

Date: 26TH August, 2025

National Stock Exchange

Exchange Plaza,
Plot No. C/1, G Block,
Bandra (E), Mumbai-400051

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

(NSE Scrip Code: SPMLINFRA)

(BSE Scrip Code: 500402)

Sub: Transcript of Earnings conference call for the First Quarter ended 30th June, 2025

Dear Sir(s),

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of Earnings Conference Call organized by the Company on 20th August, 2025 post declaration of Unaudited financial results for the quarter ended 30th June, 2025.

Kindly take the same on records.

**Thanking you,
For SPML Infra Limited**

Swati
Agarwal

Digitally signed by
Swati Agarwal
Date: 2025.08.26
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**Swati Agarwal
Company Secretary**

Encl.: As above



SPML Infra Limited

Q1 FY26 Earnings Conference Call

August 20, 2025

Management:

Mr. Manoj Digga – Director Commercials & Chief Financial Officer

Mr. Vikas Sharma – VP Finance & Accounts

Mr. Samir Patel - Chief of Technology & Operations, BESS Operations

Devyanshi Dave:

A very good afternoon to everyone and welcome to SPML Infra Limited's Q1 FY26 Earnings Conference Call. From the Senior Management, we have with us on the call today Mr. Manoj Digga - Executive Director and Chief Financial Officer; Mr. Samir Patel - Chief of Technology and Operations of BESS Operations and Mr. Vikas Sharma - Vice President, Finance and Accounts.

Before we begin the earnings call, I would like to mention that some of the statements made during today's call may be forward-looking in nature and hence may involve risks and uncertainties, including those related to the future financial and operational performance of the company.

I would now like to hand over the call to Mr. Manoj Digga for his opening remarks. Thank you and over to you, sir.

Manoj Digga:

Thanks Devyanshi. Good afternoon and a very warm welcome to all of you to the Q1 FY26 Earnings Call of SPML Infra Limited. We have entered the new fiscal year on a strong footing both operationally and strategically. The momentum built over Financial Year 2025 has continued into this quarter, and we are happy with the progress across order inflow, execution, balance sheet strengthening, and new opportunities. Also, we are delighted to have Mr. Samir Patel - Chief Technology & Operating Officer of our BESS Division. His expertise and leadership will play a pivotal role in driving SPML's next phase of innovation and growth in Energy Storage System.

India remains one of the world's fastest-growing large economies. Business confidence is improving, and structural changes are opening new growth drivers across industries. Infrastructure development continues to be at the core of India's long-term growth narrative. The Government backed multi-year project finance for significant investment for piped water supply to rural and urban households, large scale wastewater treatment facilities, smart city infrastructure, and clean energy transition programs.

The water sector, in specific, is witnessing continued focus growth through flagship national missions like the Jal Jeevan Mission that aim to provide safe drinking water to all the rural houses. With more than Rs. 15.64 crore houses already connected with functional tap water connections, the deadline now extended to 2028 to complete the pan India coverage. For businesses like ours, this is not merely a policy milestone, it is a crucial long-term opportunity. Along with Jal Jeevan Mission, AMRUT 2.0, Namami Gange, Irrigation Program, River Linking projects including the Indus River diversion, Ken-Betwa, Parbati-Kalisindh-Chambal and a sustained national focus on the water sector have given added momentum.

The power sector is also going through a revolutionary change. The Government of India has envisioned an ambitious goal of achieving 500 GW of renewable capacity by 2030 and net-zero emissions by 2070. This scale-up is historic and hence requires strong grid infrastructure and massive energy storage deployment. As renewable penetration rises, the new growth frontier

has taken the shape of Battery Energy Storage Systems (BESS). We see a tremendous growth prospect both in water and power sectors and for us, water and power remain two of the most critical pillars of growth.

SPML Infra enters Financial Year 2026 with strong operational momentum and strategic direction. With over 4 decades of experience, we are strategically positioned to contribute meaningfully to this national mission. Our expertise in developing large scale water infrastructure plays a strong position to support the government's push for universal water access for all. However, we saw temporary disturbance due to election-related project delays and the hold on Jal Jeevan Mission extensions in 2025. These were timing-related, not structural, and the program has since been extended in the Union Budget. That said, we are now seeing clear signs of recovery from Q2 onwards. Financial Year 2026 has begun on a strong note, and momentum is visibly picking up.

Order inflows have also strengthened, backed by recent wins including an Rs. 1,073 crore project by Indore Municipal Corporation for the augmentation of the water supply system under the AMRUT 2.0 for Indore city, another order of Rs. 385 crore project in Kekri, Rajasthan, and a Rs. 254 crore JV project in Chennai; we expect total order inflows of Rs. 4,000-Rs. 5,000 crore coming to us during Financial Year 2026.

Our order book stands at around Rs. 4,500 crore. Additionally, we are having around Rs. 2,200 crore worth of projects. Backed by supportive government schemes and an improving business environment, we expect strong order conversions in Q2 of the current fiscal for the current L1 orders expected during current year, creating clear visibility for execution and topline growth going ahead. The company will continue to be focused for high margin order with full visibility of funding and easy to operate mainly into bulk and irrigation project.

Now, coming to the power sector, it is undergoing a transformative shift by a new growth frontier emerging in the form of BESS. Recognizing this early, we have made a strategic early entry into the BESS segment which presents us with a clear competitive edge enabling us to win market share in a sector that is likely to grow exponentially over the coming decade. Coupled with our robust EPC strength and long-term relationship with utilities, we are confident of providing integrated renewable-plus-storage solutions at scale. This will not only diversify our business beyond traditional EPC but also place us right at the center of India's energy transition. We expect strong contribution from this segment starting Financial Year 2027. In the coming years, we aim to generate an equal share of turnover from both the water and power segments, which are key national focus areas. This will also give us leveraging our revenue focused in both the grooming sectors of water and power.

We already have exclusive partnership with leading US based global leader in energy storage system – Energy Vault and acquired 25 acres land for a dedicated manufacturing facility in Pune MIDC, Maharashtra which offers incentives for manufacturing units focused on energy storage

and renewables, making the ideal hub for our BESS plant. The plant will be commissioned in two phases - 2.5 GW by Q1 Financial Year 2027 and 5 GW capacity by Financial Year 2028 with the total investment of around Rs. 175 crore for which the company has already generated liquidity by preferential allotment and internal accruals.

This depth of engagement ensures that we can deliver BESS Solutions at global performance benchmarks from day one. This partnership positions us with a clear competitive advantage in large EPC tenders by enabling localized production and faster adoption of clean energy infrastructure in India with advance US technology collaboration with Energy Vault.

On a standalone basis, we recorded revenue of Rs. 172.9 crore in Q1 Financial Year 2026 as compared to Rs. 200.7 crore in Q4 Financial Year 2025. Our EBITDA was recorded at Rs. 24.3 crore compared to Rs. 22.3 crore in the corresponding quarter last year. We recorded a PAT of Rs. 12.2 crore as compared to Rs. 11.8 crore in the last quarter. For Q1 Financial Year 2026, our EBITDA margins and PAT margins grew from the last quarter to 14% and 7% respectively, which is in line with our targeted EBITDA margins.

While Q1 performance was softer compared to the last year, it is important to note that for an EPC company like ours, the true indicator of future growth is the order book and I am pleased to share that our order book continues to grow steadily. Typically, Q2 is the quarter impacted by monsoon-related slowdowns. However, this year, certain regions experienced unusually heavy rainfall in Q1 itself, which had a temporary effect on execution pace. With the increasing share of new orders in our execution mix, we expect the improvement in the margin and sizeable growth in the operation in Q2 onwards.

I would also like to clarify that the Other Income of Rs. 17 crore in our P&L primarily relates to deferred income of Rs. 9.03 crore arising from our debt resolution. The company opted for the second settlement option of Rs. 700 crore versus Rs. 967 crore, and the resulting differential is being recognized as a gain over the repayment period of the debt. This gain will be offset against the deferred interest of Rs. 8.67 crore reflected in the results in interest cost other than that the other income mainly consisting of interest income which the company earns in the normal course of business from their margin money kept in the bank for the banking facility.

The Company's current debt stands at approximately Rs. 407 crore payable in 6 years inclusive of interest, which is entirely backed by arbitration awards amounting to Rs. 636 crore and additional claims totaling Rs. 4,609 crore till date. Based on the historical trends, the company expects a conversion of claims to award worth of around Rs. 1,500 crore. Therefore, for all practical purposes, there is no cash outflow pressure on the company for debt repayment or interest servicing from its operating cash flows. However, the company has been making additional repayments to NARCL to reduce the outstanding debt. Till date, it has repaid Rs. 23 crore ahead of the scheduled timelines agreed with NARCL and plans to continue this practice in the current year, supported by improved liquidity.

After receiving investment credit rating BBB-, we are expecting an improved credit rating from ICRA by September or October 2025. Further the company has obtained the regular sanction of Rs. 205 crore from one of the leading nationalized bank which will enhance the company's ability to take up the new business as bank guarantees are a critical requirement for bidding and executing large government contracts. We are in the process of further enhancement in the limit commensurate to the new business which the banks are processing.

The company has the focused approach into the water and power segment which is giving a superior positioning compared to other large EPC players. This has been further benefitted by company's 5 decade and over 700+ project execution of track record coupled with strong relationship with all the customers with adoption of high-tech technology into the execution gives the company a sizeable growth opportunity going forward.

With this, I am opening this forum for any Q&A. I am here for any questions related to finance; anything related to BESS, Samir is here, he will also take the question and reply accordingly.

- Moderator:** Thank you, sir. We have the first question from Mr. Raman KV from Sequent Investment.
- Raman KV:** Sir, I just want to understand what is the current order book? And out of the current order book, how much is the legacy book?
- Manoj Digga:** **Including** this new order of Rs. 1,073 crore, the current order book stands at roughly around Rs. 4,500 crore. We have received 4 orders, 1 in Jharkhand, 1 in Rajasthan, 1 in Chennai and yesterday in Indore. These all are roughly around Rs. 2,500 crore. The legacy orders are worth Rs. 2,000 cr.
- Raman KV:** Rs. 2,000 will be the legacy order and how much time will it take for us to complete the legacy order book?
- Manoj Digga:** Legacy order will be completed within 2-3 years, and the new order will also take 3-4 years.
- Raman KV:** So, the entire order book will be completed over the period of 3 years?
- Manoj Digga:** You can take 3-4 years because the last leg and then the commissioning etc., may take some time. So, considering all this, the current order book worth Rs. 4,500 crore will be completed in 4 years.
- Raman KV:** And sir, on that note itself, what is the L1 order book status and what is the current bid pipeline? And how much are you expecting the bid pipeline to be converted into order book?
- Manoj Digga:** As I told you, the water and power, both the sectors are very growing and every month there is a tender of Rs. 5,000 crore. At the moment, we are in the L1 of roughly around Rs. 2,200 crore which we are expecting to be converted into order by Q2, and by October, the entire order will

get converted. Every month we are bidding. So, our target of Rs. 4,000-Rs. 5,000 crore orders in a year looks quite easily achievable.

Raman KV: Basically, what I wanted to understand was, in the previous call, you mentioned that there was a slowdown in Q4, but you saw strong growth in terms of bid pipeline in Q1 FY26 which was the current quarter. And you were expecting around Rs. 2,500 crore worth of order which was back then L1 to be converted by Q1 and Q2. So, I just want to understand, are we still sticking with that or have we reduced that?

Manoj Digga: Out of Rs. 3,000 crore of orders which we talked about in the last quarter, Rs. 1,500 has already been converted. Still, we have L1 position of around Rs. 2,200 crore of order including recent L1 conversion in Q1. I am expecting these orders to be converted by September or maximum by October which will make 75% of current year target of Rs. 5,000 cr and balance we are quite hopeful to convert in the rest of the year. With the conversion of Indore order, the total cumulative order book as on date stands at Rs. 4,500 cr. As I told you in my earlier concall also, we have made a policy that we will not rush for the order book, although each month there is an order of tender of Rs. 10,000-Rs. 15,000 crore. But we are targeting by selecting the order quality where we have made a criteria of funding, criteria of quality of order, criteria of completion of period and the state where we are going to bid and the support of our escrow partner. So, those are the criteria we fulfill and also consider the profit margin. Based on this, we are very selective. So, I am happy that by those criteria we have already met Rs. 3,500 crore order. L1 are achieved, now balance, the next 6 months, I am very confident to achieve further Rs. 1,500-Rs. 2,000 crore to make our yearly target of Rs. 5,000 crore.

Raman KV: Sir, one follow-up question with respect to the yesterday's order which we put up, I just want to understand the order which we received yesterday, is that also 10% plus margin business and also I have noticed that there will be Rs. 100-Rs. 220 crore of recurring revenue in terms of O&M. What are our margins for O&M?

Manoj Digga: As I told you, if the company is taking any order, it is a benchmark requirement that more than 10% margin is required. This order we have much more than 10% margin. Less than 10% margin, we are not taking the order and that is our selection criteria. Also, this order has 2 parts. One is the O&M, other one is the execution of order which is around Rs. 670 crore this we will complete in 3 years. Then, there is an operation and maintenance. It is slightly more profitable compared to the execution. If you see 12%-15% is my execution, 15%-17% is my O&M.

Raman KV: Usually, the O&M margins are like more than 10%, right?

Manoj Digga: O&M is always high margin.

Raman KV: Thank you. I will just join back in the queue.

Moderator: Thank you, Mr. Raman. We have the next question from Mr. Parveen Yadav. Sir, you may please go ahead with your question.

Praveen Yadav: First of all, good afternoon, everyone. Congratulations for a good set of numbers. I have just 2 questions. One is related to your water management business and another one is with the BESS. In water management business, what kind of revenue potential do you see in the current year as well as, what sort of operating margin improvement do you see as you know, the margins are hovering between 5%-6%. That is number one question. Number two question is with regard to BESS. In BESS, as you know, it is a big area to tap on. There are a lot of players, big, small, and mid-sized, who are betting big in BESS. What is the moat we have here? In the entire value chain, what are we going to do? Although you have mentioned some, I guess, EPC side, the conductor side or something. But if you can explain that, what you are going to do in BESS exactly?

Manoj Digga: Basically, in the water, as I told you, there is a mix of old order and new order. In old order, the margin is less roughly around, 2%-5%. In the new order, if you see the Kekri, Konnar and even the new one we got, all the orders are more than 10% margin. The way we did complete the entire old order by 2-3 years, these new orders will be completed in 3-4 years. So, if we get more contribution of the turnover from the new orders, the margin will keep on increasing. So, ultimately, maybe after 2-3 years, our margin will be around 10%, which are the new orders we are taking. But for the next 2 years, our margin will be a mix of old and new order. So, it will range between 7%-10%.

Samir Patel: Hi, good morning. So, with regards to BESS, as I understand, your question is about the moat, right? So, from that perspective, I can say that we have a technological handshake with Energy Vault, who is a NASDAQ listed in USA. So, we have a proven, trial-tested sort of solution, which is globally deployed across the world. And we have AC block and DC block technologies. So, this is the technology we are bringing to India, and I don't think anyone else in India is doing that, especially on the AC block, where it is like a plug-and-play sort of technology. You can easily integrate with existing systems without incurring any heavy integration costs. So, that is one thing. From technological standpoint, we have a proven, trial-tested sort of solution.

Second thing is that we are setting up a manufacturing footprint as what Mr. Manoj said and I expect this to be operational within Q1 next year. So, we are in the front-run. Let us say, we are kind of well-advanced in terms of manufacturing and developing the ecosystem from localization perspective. So, currently, if you see the market synopsis, most of the players are kind of importing the entire BESS container from China. So, you can say this is more like 90%-95% of these commodities actually getting imported. What SPML is doing different is we are trying to localize this. So, this is going to be sort of an import substitute for the entire container. And this adds the value to the existing ecosystem. So, you are talking about roughly 60%-70% of the commodities sourced locally within India. So, this is the unique distinct advantage which we are trying to create. I hope that answers your question.

Moderator: We have the next question from Mr. Mohammed Afzal Merchant from Iris Capital. You may please go ahead.

Mohammed Afzal Merchant: My question is related to battery storage business which we are establishing. So, from what stage we are establishing the business? Are we going to import the battery cells or battery cells are also to be produced in India? Or from what stage we are planning?

Samir Patel: So, if we talk about the supply chain of the BESS, almost 20% of the critical commodities will be imported. And cell is one of them where from a technological standpoint, India is not ready to manufacture cells for BESS. I know that there is quite a lot of development going on. But even transiting that to maturity will take 2-3 years. So, for that timeframe, we have to source from China or Indonesia or Malaysia. We have to source that. Once India is ready with Make in India cells, we can easily swap over and consume that within India.

Mohammed Afzal Merchant: Second question is that if we are going to import battery cells, do we have any tie-up with Energy Vault in this regard? Or we are going to China only for imports?

Samir Patel: We do have tie-up with Energy Vault for the entire system which gives us the unique advantage of getting cost competitiveness. So, the cells itself via Energy Vault handshake will be sourced from China through top 3 Tier suppliers.

Mohammed Afzal Merchant: So, I want to understand that whatever we are talking regarding the revenue, Rs. 5,000 crore revenue will be for the current Financial Year or next Financial Year?

Manoj Digga: Here I want to add basically the Rs. 5,000 crore revenue visibility and possibility of BESS will be on the 5 GW plant. For the moment we are setting up a 2.5 GW plant, the ramp-up will happen in the due course of time. But that the BESS plant can generate the revenue of Rs. 2,500 cr, 1 GW is around Rs. 1,000 crore. So, next year will be by 2.5 GW and next to next year we will be on 5 GW. So, that will give the generation revenue ability. Moreover, we are targeting Rs. 5,000 crore worth of orders from water, it will be executed into 3-4 years. So, that is the way revenue will be generated.

Mohammed Afzal Merchant: Regarding pump storage hydroelectricity, is this pump storage hydroelectricity also connected with BESS or pump storage hydroelectricity is a separate business?

Manoj Digga: Pump storage hydroelectricity is the power generation another facility like you have hydro, like you have thermal, like you have solar, pump hydro is another way to generate the power. That also may require the BESS. So, any energy which require the storage of energy, any power plant which require the storage of energy, which is where the BESS will come into the picture. So, BESS is the storage additional facility into the power pump. Pump storage is another power generation unit which has started recently, generate the power by doing the pump station. So, that is the separate facility. Yes, that will also require the BESS.

Mohammed Afzal Merchant: And one more question regarding water business. Our water business is like B2G. So, in this B2G business, what de-risking parameters we are establishing so that or through diversification of geography because there is a lot of risk in B2G business?

Manoj Digga: See, the water is primarily a government subject. It is not the private subject in India. So, there are few things in the water. One is the water connection, drinking water. Second is to have the irrigation water. Third is the water which required for the linking of the river. That is the third facility which is required and fourth is the wastewater treatment. So, there are various water requirement for which there are various schemes like Jal Jeevan Mission, it is only for drinking water, AMRUT is mainly for the irrigation water and to some extent to the bulk water also. So, these are the water system which we have and there are various schemes are running on that basis and we are taking the order accordingly.

Our preferred order, as we set up the guideline internally, that we will not take the order where the margin is less than 10%. There are various repetitive orders where they are going very low, we are not going to take. Our margin is more than 10%, then only we are going to take. We are going to take the states where it is easy to operate. We are going to take the order where we have the good support from our suppliers like the pipe supplier, etc. We start with Welspun, Jindal Saw, these are the pipe suppliers where we have a very strong and long relationship. So, we are getting support from these partners. We are also seeing that where it is fully funded because that is our prime criteria taking any order that whether it is fully funded or not. Fully funded project having a high margin, having the commercial in such a way that we can keep the price through of certain cost. And if it is for the bulk where the water supply or contractor or suppliers is supporting us, we are taking only those types of projects.

We are not incurring, as I told you at the beginning, the SPML this time is not focusing into the order book. We are focusing more into the bottom-line that is our margin, more towards the quality of order. Like I am telling you about this Indore order, it is a unique, I don't think any company in India or even 2-3 companies of the world have this type of water project which we got, which required the 400 MLD water treatment plant. And we have the technology development plant which will generate the water and will improve the water quality and reach to the Indore city on a very specific plants. So, this type of unique project where there is a limited player to play and there the margins are high, we are only selecting those types of projects into our business. So, we are very selective on those.

Mohammed Afzal Merchant: One more question regarding arbitration targets. What are the targets of receivables in this Financial Year?

Manoj Digga: Arbitration, as I told you, there is a roughly around Rs. 640 crore of arbitration award where the interest is accumulated up to 31st March 2025. Every day, we are accumulating the interest into this arbitration awards. All are at various stages like one arbitration award of roughly around Rs. 200 crore is under the Supreme Court level. So, hopefully by this year, we

may get that arbitration award. If that gets the arbitration award, by next year we may get the money into that also. So, all the arbitration award which are there at very advanced stage in a different level of the court as soon as we keep on getting, keep the reduction into the NARCL dues and 25%, we are also getting towards our liquidity in total. So, all are in track.

We have the time from NARCL 6 years for the payment of the dues. We are expecting arbitration award, they require roughly around Rs. 400 crore, expecting the arbitration award to be received in 4 years and that will be along with the interest, so roughly around Rs. 800 crore. So, we have a cushion in the arbitration awards for the payment to the NARCL and further for the improvement into the liquidity. Further, we have roughly around Rs. 4,600 crore of claim which are going to be converted into arbitration award. If we see the past track, 40% of the claim to award we are getting conversion. So, around Rs. 1,500 crore of further visibility of the arbitration award, all are going to be come to the company in next 6-8 years. That will further improve the liquidity into the company and in the meantime, if there is another scheme like Vivad Se Vishwas last year has happened, it was a grand success scheme of the government. That happened and we will get the arbitration received much in advance compared to, because then the settlement will be immediately. It will not go up to the Supreme Court or High Court level. They will settle and we will get the money.

Mohammed Afzal Merchant: Last question is regarding BESS. What differentiation in offering we have against the competition in the market?

Samir Patel: So, differentiation which we have is the AC block and the DC block which I mentioned earlier on. So, we have two different technologies, unique technologies and currently what is happening in India is DC block technology. So, the uniqueness is we are offering both customizable to any sort of capacity which the customer might demand. So, this is one of the uniqueness we are bringing to the energy sector.

Manoj Digga: Here I want to add one more. US is famous for their technology and their upgrade into the technology. And BESS is a highly technology-driven industry. That is one of the reason why we have selected the US partner. Because US partners are really famous for their technology improvement. And they will keep on doing the improvement on the technology which BESS will have and that benefit we will keep on getting in the next few years.

Moderator: Thank you. Next question is from Mr. Rajesh Naik. Sir, you may please go ahead.

Rajesh Naik: Hi, good afternoon. So, my basic question was whether our MIDC land has been fully allocated to us? And whether the construction has been started over there or how is it?

Samir Patel: So, yes, we have the land. We have the possession. And we have finalized the layout. So, it is submitted to the MIDC. So, the construction we are anticipating to kick start from early next month.

- Rajesh Naik:** So, are we in line with the production line or what is it?
- Samir Patel:** Yes, it is in line with that and we are on track. We are hoping by end of Q1, the infrastructure will be ready. We will have some volumes coming out from that.
- Rajesh Naik:** Related to compliance, so what all compliance is required for our BESS type of business?
- Samir Patel:** So, we have two sort of compliance. One is the factory regulations and the other one is the certifications from a safety perspective, right. So, the factory compliance is with MIDC. And from time to time as the construction keeps on maturing, we will submit the relevant documents to get that approved by the regulatory. That is one thing. And from a certification standpoint for the product itself, we are focusing more on the safety aspects as per the Ministry of Power guidelines. Mainly, it is the UN and UL and IC certifications. So, that we already have from Energy Vault So, once we deploy the final product to the site, we will revalidate that.
- Rajesh Naik:** One more thing was like whether we are doing energy storage as a service or build-on-operate means boot type, or currently we are focused on only EPC based delivery only?
- Manoj Digga:** Based on the requirement, all the options are available. But at the time, we are looking into the EPC.
- Rajesh Naik:** So, that means we are okay with the 1st quarter of the next Financial Year, we will be having some revenue from this business, BESS business.
- Manoj Digga:** We are targeting as an EPC some BESS order into this Financial Year itself otherwise, definitely next year.
- Moderator:** Thank you. We have the next question from Ms. Nishita from Sapphire Capital. Please go ahead.
- Nishita:** Hello. Good afternoon. Sir, I had a follow up question on one of the previous participants. You mentioned that there is Rs. 5,000 crore revenue visibility from the 5 GW plant and the 5 GW plant, we are supposed to be done by FY28. So, I just wanted to understand that this revenue guidance is just from that plant. So, what is the overall revenue guidance that you would give for FY28 and FY27?
- Manoj Digga:** This is the amount which we say that the 5 GWh plant can clock the revenue generation capacity. Because then we can set up the BESS facility and as an EPC for Rs. 5,000 crore. But I am not telling that the 2028 which will be Rs. 5,000 crore. It will require to ramp up the BESS facility to reach 5 Gwh of capacity to reach Rs. 5,000 crore.
- There are two units - one is the power and second is the water. In the water, we will have the target of taking the Rs. 5,000 crore of order book every year. This year also we have a target for Rs. 5,000 crore of order book. If it is a Rs. 5,000 crore order book, it will be completed into 3-4

years. That is the timeline of the order book execution. And every year, we will keep on getting the Rs. 5,000 crore. That is our target. And from that you can analyze how the revenue will grow in the water sector.

In the power sector, based on the ramp up of the BESS facility, the revenue will keep on growing. We have the target that by 2029 or 2030, we should have the water and power revenue more or less equal.

Moderator: Thank you. We have Mr. Raj Mantri from Krijuna Research and Analytics. Sir, you may go ahead with your question.

Raj Mantri: So, like my first question would be in the BESS segment, so we are going to import B-Vault software which is a containerized solution. So, what we are going to import from China then?

Samir Patel: So, from supply chain perspective, we are going to import cells as a primary commodity. And we are also going to import the cooling systems to start with for the next year. But then, we are going to outsource and localize these commodities in the long term. So, within 2-3 years, almost 70% of these commodities will be localized. So, for a start, we are going to import most of the commodities. I would say probably 70% will be import. But then, that will be flipped over to 70% localized within India in the next 2-3 years.

Raj Mantri: Second question would be, so actually, I saw the press release by Energy Vault regarding the agreement with SPML. And they had mentioned initial 500 MW of capacity of \$100 million to be delivered under equipment contracts over next 12 months. And in the previous concall, you had actually mentioned we are going to purchase B-Vault software for \$4 million. So, can you reconsider both the figures?

Manoj Digga: Basically up to the 500 MWh, they will help us to generate the BESS facility. That is continuing. So, we are targeting few orders. Energy Vault is not only giving the technology, they are also supporting us and helping us to have the facility infrastructure completed. And basically, all our BESS which we will manufacture, we will do the EPC of the BESS. They will also help us in hand-holding and keeping our system aligned and all the infrastructure in place.

Raj Mantri: So, what sort of revenue we will provide to B-Vault other than that \$4 million that we have mentioned in the previous concall?

Manoj Digga: 1.75% is the royalty.

Raj Mantri: And that \$4 million would be expensed through P&L or it will be capitalized in the balance sheet?

Manoj Digga: It is a technology cost and capitalized in the Balance sheet. So, it will not be in P&L.

- Raj Mantri:** Has someone shown interest or had given orders for EPC in BESS domain to SPML?
- Manoj Digga:** Participated into various tenders. Let us see what the result comes.
- Raj Mantri:** My last question, like could you brief about unit economics in BESS? What would be the cost per MWh or GWh? And ROCE regarding this business and the breakeven?
- Manoj Digga:** As I told you that is a container cost is basically 1. If it is a 5 MW container, so roughly around Rs. 5 crore container. And there is a cycle time of 8,000 cycles. There is a charge and discharge. And various calculations come into that. So, I can say the cost of BESS in all aspects to the renewable energy which will be installed, it will be around 90 paisa to 130 paisa, Rs. 1.30 paisa. That will be the cost. And that is where they will have the differential of the unit rate from the peak and non-peak time. That is their advantage. So, that is the way they will do. All the EPC, if we do on the BESS, we will have the margin. It is our minimum targeted margin more than 10%. Otherwise, EPC we will not take BESS EPC also. When we will have our component manufacture of battery pack, then our margin will increase from 15%-16%. That is the BESS economics going forward with our revenue.
- Raj Mantri:** By how much time, we will achieve the break-even in battery pack manufacturing?
- Manoj Digga:** Break-even, I think it should be in 1 year itself.
- Moderator:** Thank you. We have the next question from Mr. Tushar Sarda of Athena Investments. Please go ahead, sir.
- Tushar Sarda:** Thank you for the opportunity. Carrying on the previous question, so are you going to sell BESS pack to people who are doing this renewable energy project? Or are you going to take up the project and own the pack and get a recurring revenue? I am not very clear on that?
- Manoj Digga:** We will sell the container which will utilize the BESS pack. This battery pack will utilize into the container. If you see the container, major cost of the container is battery pack. Roughly around 40% cost is the battery pack. And that we are manufacturing.
- Tushar Sarda:** So, you are selling that, right?
- Manoj Digga:** Yes, we will sell the container. That is our target.
- Tushar Sarda:** So, what is the working capital and margins going to be in this business?
- Manoj Digga:** Working capital in the BESS will require only the LC limit at the appropriate time which we will discuss with the bank. And that LC limit and the timeline of the LC will be sufficient. I don't think in the BESS also, we will require only fund-based limit. Mainly the LC limit, we will require, like we require the BG limit for our EPC business.

- Moderator:** Thank you. We have the next question from Mr. Pratham Modi from HPMG Shares and Securities. Sir, you may go ahead with your question.
- Pratham Modi:** Hello, sir. Good afternoon. My question is, as you mentioned in the call that you will have the BESS capacity of 2.5 GW next year, would you please share total capex for this capacity?
- Manoj Digga:** For the 2.5 GW, it is Rs. 125 crore including the land etc. And if it is going to 5 GW, then it is Rs. 175 crore till now, that is the cost which we are funding through our own, Rs. 125 we are funding through our own equity which we have generated from the preferential allotment.
- Moderator:** We have a follow-up question from Mr. Raman KV from Sequent Investment. You may please go ahead, sir.
- Raman KV:** Sir, I just want to understand what is the current total addressable market size in India with respect to this BESS battery container which you are planning to sell?
- Samir Patel:** The market size currently in India, if you think about the top players, it is about 30 GW. In the next 5 years, it is going to ramp up like a banana curve to 236 GW. So, we are in the early phases where we are pitching in via 2.5 GW manufacturing capacity. So, in the next 1 year, this is what I am expecting to launch. Once we have fully productionized 2.5 GW capacity that is like 2 containers if you do the math, then we are going to ramp it up to 5 GW. That is the next Phase-2 which will be another 1-1.5 years. So, let us say from now until 2.5-3 years, we will have a total capacity of 5 GW. But still that doesn't meet the 236 GW demand because we will also have competitors within the space. So, our target is to move from 5-10 GW immediately after that as well. So, if you see from a ramp-up perspective, we will start with 2.5, then we will go to 5 GW and straight to 10 GW long-term back. So, this is the way we have to scale up.
- Raman KV:** And sir, I just want to understand, you announced what is the capex required for the 2.5 GW manufacturing plant which you are planning to establish in Pune. I mean you have said that the capex is Rs. 175 crore, if I am right, does this include the land cost also which we received from MIDC?
- Manoj Digga:** Rs. 175 crore is for the 5 GW, so Rs. 125 crore is for the 2.5 GW and this includes the land cost also.
- Raman KV:** That is inclusive of the land cost and this is entirely funded from preferential allotment, right?
- Manoj Digga:** First phase we have funded through the preferential, second phase also we have the liquidity, but that time we can think of any other. But till now, both the phases are from the preferential.
- Raman KV:** With respect to margins, how much margins are you expecting from BESS and as you mentioned, you are planning to start commercial operation by the end of Q1 FY27. How much time will it take for us to ramp it up to optimization level?

Samir Patel: In terms of optimizing and scaling it up, by the end of Q1 FY27, we will start manufacturing the containers. So, my anticipation is depending on the order book and depending on how quickly we can get the tenders awarded, we can ramp it up within 3-4 months immediately in a full capacity.

Raman KV: You initially mentioned that you have a technology tie-up with a NASDAQ listed company. What is the company's name?

Samir Patel: Energy Vault

Moderator: Thank you. We have a follow-up question from Mr. Rajesh Naik. You may please go ahead.

Rajesh Naik: Thanks again for the opportunity. Could you please share the timeline or plan for converting this preferential issue into regular listed equity? Is there any specific lock-in period or regulatory milestones you are waiting for?

Manoj Digga: We have two potential warrants going on. One is going to come in November. Another is going to come in the April. That includes the promoter also, which we want to start funding to the company well before.

Rajesh Naik: What will be the lock-in period?

Manoj Digga: 6 months. That is as per the law.

Moderator: Thank you. We have a follow-up question from Mr. Tushar Sarda of Athena Investments. You may please go ahead, sir.

Tushar Sarda: Thanks for the opportunity, again. I am back on that working capital thing. Because we are going to import so many parts for BESS and the turnover is fairly high, Rs. 1,000 crore per GW, right, so if you are at Rs. 2,500 crore and roughly if I take 25% kind of working capital requirement, then it comes to Rs. 600-Rs. 700 crore. Would my understanding be right?

Manoj Digga: No, it is not right because it is every month production and it keeps on going. So, for the 2.5 GW, our requirement will be roughly around Rs. 150-Rs. 200 crore of LC limit that we have already taken.

Tushar Sarda: No, LC limit I understand, but inventory you will need to carry, right? Because there is transit time and all that?

Manoj Digga: It is an order based which will keep on going.

Tushar Sarda: So, you don't think it will be more than Rs. 200 crore?

- Manoj Digga:** No, more than that working capital is not required.
- Tushar Sarda:** So, what is the ROCE and ROE for this BESS project that one should factor in?
- Manoj Digga:** See, these are the technology-driven projects. So, the technology-driven projects is a high margin project and it is having very high ROCE and ROE.
- Tushar Sarda:** So, probably north of 40%?
- Manoj Digga:** It can go more than that when it is established.
- Tushar Sarda:** It will go more than 40%. That is what I wanted to know. Thank you so much.
- Moderator:** Thank you, Mr. Tushar. We will take the final question from Mr. Pratham Modi from HPMG Shares and Securities. You may please go ahead.
- Pratham Modi:** Thank you for the opportunity. Sir, the Rs. 175 crore capex for the 5 GW plant is expected to generate an estimated revenue of Rs. 5,000 crore, which result in an approximate asset turnover ratio of 28.57. Could you kindly provide more details or clarify how this asset turnover ratio is achieved?
- Manoj Digga:** This is the EPC, like in our EPC, if we are making the Rs. 5,000 crore turnover, we don't have to have any asset in the water. The same way power, we are setting up the BESS facility and then rest of the things we are doing the EPC. So, you can't consider the asset turnover compared to our plant and capex required that is there. The BESS plant, based on the order, will keep on generating the battery storage container on the EPC basis. So, that is no correlation in the EPC with the asset turnover. Am I clear on that?
- Like water, we are making Rs. 5,000 crore turnover, maybe in 2-3 years. If all the orders keep on going and we will keep on generating, then there will be suppose Rs. 5,000 crore of order book. It is on the EPC. If we keep on producing, we will keep on getting the money and the asset is our technology, our manpower and that is the asset. The same way BESS, we will set up the battery plant unit and then rest is the EPC. So, there is no direct correlation with the turnover versus the asset.
- Moderator:** Thank you. I would now like to hand over the call to the management for their closing remarks.
- Manoj Digga:** Thank you very much for everybody for taking the time to join us today. We are encouraged by the positive momentum observed in Q2. With healthy order inflows and a robust pipeline of tenders, we remain optimistic about the opportunities that lie ahead.
- Our current order book, combined with L1 positions and successful bids in strategically targeted tenders, provides a strong foundation for sustained profitability and revenue growth. As we

navigate an evolving global and economic environment, our continued focus on critical sectors such as water and clean energy, backed by our execution capabilities and disciplined financial approach, positions us well for substantial growth in Financial Year 2026 and beyond. We are reasonably satisfied with our performance along with new order conversion and we are quite hopeful of surpassing our targeted order book position.

Once again, thank you for your continued support and confidence in our journey. We look forward to sharing our progress with you in the coming quarters.

Samir Patel: Thank you so much.

Moderator: Thank you all for joining the call. You may disconnect your lines.

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