strongly, mainly thanks to the PM Surya Ghar Yojana. The volumes have grown something like, I would say, 15 times over the last two years. And the current run rate is about 10 gigawatt per annum in terms of the new capacity addition.

And we expect this run rate to actually increase going forward. So, there is a very, very strong demand for residential inverters. The second point is that the government is increasingly focused on domestic manufacturing of inverters.

So, which means that, and as we have shown in a presentation, all the leading inverters in India are basically supplied by Chinese companies, or even where there are Indian companies, they're mostly importing inverters and using white-labeled products. So, there is a great opportunity for us to create a new segment, which is growing very rapidly. So, our plan is to basically enter the residential market first, offer inverters together with our modules as bundled products.

We are also expanding our retail supply chain, building the investing into the distribution network. So, that is the starting point. But over a period of time, what we want to do eventually with this business is, one increase the product range to eventually go to utility-scale segment also, increase value addition over time by making more components in the company.

And, obviously, grow the top line and the bottom line. In terms of -- you mentioned a gigawatt of capacity. So, 1 gigawatt would typically, for the residential market employee mean, sorry, so the plan is to basically sell about a million inverters, which would typically translate to about 3 gigawatts of capacity.

And at that capacity, we should be about -- given the current market prices, that would imply about INR1,500 crores of revenues. Eventually, our expectation is that the company should be able to easily, I would say, treble the current top line and the overall financial performance over the next 2 to 3 years.

- Chiranjeev Saluja:** On the inverter, I'd also like to add something, Deepak, that if you look at the inverter acquisition and the strategic partnership with Syrma SGS, you would see that Syrma SGS is already having 14 factories in India into electronic component manufacturing. They're getting into PCB manufacturing.
- So, at Premier, we really value partnership and the strength which we are getting with Syrma SGS coming in is backward integration, more adherence to Make in India where we would actually be sourcing PCBs from within India once Syrma starts manufacturing PCBs. And when you spoke about channel network, KSolare itself is a 13-year-old company having its own channel network.
- So, basically, we are doubling our channel network between Premier and Ksolare on the retail side. Ksolare also does OEM for some large brands in India, which also is adding to our strength of contract manufacturing as an OEM partner. So, I think we can move to transformers now.
- Vinay Rustagi:** So, I think on transformers your question was about, I think, indirectly about valuation. So I think...
- Deepak Krishna:** I think more on forward, yes, I guess. So, maybe just on valuation. I'm sorry, you can go ahead.
- Vinay Rustagi:** No, sure. So, as you can see from the presentation the company is actually expanding the capacities to about 16.75 GVA from the current base of 2.5 GVA. So, there is almost a 7 to 8 fold increase in capacity. The company has a very, very strong order book. Execution is actually very, very strong. So, we have seen even over the last six months results, the numbers are significantly up over FY25.
- And at the same time, the company is moving up the value chain by moving to the more attractive HV, EHV, and other MB products. And basically our plan is to be, again able to offer transformers to our customers and offer synergies in that respect, reducing the cost of customer acquisition.
- In terms of revenues and PAT given the current run rate, the planned capacity ramp up, again our expectation is to actually more than quadruple the financial numbers and the overall performance over a period of about 3 years.
- Deepak Krishna:** Sure. Maybe just one thing on the strong order book growth that we have seen this quarter. We have seen a large addition in cells, lesser in modules. Is it just because cells are more longer cycle and modules are more shorter cycle is because of people blocking capacity for about a year, year and a half, is that the way we should look at it or are we incrementally trying to be more of a sort of a cell supplier to the various guys, module guys or sorry, rooftop solar guys or how should we sort of imply this to jump more in cells and less in modules?
- Chiranjeev Saluja:** So, I think Deepak, you're right there. There is more of capacity blocking for cells going forward over the next 12 months to 18 months, because several module manufacturers who are not getting into cell or who have not have plans to do cell manufacturing want to block capacities. And then they look up to tying up with high quality, high efficiency cell supply contract and that is where we have seen an increased growth in cell orders.

- Deepak Krishna:** Yes, those are the questions. I'll just get back on the queue. Best of luck for future quarters.
- Chiranjeev Saluja:** Thank you, Deepak. Thank you.
- Moderator:** Thank you. The next question is from the line of Nidhi Shah from ICICI Securities Limited. Please go ahead.
- Nidhi Shah:** Yes, thank you so much for taking my question. My first question is, are you looking to expand into United States still, given that it makes much more sense now with all the duties?
- Vinay Rustagi:** Yes. Hi, Nidhi. So, I think that's a good point. So, obviously, there has been, the US policy has been quite unpredictable. But there have been a lot of changes in terms of the, higher rate sales, tariffs on other countries, anti-dumping duty investigations going on. So, we had put our old plans on hold while all these changes were going on.
- But now, I think as we begin to kind of get more clarity, it does seem like, making it in making the US is going to be very attractive, particularly as the IR incentives for manufacturers will stay until almost until 2030, '31, '32. Also, I think you would understand, you would know that in the US, between the cell and the modules, there is already sufficient capacity for modules, but the market remains terribly undersupplied on the cell side.
- So, basically, our current analysis suggests that US is an attractive market for local manufacturing. We are doing a lot of work internally to assess the market, get some policy clarifications, understand the execution issues, etc. So, we are studying the market. And at the right time, we will make a decision whether to go ahead with it or not.
- Nidhi Shah:** All right. My second question is that given that, the transformer company that we have acquired is also doing capex. We have a lot of capex upcoming in the next couple of years. What is our capex requirement for the next 2 years, year-wide, FY '27 and FY '28?
- Chiranjeev Saluja:** Yes, so maybe I'll take this question, Chiranjeev here. So, as of now, we feel that, our cash flows are quite healthy. And most of the capex spend what we're doing is coming in for internal accruals. We don't plan to take any new debt. In fact, we are working towards making the company debt-free gradually over time. So, we don't see any concern with the healthy cash flows coming in in terms of capex deployment.
- Nidhi Shah:** And would you be able to give, like, a ballpark number as to what capex you're looking at for FY '27 and FY '28?
- Chiranjeev Saluja:** So, this keeps changing based on the plans. Now, you see we have announced the input wafer because government has sent out the draft guidelines for ALMM list three. So, and also the scale capacity we have increased. We have advanced by almost 18 months the target of 10 gigawatt. We could achieve, efficiencies in terms of the scale in increasing the capacity from, 4.8 to 7 gigawatt. So, Vinay, you would like to add something here?
- Vinay Rustagi:** Yes. So, I think it is really quite simple. So, over the next, I would say, 12 months, our big project is going to be the 7 gigawatt cell line and the 5.6 gigawatt module line. Together, the

capex on these is going to be about INR4,000 crores. In addition to that, the next priority thereafter is basically the input wafer project, which is about 5 gigawatts in the first phase and 5 gigawatts in the second phase. Bulk of that capex will basically come after the next 12 months, and that will be a capex of somewhere around INR6,000 crores.

So, that is the kind of big -- big numbers. Rest of that, there will be some marginal capex here and there on incremental upgrades and, other businesses. And, of course, there is a BESS capex also. Again, BESS, we have laid out quite clearly in 2 Phases. One is till June next year, which is about INR300 crores, and then another nine months after that, another INR300 crores. So, these are the kind of three main items for capex until 2028.

Nidhi Shah: Awesome. Yes. Thank you so much.

Moderator: Thank you. The next question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora: Hi. Good morning, team. Just two things I wanted to know. One, we looked at your revenue for this quarter. So, given strong backlog, it looked a little slower ramp up on the revenue side. If you can throw some light, was it related to something on the client side? Number one.

And number two, when you -- given a press release in the presentation, you stated about 4.8 and 2 gigawatt of cell getting commissioned in June and September '26. This, I think, earlier was planned to achieve the cell capacity in FY '28. So, have we pre-poned this? And what has led to this pre-ponement? Is it like the efficiency what you are getting in terms of faster capex or were the earlier plans were different? So, if you can throw some light on that.

Chiranjeev Saluja: Yes. Thank you. So, despite a full order book and a very strong production number, it was flat for two reasons, right? One is because of unprecedented rains customer sites were not ready to receive deliveries, causing certain negatives. And then we had the reduction in the GST rates, which is a big, big advantage for our IPP customers and they wanted shipments to be postponed beyond 22nd of September.

So, this is kind of a temporary lift. Production numbers have actually increased as per our plan, thereby causing increase in the FG inventory levels. And you would see this getting cleared out in this quarter. So, there is no way slower ramp up as such.

Your other question on the justification to expand cell capacity. So, we feel that many companies have announced cell manufacturing plans. Most of this new capacity will take two to three years to come online and ramping up. So, with the demand being so strong and an attractive market opportunity to be captured in this period, we had actually gone back to the drawing board and seen that our building and utility design were anywhere ready for the enhanced capacity.

And therefore, we took a decision that we would increase this from 4.8 to 7 with a nominal incremental capex and we'll be able to pull this off quickly. That is, by September 26th, we increase capacity. 4.8 comes in June. And you're right that the original plan was to achieve 10 gigawatt in FY '28. We've actually advanced this target by 18 months.

Nitin Arora: Okay. Please go ahead, sir.

Chiranjeev Saluja: And I said this will be internal accruals, no new debt being taken.

Nitin Arora: Got it. Just one thing I wanted to know. Sorry, just I have one question on the cell. It's a follow up. Just one question. When we look at the DCR portal, which I don't know, sometimes it becomes very misleading because the cell utilization, what you're showing in your presentation, is very different from the DCR.

And even for other companies as well, it's like 0.1 gigawatt going to 0.2 gigawatt. So, it's like a 100% jump, but overall utilization is very low. The question was that the new cell which you have commissioned, you think by Q3 end, by December, this new cell of 1.2 gigawatt will be going towards 80%-90% utilization?

Chiranjeev Saluja: Yes, we have clearly indicated that the lines are getting ramped up and by December, we will reach full utilization, almost full utilization.

Moderator: The next question is from the line of Subramaniam Yadav from SBI Life Insurance.

Subramaniam Yadav: So, I just wanted to understand the incremental INR300 crores of inventory you have built up is largely because of delay in the shipment, right?

Chiranjeev Saluja: That's right.

Subramaniam Yadav: Yes. Okay. And sir, just to understand on the cell realization front, because we refer the DCR portal and as you explained that the number is misleading. So, just to understand some flavor, how much realization has improved quarter-on-quarter, if you can give some color on that, because as per our calculation, it is a decrease? So, it would be really helpful.

Chiranjeev Saluja: So, Mr. Subramaniam, I think the calculation which is as per you, which is based on the DCR portal, we have clarified that the DCR portal just talks about sales done, it doesn't show the clear demarcation if the sale of cell has been an intercompany sale. So, which means that data is incorrect.

But if you want to understand what has happened on quarter-on-quarter, the cell realization is marginally increased and not decreased. When I say marginally increased, it's a very small number, but there's no reduction we have seen in the selling prices.

Subramaniam Yadav: Okay. Okay. Sir, the DCR sale of...

Moderator: Sorry to interrupt, Mr. Subramaniam. If you have a follow-up question, please rejoin the queue.

Subramaniam Yadav: Okay.

Moderator: Thank you. The next question is from the line of Mayur Patel from 360 One AMC. Please go ahead.

- Mayur Patel:** Congratulations, Chiranjeev and the team for again a stellar performance and it's happening to see 18 months advancement of the expansion plan. I have just two questions. One, this 1.2 gigawatt new facility, have we achieved our desired level of efficiency or it is still in the stabilization mode?
- Chiranjeev Saluja:** It is still in the stabilization mode. We are almost there. We will achieve full ramp up and stabilization by December.
- Mayur Patel:** Okay. And that would -- what should be the ultimate efficiency which you would be targeting in this new TOPCon facility?
- Chiranjeev Saluja:** We are targeting an efficiency of over 25.2 to 25.4, above 25.2.
- Mayur Patel:** And just lastly, BESS, what is the scalability we should assume next year say for FY '27 in terms of revenue, or if you can give any insight about what's the scalability in the first year of operation in BESS?
- Chiranjeev Saluja:** Sure. I will leave it to Vinay to answer this.
- Vinay Rustagi:** Hi, Mayur. So, we are expecting the first phase of the BESS line which is 6 gigawatt hours to be completed by June of next year. There will be obviously a slightly slow ramp up and this line would effectively be capable of producing about 4 gigawatt hours of end products.
- So, we would expect very roughly about 50% annual report, say somewhere between 2 to 3 gigawatt hour in FY '27. And the realizations in the industry currently are at about, I would say, somewhere around INR60 lakhs to INR65 lakhs, depending on exact specifications, duty rates, etcetera. So that will give us a turnover of about, if you use that simple math, that will be equivalent to about INR1,000 crores plus of revenues in the first year.
- Mayur Patel:** Got it. Thank you so much. I'll join right back to queue. Thanks.
- Vinay Rustagi:** Thank you, Mayur.
- Moderator:** Thank you. The next question is from the line of Amit Mahawar from UBS. Please go ahead.
- Amit Mahawar:** Yes, sir. Hi. Congratulations on a great operational set of results.
- Chiranjeev Saluja:** Thank you, Amit.
- Amit Mahawar:** I just have two quick -- yes, two quick questions. First is, seemingly the domestic demand can be very, very strong if we go by the policy framework, the off-take, you know, YTD on solar. And your capacity expansion plans are also going on the same, the way we are preponing to capture maximum value.
- Sir, how do you think the dynamics playing out in China on anti-involution, the local government, you know, central government there in China stand impacting the profitability for us? Because there is a point till which we can localize and integrate. So, any color on that first? That's the first question.

Vinay Rustagi: Yes, sure, Amit. So, I think China, again, is a little bit unpredictable in the short run because of the changes, as you mentioned. There is a very strong effort by the companies who've been making these losses, which are unsustainable in the long run. And now the government has also got involved.

There is an attempt together with the government to try and boost profitability of the segment. Now, the counter, so and obviously, polysilicon prices have gone up and there have been consequent increases in wafer prices and cell prices also.

But the counter to that argument is that demand in China is slowing down with the move now to market tariffs as against feed-in tariffs until June of this year. Exports to US have completely stopped. Exports to India, modular exports have completely stopped now. And cell exports are very strong right now, but they will also kind of come down and get phased out over the next 2 years.

So, while the government is trying to reduce capacity or improve prices, there is a big negative impact on the industry, on the Chinese industry in terms of slowing down of demand. So, I think our view is kind of very hard to say and we will have to see how things develop. But our view is generally that the prices have nearly stabilized and don't have much more room to go up from current levels.

Amit Mahawar: Sure. Thank you very much. That's very helpful. Second and quick question is on the expansions that companies are planning in India, right. Module is a gone case now, and the focus is now on cell integration and then wafer and got eventually. The cash flows currently are very, very strong, but these are bound to change.

So the profitability and the cash translation that we will see in the next 2, 3 years might be very different than the current case, even despite the integration that top three for incumbents achieve. So, any color on how should we see where will this settle in the next 2, 3 years, assuming local demand still stays at 30, 40 gigawatt annually. So any color on some dynamics of what cash we translate, the returns that we make, that changing, the way capacities are coming. So any color on that, sir. Thank you.

Chiranjeev Saluja: Yes, I'll take this question. I think it's very difficult to give a forward looking guidance as a previous perspective. But if you talk of industry, we have actually given an earlier presentation also a report from Bloomberg, which talks about what the deployment capacity in India would be by 2035, if I'm not mistaken. And this is showing a very strong demand.

And to your question on module, you know, getting more and more difficult, you're right. The story is getting more into backward integration. And we have taken the step towards enhancing cell capacity and achieving our targets 18 months in advance. And within 2 to 3 years, I think the story will move from cell to ingot wafer. And then the ingot wafer, you know, ramping up and scale would play a very key role. Would you like to add something, Vinay?

Vinay Rustagi: Yes, I think, Amit, on the, see, I think, 1, 2, 3 years is a pretty long time in the context of this industry, very difficult to foresee. But, you know, a few things will likely to happen. One, while

yes, you're right, more capacity will come up, leading to these fears about oversupply and margins going down.

But at the same time, there'll be two other counterweights. You know, one is that there'll be further emphasis on backward integration. And it remains to be seen how many of these new companies can backward integrate into ingot wafer, particularly at the kind of scale they're operating at.

Chiranjeev Saluja: Even ramp up of cell lines.

Vinay Rustagi: That's right. So, you know, we have seen, for example, with the implementation of ALMM-2, many of the smaller module suppliers, particularly those with outdated obsolete capacities, are going to be stranded and eventually go out of business. I think the same kind of trend will also play out in the cell business because the cell technology is also changing.

So, for example, increasingly the talk is about perovskites, new tandem technologies, back contacts, etcetera. We ourselves, you know, while all our new lines are going to be TOPCon, but we're already thinking of investing in R&D. We are exploring tie ups. We're trying to adopt new technologies over this 2 to 3 year kind of time frame.

So, while these new capacities come up, our expectation is that we would have leapfrogged in comparison with our scale adoption of new technologies and the backward integration that we are planning. So, I think -- and these are the three, I would say, fundamental pillars that will determine the overall competitiveness of all the players in the long run.

So, you know, given what Chiranjeev just said in terms of sorting demand and these factors, we feel that some of these concerns about margins going down are a little bit overdone.

Amit Mahawar: Thank you and good luck, sir.

Vinay Rustagi: Thank you, Amit.

Moderator: Thank you. The next question is from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Sir, I just have two questions. One is with respect to the margins with the new business lines like inverter and transformer and BESS. What are the margins we expect?

Vinay Rustagi: So, hi, Raman. In terms of these businesses, fundamentally very different businesses from cell and modules, obviously. You know, BESS, I would say, what we are entering into right now in the first stage will be an assembly business where we will basically be assembling, importing cells, converting them into battery packs and eventually container -- containerized solutions.

There, the margin, if you look at it purely as like EBITDA by sales or PBT by sales, will be lower in comparison to our current business, which is basically cell and module, but close to the module assembly business. And for transformers, but I think the key thing there, again, to look at is your capital employed.

You know, given that it is an assembly line business, the fixed asset turnover will be actually very, very high, something like between 7x to 10x. And the result of that will be that the overall return from capital will still be very attractive in line with the current business.

On the transformer side, I think, again, we will see the margins actually going up over the next few years because of the shift towards higher value-added and larger, more specialized products. So, again, it is difficult to give any kind of guidance, but I can just tell you that in the industry, all the analysis that we have done, the leading players make EBITDA margins of somewhere between 20% to 25%, again, with very healthy return on capital employed. So, you know, we would be hoping that we will be able to keep these numbers.

Raman KV: And what about inverters?

Vinay Rustagi: So, inverter business, again, fundamentally speaking, is going to be very structurally similar to module assembly or BESS assembly business, i.e., you know, lower margins on a percentage of sales, high fixed asset turnover, and attractive return on capital employed.

Raman KV: And my second question is, I just want to understand this, the new acquisition which you made with respect to the transformer company. So, from the PBT, what I can understand is, in the acquired entity, the capacity will ramp up to 4.2 gigawatts.

And then there is another JV form with respect to the new, the acquired entity, and the management team, which is of 72% to 28% JV. In that, you will add 10 gigawatt, 10 GVA capacity. So, effectively, what will be the premium energy share in this entire totality of the business?

Vinay Rustagi: So, Raman, just a small clarification. First of all, the 4.2 gigawatt -- 4.25 GVA is addition on the current capacity. So, the total capacity will actually go up to 16.75 by June of -- April of next year. In terms of, you know, our share, so we are obviously 51% shareholder in, at the top level, which is the Transcon in level. And then, effectively, if you just do a simple math, 51% into 72% at the Neotrafo level. So, our share of revenues and profits will be pro-rata on that basis.

Raman KV: So, that will be effectively around 37%, right?

Vinay Rustagi: Of the Neotrafo business in terms of the profit, the bottom line, yes.

Raman KV: Yes, yes.

Chiranjeev Saluja: Yes. But it also depends on the capacity, right? The majority of the 10 gigawatt is coming into that line.

Raman KV: Correct.

Chiranjeev Saluja: But it is a subsidiary of Transcon Limited. And, you know, we being the majority owners, the entire top line will be controlled.

Raman KV: Okay. Understood, sir. Thank you. Thank you so much.

Moderator: Thank you. The next question is from the line of Puneet from HSBC. Please go ahead.

Puneet: Thank you so much. My first question is on your capacity expansion on the cell side. And you initially in your comments talked about this being brownfield and coming at significantly lower cost. Can you talk, how much will it cost versus a greenfield?

Chiranjeev Saluja: So, hi, Puneet. Yes. So, we will, you know, the 4.8 to 7 gigawatt, the incremental capex which we are incurring is about INR502 crores. And as we clarified in this call earlier, our existing 4.8 gigawatt line had additional capacities in terms of utilities, land, the power connectivity, and that's how it really helped us in terms of scaling up to just adding equipment.

The initial design of our 4.8 gigawatt had adequate space left for expansion. Now, with the result that, you know, overall on a per gigawatt basis, we have seen a 23% saving in our capex, and then in looking at the demand, a call which we have taken in the interest of the company and the strong order book.

Puneet: Interesting. That's very helpful. And secondly, on BESS...

Chiranjeev Saluja: Puneet, it's going to be India's single largest, single location, 7 gigawatt cell line, TOPCon line in one building.

Puneet: Okay. The entire 7 gigawatt will be housed in one location?

Chiranjeev Saluja: In one block, yes.

Puneet: Okay. That's very interesting. And on the BESS side, are you, you know, all -- before that, on the cell side, what kind of timeline are you building in for executing the order book?

Chiranjeev Saluja: So, the existing order book, it spans between 12 to 18 months.

Puneet: 12 to 18 months. Okay. That's all from my side. Thank you so much and all the best.

Chiranjeev Saluja: Thank you.

Moderator: Thank you. The next question is from the line of Apoorva from IIFL Capital. Please go ahead.

Apoorva: Hi, thank you for the opportunity, sir.

Chiranjeev Saluja: Hi, Apoorva.

Apoorva: I wanted to understand if the recent rise in silver prices is going to have any impact on our margins going ahead and if you can quantify that?

Chiranjeev Saluja: Yes. So, yes, silver prices have gone up substantially. There has been a marginal increase in our BOM cost, but looking at the operational efficiency which we have achieved, there has been no impact on our margins with respect to silver.

We do keep even hedging silver at various intervals. We have not seen any effect on margins because of this as of today. And going forward also, we feel that with the operational efficiency which we are reaching in terms of scale, we don't see any problem there.

Apoorva: Understood. And also on your ingot wafer capacity plans, can you help us with the execution and then the stabilization timelines expected over there?

Chiranjeev Saluja: So, we have, you know, charted out a plan to have this commissioned by December 2027. The original plan was to set up a 2 gigawatt wafer by June '26. We have now expanded this to a 5 gigawatt ingot wafer instead of just a 2 gigawatt wafer. And, you know, this is because of the announcement and the push by the government for Make in India and the ALMM list three draft guidelines. Maybe, Vinay, can add something to this.

Vinay Rustagi: No, I think that explains it, Apoorva. So, you know, we have always maintained that the government is extremely committed to Make in India and becoming self-sufficient in the solar sector. So as expected, a very well thought out ALMM-3 draft has come out.

And we expect the final policy announcement also to be made imminently because of which, you know, we get the confidence to kind of accelerate our plans and announce the first phase for completion by December 2027. In terms of, you know, ramp up, we would again expect very much like a cell line. The first line may take about close to about, 4 to 6 months for ramp up, which will help us eventually in the second phase in any future capacities.

Apoorva: So, the stabilization should happen in four to six months?

Vinay Rustagi: After the lines are fully built out, yes.

Apoorva: Okay, okay. So maybe first half calendar year '28. Understood. And for the new order bookings that we have done, obviously, the number has increased quite a lot. What is the realization and the margin profile you are seeing over there for DCR modules? Are you seeing any pressure over there because capacities are coming or do this remain steady at INR0.24, I think?

Chiranjeev Saluja: So, I think we don't see a major difference there in realization. And of course, the contracts are generally variable in nature with the link to wafer prices. But overall, we don't see any major change in the realization.

Apoorva: Should we expect 30% margin for this entire order book? I'm going ahead for cells...

Moderator: Sorry to interrupt, Apoorva.

Apoorva: And it's a follow-up question.

Chiranjeev Saluja: Yes, Yes. So, Apoorva it's very difficult to give a future guidance on margins. But yes, generally, we would want to say something.

Vinay Rustagi: Yes, but I think the only thing to clarify, again, which we have also said earlier is that, you know, the overall outlook for sales of the DCR modules remains very strong. And that is obviously

going to be the more increasingly, more focus of the business going forward. So there, the margins are very steady, if anything.

You know, like we said earlier, the margins actually went up in the last quarter. On the non-DCR modules, you know, obviously, there is a little bit of an overcapacity there. And even there, the prices are stable.

Chiranjeev Saluja: Margins have slightly gone down, you know, with recent changes, particularly, for example, the cell price increases etcetera. But again, most of the cell prices increases have been passed on to our clients. And we kind of see, we'll see how things develop from here.

Amit Gupta: I understood. Thank you so much.

Moderator: Thank you. The next question is from the line of Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Thank you. Thank you for the opportunity, sir. Congratulations on a very good set of results. My first question is just your view on how do you look at this, that ALMM-2 or the DCR module results in a higher cost of solar tariffs by around INR0.30 to INR0.40 paisa, and which might again be increased with the ALMM-3 introduction as well. So, what makes you think that there won't be any push back from the industry, because in the end the price has borne by the consumer, by the retail.

Chiranjeev Saluja: So, how do you look at this?

Vinay Rustagi: So, Ketan, the ALMM-2 timelines have been known since December 24. It has been a long time. Obviously, there was an amendment issued about 2 months ago on that. But in terms of how that is going to play out and the impact and cost, etcetera we can already see, by and large, the tariffs which have been bid out in the solar sector have been very stable. Increasingly, obviously, there are no more standalone tenders. Most of the bids now are some kind of hybrid design, solar plus BESS or solar plus wind plus BESS.

And there, again, you can see the tariffs are at all-time low levels. Even solar plus 2R BESS and 4R BESS are now less than INR3. So, you know, other example I can -- you know, other anecdote I can give you in terms of very minimal impact on tariffs is our own open access projects.

We have been planning to develop captive projects for our own needs. And there, as you know, from June 2026 onwards, all projects completed thereafter have to comply with ALMM-2. And based on our studies, the increase in cost of power is of the order of about INR0.10.

So, that is, I would say, a very small increase, and the market is very easily able to absorb that. You know, all the discussions with clients basically show that the demand for renewables remains very strong, and there is no concern related to cost of ALMM-2 or ALMM-3 implementation.

- Ketan Jain:** Understood. understood. Thank you. And most of my questions have been answered. Just two bookkeeping questions. One, what would be our percentage of silver, cost of silver in the BOM for cell, for manufacturing the cell?
- Vinay Rustagi:** I think, you know, all the different kind of paste we use, it was about \$0.01 a watt about a year ago, which has now gone to somewhere around \$1.4 to \$1.45 at present.
- Ketan Jain:** Understood. Just the last question, what would be our mix of cells used for captive use and sold outside in the first half of FY '26?
- Chiranjeev Saluja:** This keeps changing. It is very dynamic. So, we would not be able to give you a number on this.
- Ketan Jain:** Understood. Okay. Okay. fine. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Subramaniam Yadav from SBI Life Insurance. Please go ahead.
- Subramaniam Yadav:** Thank you. So, just again wanted to understand on the gross margin front, because we have seen improvement in this quarter with the last quarter, despite of silver paste cost going up. And when you look at the sale of TCR module also has come down. So, just wanted to tally this thing. Is there anything specific here or cell realization has improved much because of that your gross margin is higher.
- Vinay Rustagi:** Hi, Subramaniam. So, first thing I would say is that changes in margins are not particularly large. So, I think, I don't think and they've come from many different reasons, including a greater proportion of cells sold in this quarter. And then, of course, because of the increasing volumes, we also see some efficiencies, particularly on the sales side, as well as fixed cost operating leverage in the business.
- So, I think those are the two main reasons why there was a marginal increase in gross margins. But overall, I still want to kind of add that the overall prices and the outlook for particularly cells and DCR modules remains stable and the margins are at the current levels. I mean, you will see any changes that you see on a quarter-to-quarter basis can arise from one of the changes in the business mix in that specific quarter.
- Subramaniam Yadav:** Okay. Just a booking question on the depreciation and other income front. Because we are commissioned to one module and one cell plant in the last two quarters, but still the depreciation is coming down. Is there some change in policy again or other income has also stooped or not, if you can explain this?
- Chiranjeev Saluja:** So, on depreciation, Mr. Subramaniam, we depreciate some of our equipment on an accelerated depreciation basis. So, there has been a slight variance in the depreciation, because on certain equipment, what we had embarked on actually depreciation has been completed. But then this keeps on changing based on our evaluation of specific equipment.
- So, that's where you see a slight change in the depreciation on the other income, we have -- other income is largely because of forex gains. Generally, forex gain has been favorable in the last

quarter. INR has depreciated from 85.7 to around 88 during this quarter. And this has resulted in a gain in the other income.

Subramaniam Yadav: Can you quantify the other forex gain?

Chiranjeev Saluja: Sorry?

Subramaniam Yadav: Can you quantify the forex gain?

Chiranjeev Saluja: We would not be able to quantify a number. But -- yes.

Subramaniam Yadav: Okay, okay. Fine. Thank you. Thank you very much.

Moderator: Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Yes, sir. Sir, one clarification on Transcon. There seems to be a competing business, Sealwel Group, right, which also does the manufacturing of transformer, right? And the second clarification is that EBITDA has been declining for last 3 years on Transcon Industries, right. Can you just help us with the synergy between our business and Transcon business which leads to a higher growth and operating profit?

Chiranjeev Saluja: And what is this Sealwel Group?

Vinay Rustagi: Yes, Mohit, we did not understand the first part of the question. Can you please?

Mohit Kumar: I think there is a company-to-business pathway of the same group, right? Is it correct?

Vinay Rustagi: We are not aware of any other sister or group company of Transcon.

Mohit Kumar: Understood. I think we are reading somewhere the Sealwel Corporation Private Limited, high power electrical industry and Transcon Industries together....

Chiranjeev Saluja: Yes. So, that is, I think, yes, I understand now, Mohit. You are talking about the partnership firm which Transcon was running, which was in the slump sale was done to Transcon Unlimited, and there is no connection with those companies anymore. They do come under related party, but if any related party transaction is done, it is going to be arm's length.

Mohit Kumar: Understood. My second question on Transcon, the EBITDA has been declining for last 3 years, right? So, what is, so what will lead for, what is our right to win, right?

Vinay Rustagi: So, Amit, sorry, Mohit, this is a company which actually has a very strong execution capability over 20 years of track record. And like I said, you know, the current run rate of the company is extremely strong. There is a growing order book. And last year the company delivered EBITDA of about INR30 crores, and this year we are expecting a significant growth in that number.

So, going forward, we are expecting strong growth, not just from the current capacity, but also, obviously, from the expanded capacity going up by about 6x over the next few months, next 6

months. In terms of synergies, see, a lot of the growth in the transformer business is directly or indirectly aligned with the growth in the renewable energy capacity. Our analysis, all the work that we have done shows basically that for every gigawatt of capacity that is added into the grid, there is a, you know, 10x the 10 GVA is the demand for transformers.

And now, given that about 80% of the capacity installation is now coming from renewables, there is a tremendous synergy in offering these transformers, different range, inverter duty transformers, HV and EHV transformers to the same clients who we are selling our modules, and increasingly, we'll be selling inverters and best solutions as well. So, I think there are great synergies and customers, same for many of these products. And that is why it makes sense for us to make this, go for this acquisition.

- Mohit Kumar:** Understood, sir. Thank you and all the best. Thank you.
- Vinay Rustagi:** Thank you, Mohit.
- Moderator:** Thank you. The next question is from the line of Sanjay Mookim from JP Morgan. Please go ahead.
- Sanjay Mookim:** Hi, gentlemen. Hi, good morning. A couple of questions from my end.
- Vinay Rustagi:** Good morning, Sanjay.
- Sanjay Mookim:** Hi. A couple of questions. The order book has grown very substantially this quarter. It's a very large order book now compared to current revenues. Can I ask about the dynamics of this book? How firm are these orders? Do they guarantee a margin as they are executed, or do you carry margin or pricing risks on these order book?
- Chiranjeev Saluja:** So, the contracts on the order book, which we generally share with the shareholders in the market, is firm order books. We never account for any framework or orders which have a possibility of order cancellation clauses. The prices and the margins are fairly protected, and any change in, forex or wafer pricing is passed on to the customer because these are variable kind of contracts with a pass-through. So, yes, I think that should answer your question, Sanjay.
- Sanjay Mookim:** No, thanks, Chiranjeev. And if I may follow-up, and I'll, you know, perhaps push you a bit on this, Chiranjeev, is now that this order book is visible, and like I said, it's several quarters worth of revenue. Would you be able to guide to a margin outlook since you have such a large order book?
- Chiranjeev Saluja:** As a Board policy, we don't. And I think I'd like to, you know, say no for this question, Sanjay.
- Sanjay Mookim:** Of course, no, no, I was just trying to. The second question, if I may, Chiranjeev. One of the utility companies recently on their call have sounded a little bearish on new tendering for solar projects. And they've suggested that only 5 gigawatts of renewable was tendered in the first half of FY '26, and that about 40 gigawatts of previously tendered solar do not yet have PPAs. Do you see this as like a temporary phase of slowdown before the government figures out the new policy environment?

Vinay Rustagi: Sanjay, hi. This is Vinay here.

Sanjay Mookim: Hi, Vinay.

Vinay Rustagi: So I think, if you have an IPP, if you're a new IPP trying to bid for projects and build up a business pipeline, then I can understand that the outlook is not great, because there is a bit of a slowdown in new tender issuance and auctions. But if you're an IPP, which has been in the business for, I would say, 3 years or more, then I think you have nothing to be concerned about, because most likely you have a great pipeline of business and a lot of execution coming up over the next two to 3 years.

So just to give you some numbers, there is, you know, currently about more than 100 gigawatts of solar capacity which has been auctioned and allocated to developers. This is only the utility scale. We're not talking about rooftop or open access or KUSUM scheme here. And even accounting for the fact that as per the press, the 30 or 40 gigawatts of projects which have not been kind of getting converted into PPAs, there is still a large backlog of these projects which are due for execution over the next 2 to 3 years.

And you see that in the execution run rate and the capacity addition that we see on a month-on-month basis. All the leading developers, if you just look at, you know, what is their current business vis-a-vis the wins that they have, for all the developers, the number is something like – the pipeline is something like 1.5x to 2x of their existing business. So I think, if you are an established IPP or if you're a module equipment supplier like us, there is a very strong visibility of demand and growth in this segment.

Sanjay Mookim: Great. That's very useful. Thank you, Vinay.

Moderator: Thank you. The next question is from the line of Harsh Misra from Bernstein. Please go ahead.

Harsh Misra: Hello. Am I audible?

Chiranjeev Saluja: Yes, you are, Harsh.

Harsh Misra: Yes. And congratulations on the good set of numbers. I just had one question. So regarding ALMM-2 demand, rooftop remains very strongly mentioned, but for utility scale ALMM-2 demand, the timeline is now only for tenders after September 2025. So no such tender has concluded until now?

Vinay Rustagi: So, that's right. You know, these -- as we were discussing, the activity on the new tenders remains very small. And for utility scale projects -- now, you know, I want to clarify one thing. While the government issued this announcement, the relaxation from shifting the implementation or the bid cutoff date from December '24 to September '25, the government has also subsequently issued a clarification that all the projects which were bid out in the intervening period where the tenders had a specification that the bidders have to use ALMM-2 modules will still have to use ALMM-2 modules.

So for those projects, and you know, I think we would expect all those tenders to actually already have that clause, because that is the policy design. So the government has effectively clarified that even projects bid before September '25 will have to comply with ALMM-2 as long as the tenders had stipulated set conditions.

So overall, we think that the ALMM-2 implementation timeline and the clarity is there now. And of course, from early next year, we will start seeing all the rooftop solar and the C&I segment demand also coming into the market, because of which we expect a very strong demand growth over the next 2 to 3 years for ALMM-2 strobe DCR modules.

Harsh Misra: Okay, got it. Just one last thing. For the big jump in orders, that's of course excellent. Do we have a sense of the realization for the DCR and non-DCR part of the pipeline?

Chiranjeev Saluja: We just clarified that the margins remain similar to what they are today. And these are backed up by variable clauses in terms of forex and wafer. But we would not like to make any future guidance as such, you know. But we, I mean, as an overall sector, we are clear that the demand is quite strong.

Harsh Misra: Okay, thank you. That's all. All the best for the next quarter.

Chiranjeev Saluja: Thank you, Harsh.

Moderator: Thank you. The next question is from the line of Anupam Goswami from SUD Life. Please go ahead.

Anupam Goswami: Good morning, sir. Sir, my first question under industry, given that new cell capacities are also on the line, and how do you see the operational capacities, efficiency, as well as the quality compared to the Tier 1 and the Tier 2 players in this? And do we see any shift or preference to Tier 1 main cell as ours?

Chiranjeev Saluja: Yes, I think that's a good question. With new capacities coming in, we have always been clear that new cell lines do take time to ramp up and stabilize. And TOPCon is more difficult compared to Mono PERC. And small lines, which are the scales of maybe 1 or 2 gigawatts, would become not quite viable.

So there is going to be a clear differentiator over the next 24 months in terms of players having experience, high quality, efficiency scale, and continuous investment in future technology. So all this is going to play out in a big way.

Vinay Rustagi: Yes, and Anupam, one of the learnings that we've had over the years is that the large IPP clients, they want to work with companies, suppliers with proven track record, offering the latest technology and the best products. And we can see that even in the non-DCR segment, where there is already concern about huge overcapacity, etcetera. But despite that, clients are happy to work with us.

We are signing large orders for non-DCR modules at current price levels. And obviously, with the shift towards ALMM-2 products, which are technically much more complex and

challenging, we would expect this trend to actually strengthen over a period of time. So clients would naturally gravitate towards suppliers with, you know, bankable suppliers, offering scale and the best technology. So I think we definitely will see some preference for companies like offering these characteristics.

Anupam Goswami: Can this be interpreted to smaller players sticking only to rooftop demand while the utility scales IPP then? C&I customers will go for the Tier 1 with a large capacity and operation and execution?

Chiranjeev Saluja: So it depends on the capacity, you know, demand and supply. So if large players are able to scale as we are to 10 gigawatt, and for all you know, if the demand is good, we may even go beyond 10. We have enough land and facilities available. So it would depend on which market which they would be able to address.

Vinay Rustagi: See, I mean, they may not have a choice, but to compete only in the rooftop market. But even there, companies such as ourselves will be extra competitive because of our scale, procurement advantage, operating efficiencies, best technology, etcetera. So, we are ourselves focusing on building out the retail business, as we said earlier.

And again, all the feedback from industry is very, very positive. Demand for our products remains very strong. So because of these reasons, we believe that we will be able to compete and offer better overall, better product at a better price in comparison to the smaller players.

Anupam Goswami: The last question, given the ALMM-2 implementation, do we see in the near-term, any shortage of supply given a backlog and of demand and backlog of approvals and sanctions also? So do you see the next year, last 6 months or 8 months, do we see any short supply?

Vinay Rustagi: So your question is about short supply of domestic sales for ALMM modules?

Anupam Goswami: Yes.

Vinay Rustagi: So, current cell capacity in India is about 27 gigawatt. And the current run rate in terms of production is about 16, 17 gigawatts per annum. These capacities are obviously many new players have announced new capacities. And our expectation is that by the end of 2027, we should be able to have a total capacity of about 80 gigawatts in the cell business.

Production obviously would be much lower because of all the ramp up time and stabilization time are taken by these companies. So I think there will be a dynamic, you know, changing from quarter to quarter in terms of overall demand supply. But the overall theme going forward remains that the market should remain tight, protecting volumes and margins for products.

Anupam Goswami: Yes, hi. Okay, sir.

Vinay Rustagi: [Inaudible 1:09:22] question.

Anupam Goswami: Yes, thank you, sir. I'll join.

Vinay Rustagi: Thank you.

- Moderator:** Thank you. The next question is from the line of Shrinidhi from ASK Investment Managers. Please go ahead.
- Shrinidhi:** Yes. Hi. Thank you for the opportunity and congratulations on great set of numbers. Sir, I was wondering, would it be possible to give some color on what percentage of your cell production next year is likely for external module manufacturers?
- Chiranjeev Saluja:** So, it's seemingly difficult to answer this question because this keeps changing based on the dynamics quarter-on-quarter. So we would not be able to give you a firm number on this.
- Shrinidhi:** But some broad range are given you have a very firm large order backlog compared to your capacity. Even some broad numbers should be fine, just from modeling perspective.
- Chiranjeev Saluja:** Yes, about 50-50.
- Shrinidhi:** 50, right. And, sir, I'm presuming as the time passes, more and more cell required for your own module manufacturing will be internally producing -- internally produced. Wondering this development, first of all, it's correct assumption. And second, will it be contribution profit accretive or it would be more like neutral to dilutive?
- Chiranjeev Saluja:** So, it is going to be dynamic, right? I mean, let us say we get more of non-DCR orders for our module lines, then we would sell our cells to other module manufacturers. And if we get more of DCR module orders, then we would be internally consuming them. Very difficult to give an answer on this now for the next year.
- Shrinidhi:** Understood. And for the 60% backlog that you have for the cell, it's all external, right?
- Chiranjeev Saluja:** Yes. Yes. So the order book which we are showing, of course, the cell orders are all external.
- Shrinidhi:** Right. And, sir, just give us some color on...
- Moderator:** Sorry to interrupt, Shrinidhi. You have a follow-up question, then please rejoin the queue.
- Shrinidhi:** Sure. Thank you.
- Moderator:** Thank you. The next question is from the line of Deepak Krishna from Kotak Bank. Please go ahead.
- Deepak Krishna:** Maybe just two follow-ups. So, one was essentially on the FX gain, while Chiranjeevi indicated FX gain, but the cash flow statement shows zero FX gain. And so, MR. NK sir, if you could sort of clarify why the cash flow statement has zero FX in 1H and we are sort of seeing Q-o-Q impact. So if any sense of what that number is?
- And second, just on this, the previous question that Chiranjeevi asked, essentially what is stopping us from winning the DCR module orders directly? Because we have the cell, so we should sort of be in a dominant position to win majority of the DCR module orders. Why is the case that, we are sort of being a cell supplier to someone and they are sort of winning a DCR order when they don't have cell capacity?

- Chiranjeev Saluja:** So, I think, Deepak, this is mainly because if we have non-DCR orders from our long-term clients who are independent power producers, then we do not have enough module capacity left to convert them into DCR module. And then in that situation, we would do pure cell sales.
- So, as I told you, it's kind of dynamic in nature, depending on the module order book, whether it's backlog of non-DCR orders, because these are fairly large orders which we cater to and large IPPs whom we have a very long-term kind of a relationship. So it is kind of dynamic.
- Vinay Rustagi:** But, Deepak, just to add to that, I mean, there's nothing that prevents us directly from taking the DCR orders. But by doing that, we will be basically blocking out both our cell and module capacity, whereas, you know, because the demand for non-DCR modules remains strong, if we can get a better overall result in terms of profitability and margins by selling the cells and the non-DCR modules separately, then that is a better option. And that is what we have kind of -- we evaluate that dynamic and accordingly decide our sales mix and strategy.
- Deepak Krishna:** Sure. And maybe just on the FX question, if you could sort of clarify, the cash flow shows zero FX gain in this particular quarter for first half year.
- Vinay Rustagi:** Yes. Yes. Hi, Deepak. So, FX gain is basically the reinstatement of the foreign exchange, which is not realized. So if it is realized, then only it goes to the cash flow.
- Deepak Krishna:** Sure.
- Vinay Rustagi:** It is the reinstatement, it is coming as other income.
- Deepak Krishna:** Sure. Sure. Okay. Thanks for the clarification.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraint, this is the last question for today. I now hand the conference over to management for closing comments. Thank you and over to you.
- Vinay Rustagi:** Thank you. So, you know, I just wanted to kind of say we went through, obviously, a range of questions about the company's business in terms of our expansion plans, acquisitions, government policy, etcetera. Overall, you know, our view is that the fundamentals of the business are very compelling.
- Demand is showing exceptional growth. There is obviously a very strong focus of the government on domestic manufacturing. We see a lot of new initiatives to be announced covering a whole range of products, including BESS inverters, electrolyzers, etcetera. Our aim, you know, obviously there is a lot of new players coming into the sector, but our aim remains that we want to kind of focus on scale, on vertical integration, and adopting the latest technology.
- And we feel that, our business is poised to grow very strongly, given our plans for capacity expansion, backward integration, and diversification into new areas. So, we hope that this is -- we believe that this is a very strong investment opportunity, and we hope that you buy into our plans and support us going forward. Thank you.

Moderator: Thank you, sir. On behalf of Premier Energies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.