Leading Through Innovation

August 01, 2025

To
**BSE Limited**
Corporate Relationship Dept.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001

Scrip Code: 544283

To
**National Stock Exchange of India Ltd**
Corporate Relationship Dept.,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Symbol: ACMESOLAR

**Reference:** Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended ("Listing Regulations") and our earlier intimation dated July 21, 2025 regarding Schedule of Earnings Call for Q1 FY 2025-26 results with analyst(s)/institutional investor(s)

**Subject:** Earning Call transcript of the Investors Conference Call held on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2025 (Q1 FY 2025-26)

Dear Sir/Madam,

In terms of Regulation 30 and 46 read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the transcript in respect of Earnings Conference Call with the Analysts/Investors held on Monday, July 28, 2025 on the Unaudited Financial Results (Standalone and Consolidated) of the Company.

The Transcript of the conference call has been uploaded on the Company's website and the same can be accessed from the link provided below:

https://www.acmesolar.in/assets/pdf/Webcasts-and-Transcripts/28-07-2025-Q1-FY26-Earning-Call-Transcript.pdf

You are requested to take the same on record.

Thanking you,

For **ACME Solar Holdings Limited**

RAJESH SODHI Digitally signed by RAJESH SODHI
Date: 2025.08.01 19:10:03 +05'30'

**Rajesh Sodhi**
**Company Secretary and Compliance Officer**

**Encl: As above**

# “ACME Solar Holdings Limited

# Q1 FY'26 Earnings Conference Call”

# July 28, 2025

**MANAGEMENT:** **MR. MANOJ KUMAR UPADHYAY – CHAIRMAN AND MANAGING DIRECTOR – ACME SOLAR HOLDINGS LIMITED**
**MR. NIKHIL DHINGRA – CHIEF EXECUTIVE OFFICER – ACME SOLAR HOLDINGS LIMITED**
**MR. RAJAT KUMAR SINGH – GROUP CHIEF FINANCIAL OFFICER – ACME SOLAR HOLDINGS LIMITED**
**MR. ANKIT VERMA – HEAD OF CORPORATE FINANCE – ACME SOLAR HOLDINGS LIMITED**
**MR. ARUN CHOPRA – HEAD OF FINANCE AND ACCOUNT – ACME SOLAR HOLDINGS LIMITED**

**MODERATOR:** **MR. YOGESH PATIL – DOLAT CAPITAL MARKETS PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Acme Solar Holdings Q1 FY '26 Earnings Conference Call hosted by Dolat Capital Markets Private 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 phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yogesh Patil from Dolat Capital Markets Private Limited. Thank you and over to you, sir.

**Yogesh Patil:** Thank you, Shubham. Good morning, ladies, and gentlemen. On behalf of Dollar Capital, I have pleasure in inviting you all for Q1 FY'26 earnings conference call with the management of Acme Solar Holdings Ltd.

The management is represented by Mr. Manoj Kumar Upadhyay, Chairman and Managing Director, Mr. Nikhil Dhingra, CEO, Mr. Rajat Kumar Singh, Group CFO, Mr. Ankit Verma, Head of Corporate Finance and Mr. Arun Chopra, Head of Finance and Accounts. Now without taking much time, I hand over this call to Mr. Nikhil Dhingra for the opening remarks and then we will have a question and answer. Over to you, Nikhil, sir.

**Nikhil Dhingra:** Thanks a lot, Yogesh. Good morning, everybody. Thank you all for joining us today. I will first start with our company's performance and then I will update on the key updates from the industry. So Q1 FY '26 has been an important quarter for us both in terms of financial results and strategic milestones. We commissioned 350 MW of new projects including our first 50 MW wind project.

With this, our operational portfolio of independent power producers now stands at 2890 MW, capable of delivering an annual steady state project level EBITDA of INR2,000 to INR2,050 crores and an EBITDA yield of around 14%-15%.

In terms of new wins, we secured our first standalone battery energy storage projects of 550 MWh contracted with NHPC. The PPA was signed in a quick time of one month. This marks a major diversification into energy storage, pure energy storage contract.

Further, in this quarter, we signed PPAs of 550 MW of FDRE and solar project and 550 MWh are of standalone BESS projects. With this, our under construction portfolio stands at 4080 MW plus 550 MWh are of storage and 55% of our portfolio has signed PPAs. For our under construction capacity, we have placed orders of over 3.1 GWh of battery energy storage system with suppliers like Narada and Trina Energy.

Also, we have secured commitments for key long-lead items like power conversion systems, transmission line, power transformers, wind turbines and various other equipments. So, all in all, we have placed purchase orders in excess of around 7,000 crores so far for our under construction portfolio. Further, grid connectivity is in place for the entire 4080 MW of under construction portfolio.

Coming to our financial performance now, our total revenue for the quarter stands at around INR584 crores which is a 72% increase year-on-year. EBITDA comes in at INR531 crores up 76% again. We had a very healthy EBITDA margin which is aided by the operational capacity growth and also reduction in the overall percentage cost.

So, the margin is now at 91%. PAT is INR131 crores, a very sharp jump, of course, because of the capacity growth we had in this year. In terms of balance sheet, we continue to maintain strong balance sheet discipline with net operational debt to EBITDA at 4.2x.

How we calculate is basically the operational project debt and the operational project EBITDA. This is well within our guided range of 5.5x which we seek to maintain at all times. Our net debt to net worth stands at 1.7x which is again very healthy. Further, days of sales outstanding has dropped to 36 days in Q1.

Of course, the proportion of central off-takers in our overall portfolio has moved to 86% now. So, this really bodes well for cash flow generation for us. Coming to capital optimisation and on the finance side, a key milestone for us is tying up of refinance debt. We continue to refinance our debt and we have now taken in this quarter disbursement also for that debt of around INR1,070 crores for a 250 MW operational project at an interest rate of 8.5% fixed for 5 years.

This diversifies our interest rate book to some part to fixed. And this also marks the entry of new reputed lenders like Bank of America, Standard Chartered Bank, and India Infradebt Limited in our loan book.

This is a 95 basis points reduction in the interest cost for this and this bodes well for our future refinancing in terms of the financing cost we will. We were able to reduce our weighted average cost of debt substantially and we will as we take benefit of the base rate reduction and the spread reduction because of improvement in credit rating.

On credit rating, we are pleased to share that within six months of full operations, our four SECI assets with a cumulative capacity of 1,200 megawatt have secured CRISIL AA- stable rating. These are strong endorsements of our execution and credit profile. Now turning to operational metrics.

In Q1 FY26, we generated 163 crores units up over 107% year-on-year and our capacity utilization factor improved to 28.5% from 27% last year. In this, of course, Rajasthan continues to be a very large proportion of the operational portfolio. It accounts for 2250 megawatt of our operational portfolio delivering an impressive 30.3% CUF.

Now coming to industry briefly. So there are a few key updates relating to industry. So Ministry of Power announced the second tranche of VGF scheme with a total financial outlay of around INR5,400 crores. This aids the development of the BESS projects across states. VGF around 18 lakh per megawatt hour will be provided under this scheme which will enable development of 30 gigawatt hour of BESS capacity.

This is a strong signal by the government to accelerate the energy storage deployment in the country. On the regulatory front, MOP again extended the 100% waiver on the ISTS for co-

located BESS projects commissioned by June 2028 and pumped hydro storage projects where construction will be awarded before the same date.

This bodes well for the whole industry's FDRE project because it has a large component of co-located BESS projects. This move will strengthen the commercial viability of the integrated renewable plus storage solutions. The execution remains strong in quarter 1 of this financial year, the country added over 12 gigawatt of renewable capacity which is a big improvement over the last year.

In this half year, we have done close to 25 gigawatt, 30 gigawatts which is a very significant improvement over the last year. This 12 gigawatt added in this quarter includes 10.6 gigawatt of solar and 1.6 gigawatt of wind taking the total installed renewable capacity to around 234 gigawatt including large hydro.

Non-fossil fuel sources now make up more than 50% of the country's total installed electric capacity. Importantly, this target has been achieved 5 years ahead of the original schedule and we are proud to be contributing meaningfully to this transformation. Lastly, on the demand side, power consumption showed some softness during the quarter on account of early onset of monsoon and a higher base.

India's overall power demand during Q1 FY26 stood at 446 billion units reflecting a 1% odd year-on-year decline. Similarly, peak power demand during the quarter stood at 242 gigawatt marking a 3.2% decline over the same period last year. Of course, our business is all linked to the PPA so these industries don't really impact us in that regard.

In closing, I would like to reiterate Q1 FY26 has begun on a strong footing driven by robust operations, solid financial performance, and strategic wins in the storage space. We continue to prioritize discipline growth, technology-driven execution, and financial agility as we expand our portfolio.

With that, I now open the floor for questions and I would also like to request our Group CFO Rajat to say a few words as well.

**Rajat Singh:** Thank you Nikhil and good morning everybody. As Nikhil has already reiterated, I think there is huge opportunity - sector is concerned, including the storage solutions. So definitely from a financing and finance perspective our focus is going to continue in the growth, but growth with profitability.

So we are going to have projects which gives us growth as well as we maintain our profitable momentum. And also because there is significant amount of funding required for financing these projects there will be continued focus on reducing the financing cost. And as already kind of alluded by Nikhil, we have diversified both construction financing as well as operation stage financing from multiple lenders. We have moved away from traditional lenders that typically fund the power projects. We have gone to large PSU banks, we have gone to private sector banks and also foreign lenders.

As we speak, we also want to focus on the capital market as well because encouraged by AA family rating for multiple projects and looking at the central REIA project significantly contributes to our portfolio. I think we expect going forward our rating to be consistently in the AA family, of course specific to rating of the projects.

But also it will contribute significantly to the holding company rating as we contribute and add more and more central REIA projects. Today our holding company rating is A+ with positive outlook. We look to taking it further as we keep on adding more and more projects.

And so certain mix of this financing going forward could be from capital market, gives us diversification into various fund providers such as mutual funds, insurance companies and also provident funds. So I think our focus consistently is going to be on the cost of financing. We have already started reducing our cost of financing below 8.5% as we speak.

And also due to kind of policy intervention by Reserve Bank of India and competition among the banks and financial institutions to fund this kind of project. We are already getting lot of calls from banks and financial institutions to kind of partner with us in terms of funding and reduce the cost of funding. So I think that consistently is going to be our approach, and yes, now we can definitely go on to the question and answer. Thank you, Nikhil.

**Moderator:** The first question comes from the line of Mohit Kumar from ICICI Securities. As there is no response from the current participants, we will move towards the next question. The next question comes from the line of Meet Katrodiya from Niveshaay.

**Meet Katrodiya:** Yes, sir. Thank you so much for the opportunity. Sir, could you please provide a breakdown of the current unit economics of the battery energy storage system projects, specifically the capex per megawatt hour and what internal rate of written IRR are we targeting both with and without VGF. Also, additionally, the government has reduced the VGF rate from INR27 lakhs per megawatt to INR18 lakhs per megawatt. So what are the underlying reasons for this revision?

**Nikhil Dhingra:** Right. Right. First, on the industry question of...

**Meet Katrodiya:** Yes, sir.

**Nikhil Dhingra:** So in terms of the VGF reduction, as you know, the capex cost has come down for the whole battery solution. And the government is…

**Meet Katrodiya:** Yes.

**Nikhil Dhingra:** Looking at the tariff reduction which has happened across the projects. Very competitive rates have come. So government believes that reduced VGF will also be fine in terms of getting the economical rates. So that is why, that is the thought behind reducing the VGF.

And we think it's a very good move to at least have this much VGF, because it will lead to a lower tariff for the state government and it will encourage the development of the -- and it is also in sync with the ISTS waiver given by the government till 2028, because the emphasis is on stabilizing the grid, meeting the peak power demand. And this VGF will keep for the whole

-- all the state governments interested to keep continuing the momentum they had built on doing these battery link projects.

In terms of the projects, we have won, right. So the battery projects typically are where you need to -- the Andhra Pradesh NHPC project we have won. There we don't need to basically do the whole evacuation substation. We are installing at the premises of the customer. So the whole capex which is required to be done on a typical solar plant regarding transmission evacuation substation need not be done. So we don't need to do that. The only thing…

**Meet Katrodiya:** Okay.

**Nikhil Dhingra:** We really need to do is the battery installation -- battery system installation. And that is typically done at a capex of $100 per kilowatt hour. So it is much less than that. And the IRR in this is of course lesser than the FDRE, but the risk is also much lesser than the FDRE. So they are in high-teens. So we don't do a project which is less than a 16% return. So the returns are much above that for this project. And these returns are aided by multiple factors.

And this includes the VGF of course. And this also does not include the upside which an interest rate reduction will provide in terms of the reduced risk of the project, because this does not include any land acquisition. This does not include any transmission lines. The risks are almost similar to what used to be there in a solar park bid. So that's how it is. And the contract tenure is shorter here also. So that also is factored in these numbers.

**Meet Katrodiya:** Thank you so much, sir, for the elaborate answer. Second one, sir, with reference to the recently announced 3.1-gigawatt BESS ordere , it is one of the largest. So can you elaborate on the sourcing strategy? Like are we importing battery components in the semi-knockdown condition or -- and localling -- local assembly? Are we using full assembly battery packs? So is there any cost differential between these two approaches? Like either in -- if you do assembly here, it is beneficial cost wise or how we should -- how are we doing this?

**Manoj Upadhyay:** Right. Let me reply this, Nikhil. First of all, actually, India is -- we are deploying first time a large scale battery in India. So it is important that…

**Meet Katrodiya:** Yes.

**Manoj Upadhyay:** We should get the full product from someone who has already deployed in global scale…

**Meet Katrodiya:** Yes.

**Manoj Upadhyay:** At a global scale.

**Meet Katrodiya:** Okay.

**Manoj Upadhyay:** Assembly at this time, when the industry at nascent stage, is not a very good strategy. It can happen later, right? The government is the -- that is the reason even the government has given the option that you can get the full battery from outside by paying a small duty while you are importing. So my -- we want to reduce our risk of doing any local assembly at initially stage of

battery deployment. When in India we have 100-gigawatt of battery deployment, right? That time people will think…

**Meet Katrodiya:** Yes. Yes.

**Manoj Upadhyay:** Of doing a local assembly. Till the time I think it is more important to ensure the reliability than the cost reduction of some level.

**Nikhil Dhingra:** In terms of the warranty, this provides you a better reliability of the product. Because if you are procuring a cell from a different vendor and wrapping it up by a vendor who is smaller than the battery contractor, then the wrap…

**Meet Katrodiya:** Okay.

**Nikhil Dhingra:** Will not be of the same quality as you would get the whole container from the battery vendor.

**Meet Katrodiya:** Got it. So sir, what would be the difference in terms of costing of BESS battery in India or if we directly import from India? Is there any higher duty on the battery pack? So how much is the cost difference between India and China?

**Nikhil Dhingra:** So it's a -- India and China the cost is -- India is not an option anymore. But in terms of the container, I think you are only asking about the container part.

**Meet Katrodiya:** Yes.

**Nikhil Dhingra:** So the -- I think the duty difference is more or less made up by the cost increase which we make up by making in India. But it is around 5% to 11%. That is the duty difference in terms of…

**Manoj Upadhyay:** Cell and the…

**Nikhil Dhingra:** Between the cell and the container. So not a very large difference if you consider the warranty cost and the reliability which is seek – which is sought by our investors and lenders.

**Meet Katrodiya:** Got it. Got it. Sir, last one. Could you share the details on the current BESS tendering and how much tenders are there in the pipeline and how many tenders can come in the future in -- on BESS side?

**Nikhil Dhingra:** So BESS -- our key focus on the BESS side is winning the FDRE and the solar plus storage tenders, right?

**Meet Katrodiya:** Yes.

**Nikhil Dhingra:** And we will ideally like to have those in our portfolio as compared to the pure BESS tenders. So that is the first key point.

**Meet Katrodiya:** Okay.

**Nikhil Dhingra:** In terms of the pipeline which you are asking of the new projects which are coming, as we already said 30-watt -- 30-gigawatt hour of VGF has been announced. And these states will like

to consume that in this year or maybe the next year. So that much -- and they can consume it through multiple means. So we are seeing that the tendering has slowed down in the last quarter. But now it will pick up because we have multiple bids coming from all the REIAs.

The trend has shifted to solar plus storage and pure storage. So we are seeing less of and hopefully the 24-hour, the whole day procurement will also pick up that, because that will really lead to a higher growth of the peak power in the country. So we see that this growth will be very high. It will be much higher than the last year is what we feel.

**Meet Katrodiya:** Okay. Got it, sir. Sir, just one follow-up. Like I was talking with one of the assembly players. So they were saying, if we import the cell, so cell is 40% of the cost of the battery pack. So duty on cell is 5%. And if we import the wall battery pack, it is -- duty is 11%, right? So, they get duty difference of the 5%-6% if they assemble it here. So, why, like, we are importing full battery pack? Could you give some reasons why it is beneficial to import wall battery pack in India?

**Nikhil Dhingra:** So, see, 40%, as you rightly mentioned, is the cell cost. On that, 6% is around 2.4% of the overall cost.

**Meet Katrodiya:** Yes, yes.

**Nikhil Dhingra:** 2.4% you can save, right? Provided the quality of the integrator is as good as what is available in China. And the warranty, as I said, there will be a big lacuna in the warranty. Because if you are getting the containerized solution from India, then the containerized vendor will need to warranty the whole 15 years of performance. So, that's a big risk. For 2.5 percentage of cost improvement, are you willing to sacrifice a large FDRE project revenue? We are currently not in favor of that.

**Rajat Singh:** And also the insurance sector in India has not developed to pick all these bits and pieces and give a wrap kind of insurance. So, as Manoj was talking about, in the early stages of this, I think we should focus on what best price we can get it, right?

And make the performance for a longer period of time by getting that kind of wrapped warranty from the supplier, original equipment supplier. That is the key. We are a developer. We are not a manufacturer at the end of the day. So, we want to ensure that the plant runs for a longer period of time without any problem.

**Meet Katrodiya:** Got it. Also, on part of servicing side, so, are we -- do we have contact with Trina or let's say Narada for the servicing or we will do the servicing part?

**Nikhil Dhingra:** No, no, no. We have a long-term service agreement with both these suppliers which will, on the payment of annual fees, we will get the onsite maintenance and the extended warranty, which will be provided by these two vendors.

**Meet Katrodiya:** Okay. Thank you so much.

**Nikhil Dhingra:** And we are -- yes, our strategy is to have four or five suppliers for the overall portfolio. Yes.

**Moderator:** The next question comes from the line of Samarth Khandelwal from ICICI Securities.

**Samarth Khandelwal:** Yes. So firstly, congratulations on the performance during this quarter. And my question is on the BESS side. The first part is I just wanted to clarify that we will be owning this for the -- we will be the asset owner for the battery energy storage system that we are doing for NHPC and will be receiving lease rentals. Right?

**Nikhil Dhingra:** Correct

**Samarth Khandelwal:** So on the capex we are receiving lease rentals and that will turn into our return. But what about the energy, the energy that NHPC is supplying that part will be received by NHPC?

**Nikhil Dhingra:** Correct. So that's an input for us. We are only storing the energy for the AP government through NHPC. So the energy will be supplied by them at the hours. We are supposed to maintain the service level agreement of availability and output basis the energy provided by them during certain hours of the day as required by them.

**Samarth Khandelwal:** Understood. Understood. Well, second question is on how is an FDRE project different from a solar plus storage or a solar wind plus storage project?

**Nikhil Dhingra:** So, FDRE project is essentially same as solar wind and storage project. The difference in FDRE is it could stretch to 24-hour project also. Technically FDRE stands for firm and dispatchable renewable energy. If you implement this definition in the strictest sense of the word you could -- you should supply it for longer duration of power.

Typically a solar plus storage tender can have a peak for 2 hours, 4 hours and beyond that you will need to put some bit of wind if you want to extend at a competitive price. So the FDRE typically can have longer hours of storage, but a solar plus storage may have a shorter hours of storage extending up to 4 hours. So that could be one difference.

They have been interchangeably used in all the tenders in terms of the FDRE and solar plus storage, but the tenders we have mostly these all FDREs are having 4 hours of storage typically. In solar plus storage, we have lower hours of storage let's say 2 hours and in some cases 1 hour also.

**Samarth Khandelwal:** So the difference in the storage time or supply time is the only reason for difference in tariffs?

**Nikhil Dhingra:** Yes, yes, yes, that is the only difference and the other difference is the fall in the capex prices, understanding of the risk by the various counterparties, let's say the entry of various players. So there is competitive dynamics, there is capex dynamics and there is regulatory dynamics.

So all these three always decide the tariff and you would have seen in solar also there have been troughs and there have been peaks. So it's all like a market cycle which is -- and geopolitics also. So all these 4-5 factors play in terms of moving of these tariffs up and down.

**Samarth Khandelwal:** Okay, perfect. Because FDRE is slightly higher than the plain solar plus storage.

**Nikhil Dhingra:** Yes, yes. Yes, if you look at the FDRE of longer hours, you will find tariffs of up to 4.98 which have been signed by discoms. So because they had longer hours of storage, they have supplied during even the night time also. So that decides the tariff.

**Moderator:** Thank you. The next question comes from the line of Nikhil Abhyankar from UTI Mutual Funds.

**Nikhil Abhyankar:** Yes. Thank you and congrats on a good set of numbers. Sir, I just want to understand of this 3.1 gigawatt of order that we have given, how much of this will cater to the 2.2 gigawatt of contracted capacity that we have? I mean, to flip the question for the 2.2 gigawatt of contracted capacity, what is the quantum of BESS system required?

**Nikhil Dhingra:** So all of it will cater to the contracted capacity only. We are -- what we are doing here is, we are trying and early commission the BESS part of the contracted portfolio. So that -- this 3.1 will be, will basically be catering to the 50% of the overall demand for this 2.3 gigawatt of portfolio. And what we are doing, trying to do is operationalize the BESS part of the system and we have taken, we have taken approvals for that from all the counterparties and others.

So before the COD of the whole FDRE component, we are trying to get the battery components operationalized, which will help us improve the realizations pre-COD due to the merchant prices in terms of the peak power. So that's, that's what we are doing and this is all for the, all for the contracted capacity only.

**Nikhil Abhyankar:** Okay, but you mentioned that it is only, I mean, the total requirements for 2.4 gigawatt of contracted capacity will be much higher.

**Nikhil Dhingra:** Correct.

**Nikhil Abhyankar:** Okay.

**Nikhil Dhingra:** So it will be -- so it will be around 4.5, 5 gigawatt hour. We are closing more orders. So in the next month or so, we are trying to close 2 gigawatt hour more of orders that will complete the overall battery requirement.

**Manoj Upadhyay:** So roughly 2 gigawatt means 2 gigawatt multiplied by 2.5 hour. So you can, roughly the number will be 5 gigawatt hour. So right now we have ordered 5.6 gigawatt hour. So we have ordered 50%, another 56 -- 55% we will be ordering soon.

**Nikhil Abhyankar:** Understood.

**Nikhil Dhingra:** So out of this 4 gigawatt of under construction, total battery requirement will be roughly 10 gigawatt hour.

**Management:** Yes.

**Ankit Verma:** And out of this, which is PPAs and is roughly 2,200 megawatt projects, so that will require roughly around 6 gigawatt hour of battery requirement, out of which 50% is already ordered.

**Manoj Upadhyay:** So our plan is that we order -- we get first 3 gigawatt hour this year to install it. Then we get another 3, 3.5 gigawatt hour January to June install it and from June to December again 3 gigawatt hour. So totally taking up to 10 gigawatt hour, that what we have shown in total requirement.

**Nikhil Abhyankar:** Sure. Understood, sir. And sir, just a final question on the capex. If you can quantify the capex required for, say, 2.2 gigawatt of under construction capacity that we have?

**Nikhil Dhingra:** Right, right. So capex wise, FDRE is closer to around INR 11 crores per megawatt and so -- and the hybrid is around INR 8 crores per megawatt. So that is typically for a -- for this year we have guided around INR12,000 crores to INR 14,000 crores of capex. And of course for the next year also similar sort of number. Of course there is a downward trend on the capex given the battery prices fall. So that is the sort of capex number.

We have already placed purchase orders of close to INR7,000 crores in this year and we, as we said that we want to order the battery and we want to order the rest of the equipment very soon. So we will try and close the orders for around INR14,000-odd crores of capex in this year for sure.

**Nikhil Abhyankar:** Sure. And how much was done in Q1, capex?

**Nikhil Dhingra:** Capex actually done is around INR800-odd crores, but the orders closed is around INR7,000 crores.

**Nikhil Abhyankar:** Understood. Sure, sir.

**Nikhil Dhingra:** You understand the cycle, right? You place the purchase orders and you open an LC when the product is ready. So that is how capex happens and when the delivery happens the capex is done.

**Nikhil Abhyankar:** Thank you, sir.

**Moderator:** Thank you. The next question comes from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

**Dhruv Muchhal:** Yes, sir. My question was a bit related to the earlier question. So basically we have freezed the battery prices for 3.1 gigawatt now. At least 3.1 gigawatt. The remaining you gradually order over the period of time.

**Nikhil Dhingra:** Yes. Yes, we have sealed the price.

**Dhruv Muchhal:** Got it. And so you will be early commissioning these projects and effectively probably selling in the merchant market for some time until probably the PPA comes up. So based on your calculation probably on an hour-wise or minute-wise basis, you see that this project will give you the early commissioning gives you that benefit. I mean, gives you superior returns.

Is that, I mean, that back-end work we have already done and that makes sense. I mean, across seasons, across time portfolio. So, for example, generally what we see is in winter the demand falls and merchant prices fall. So it is adjusting for all those factors.

**Manoj Upadhyay:** Yes, yes, we have done it. In fact, what happens, time shifts. Sometimes in the summer, what happens, it is evening and it goes to late night. In the winter it goes in the morning hours. So only the timing shifts.

**Nikhil Dhingra:** Typically, what we are seeing is around 9 hours is the peak tariff on a 1 hour average basis for the last 12 months and 8.78 is the average for 2 hours in the last 12 months. So, that is the reference number and the production cost you can see, this is the reference capex we have given. So, there is a good sort of sort of, yes, economics.

**Dhruv Muchhal:** And, for this requirement you can always go to the exchange market or short term market to buy that power. To charge your battery and supply it to the...

**Manoj Upadhyay:** Definitely, correct. Just to clarify it, we will be doing two things. One is, we will buy the power from the grid whenever is necessary or sometimes what happens, some of our plant, they have a -- what happens in the peaking peak generation hours, some of the power clips, we will use the free power also to charge the battery.

**Dhruv Muchhal:** Got it. Makes sense. Got it. So, second is, on the recent, we are seeing standalone battery projects and you are also participating them. Is the commissioning timeline, shorter there? Typically we have 24 months. Is it shorter in standalone battery projects?

**Nikhil Dhingra:** Yes, yes, yes, yes. It is 18 months in... It depends on the size of the project but the project we have won is 18 months and the onus on giving the land and the evacuation lies on the customer. So, if there is a delay on their side, this extends accordingly.

**Dhruv Muchhal:** Got it.

**Manoj Upadhyay:** But normally it will not happen because they allocate the place inside the substation. Only thing what they have to do is just the bay. Otherwise, the rest of the things are already there. We just need to put the battery and the transformer. And they want to take the VGF so they generally don't delay. Got it.

**Dhruv Muchhal:** The last question is on a portfolio basis what would be interest cost now be? And given the interest rate scenario, do you see a further scope for this to change in the next 2-3 quarters?

**Rajat Singh:** Yes. So, our interest cost on a portfolio basis especially for operating projects is close to 8.75% as we speak. But, you know, we are in the process of refinancing a lot of this debt and also there is an interest cost reduction when the COD happens. So, I think during this financial year as we end this financial year we are expecting much significant reduction in the interest cost.

One is due to reset of interest on COD as well as yearly reset and also refinancing of these loans. It is very difficult to say at what but because RBI has reduced 50 basis points it will not be unfair to assume that kind of reduction going forward at least over next 6 to 8 months but I think there will be significant reduction in interest cost, yes.

**Dhruv Muchhal:** So, this 8.75 is on your constructed portfolio where probably you have reasonably optimized on your debt. So, this is a good representation in terms of what an operational portfolio can give you in terms of debt cost.

**Rajat Singh:** Operational portfolio will be typically 25 to 30 basis points higher than the under-construction portfolio due to the lower – I mean the under construction portfolio interest rate will be 25 to 30

basis points higher than the operational portfolio and the reduction is across the board. One is it will be slightly more in the operating portfolio because of the reset and refinancing pressure on the lenders actually and the construction portfolio because of the benchmark reduction.

**Manoj Upadhyay:** So, what has happened is actually to clarify, we have the last 2-3 projects which technically they got commissioned in the last 2-3 months. We still consider under construction we believe that interest rate in those projects will also go down.

**Nikhil Dhingra:** There is an interplay of two things here. One is the overall macro and the other is the micro of improvement of our we listed last year and of course our rating has gone up for all our projects. So, both these interplay will take our interest costs further down because as we accessed capital markets and we also understand that there is an arbitrage between the capital markets and the bank loan market also. So, I think as we go more to the capital markets the cost reduction can be more.

**Dhruv Muchhal:** And also I wanted to understand the question was also to understand the RBI rate reduction benefit has already flown down to our numbers in terms of refinancing or generally some loans have six months, 1 year, that kind of rescheduling? So is that yet to play out?

**Nikhil Dhingra:** So that has not yet flown down to our numbers because some of our projects have annual reset and those reset have not yet arrived and we have not really refinanced. So, this ISTS project, only one out of the four projects have been refinanced yet. So, three projects are yet to be refinanced. So, they are still running at more than 9% interest cost.

We do have sanctions for let's say 1% lower than that but we have not activated them because we don't need the extra debt which is being provided by these because we have sufficient liquidity of more than 3,000 crores. So, we are timing our refinancing as per the requirement because then the lenders push us for taking early disbursement which we don't want. So, there is significant benefit yet to be coming because we have not refinanced yet.

**Dhruv Muchhal:** Great. Thank you so much and all the best. Thank you.

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

**Ketan Jain:** Thank you. So, my first question is on the capacity addition. We've commissioned around 350 megawatt in the first quarter and I think 100 megawatt is near completion. What more can we commission in this year, in FY26, which projects?

**Nikhil Dhingra:** So, what we are targeting to do other than this 100 megawatt is basically the battery portion of the FDRE plants and also some of the solar projects also but the battery which is our focus area because we are putting up battery at the already charged substations. We have more than 2 gigawatt of centrally connected projects where we are putting battery of our FDRE plants.

So, you can say all the 3.1 gigawatt we've ordered. Our target is to commission if not 3.1 gigawatt at least 2.5 gigawatt by this financial year and we will be doing it in phases. So, definitely some

component will be charged before the calendar year and some portion would be charged before March. So, that is our target basically from a revenue perspective.

In terms of the capex perspective, the capex for the solar, wind all would be done but the charging of those will be done in sync with the commissioning timelines of the CTU substations because those are being done at the new substations. They are not being done at the existing charged substations. So, that is how we are planning.

**Management:** So just to conclude, we would be adding 450 megawatt of capacity and around 2.5 gigawatt hours of battery component of the FDRE projects which we can generate revenue from.

**Nikhil Dhingra:** Yes, that's what we are targeting.

**Ketan Jain:** Sir, also I wanted to ask you on status on PPA for 2-3 projects, Sigma Urja, Omega Urja which are these two other solar projects and one alpha renewables which is a hybrid project. What is the reason for delay in signing of these PPA's. Are we seeing any visibility in the near term?

**Nikhil Dhingra:** So, I will give you project by project status on Omega Urja first. So, Omega Urja, the state of Madhya Pradesh has already got it approved in a regulatory forum. So, the consent has also been received by SJVN. So, I think because of the administrative things, it is expected to be signed this month because all sorts of approvals are there from state and SJVN.

So, this should be signed, if not in July, maybe in August, this 2.52. There are no hurdles to it as far as we are aware. Then in terms of the 3 point – the NTPC Alpha Renewables 3.32 one. That is something which is pending as of now with NTPC. But I can tell you which ones we know are at the advanced stage.

So, this 2.52 SJVN is at the advanced stage. Then you have the hybrid 3.25 of SECI. That is again at an advanced stage. This is again gone to the regulator. It is in two states. One is in Bihar, and another is in UP. So this again should be signed in July. Sorry, August, Renewtech. As per our information, of course, SECI is leading it. But this is what we are aware of.

Then another one which is expected to get signed is the NTPC one. Again, that is in discussion with in various states, the FDRE one. The NTPC 2.53, that is something we are discussing with NVVN in terms of the signing, because they are thinking of buying it directly rather than selling it to the pooled basis. So that proposal we are discussing with NVVN. They are trying to change the construct of that. We are discussing with them, and we will update as soon as the discussion concludes. So that's there.

Other than that, the Urja One and Platinum Urja One, they are also in advanced stages with various states, including MP and Chhattisgarh. So we are quite positive that we should be able to conclude this whole pipeline in another 4 months. And the pace has picked up. As you must have seen, 550 MW of FDRE and solar we have signed, and 550 MWh of battery we have signed.

So pace has definitely picked up. And the various states are now off taking these powers. And of course, there is a large requirement coming from various states. Not all states are buying. So

there is selective buying from various states. But the counterparties have gone better at selling these form of power, because it has now got standardized. And so we should see good traction in this quarter, similar to the last quarter, in terms of signing of these PPAs.

**Ketan Jain:** Understood. Thank you. Thanks for that explanation. Just one last question. When do we expect our first FDRE project to get commissioned?

**Nikhil Dhingra:** So the partial commissioning of the FDRE plant, like we said, should happen. The critical part of the FDRE is the battery, because solar and wind, of course, we are commissioning already so many. So battery, we are trying. It will be phased commissioning. Battery will be signed, should be commissioned this year, partial commission. Then the solar will be commissioned, let's say, by June or in that quarter, basically June to September quarter. And then, of course, it will follow after that.

**Ketan Jain:** Any one particular project which you can say that this project we are targeting, like full FDRE commissioning, maybe next year, maybe in a couple of years?

**Nikhil Dhingra:** Yes, so basically, the whole SJVN project will be charged. The NHPC will be charged. So there are all of these projects, and even the SECI 150 megawatt, which is already signed, that will be charged. So all these projects will be charged next year. The substation timelines are basically staggered throughout the year. So all these projects will be charged next year.

How it will be done is, the battery will be charged first, and the solar and the solar component, because we are primarily doing solar, will be charged as per the substation timeline. So all of them will be charged, whatever PPAs we have signed. See, all the PPAs we have signed got signed from, you can say, till December '24. All these FDRE projects got signed before December '24. So the timeline of them is December '26.

So we have not signed in this calendar year any FDRE. All the tenders which we have signed are very recent. One previously we'd signed. But whatever we signed in December, till December '24, will be charged by December '26.

**Ketan Jain:** Understood. So my last question is on, how is the FDRE execution going on? Are you facing any challenges since it's a new concept? How is the execution going on, just on a qualitative basis?

**Nikhil Dhingra:** So see, FDRE, the only component which is new is the battery, right? So the battery execution-wise is very, sort of, quite only electrical. And of course, there is regulatory, some of it are new, right? So let's say we are trying to do early commissioning. So regulatory pieces, we need to take NOC from the counterparty sometimes.

The NRLDC, we need to get approval. So the regulatory piece, it is new. So you need to take all these approvals which we are taking for the first time. So similarly, the procurement, again. But there are upsides to all of that. Because once you, your base case assumptions are getting bettered in most cases.

So in terms of the challenges, FDRE execution-wise is not challenging. It is, of course, the resource estimation. If you are putting a wind, in most of our FDRE, there is very little wind component. So the wind resource assessment is a complication which is not execution-wise heavy. But from a risk perspective, it is heavy, which we are trying to minimize by not putting much wind. And the wind also leads to some bit of variability in your generation, which leads to penalties. So that is something we are removing at the outset by reducing the wind component.

So in terms of the execution, see a battery project typically takes a very small amount of land. So the risk in typically renewables are land connectivity and of course the transmission line in terms of the macro involvement. So these things are minimal in a battery plant. So we don't see that. And the other is the resource variability.

If your generation fluctuates a lot, you will be liable to a large penalty. That we have reduced by basically putting the same amount of batteries which they want. We are not trying to reduce the amount of batteries by putting -- relying on wind. So that we have removed at the outset. So we don't see in terms of the interplay.

And all these FDREs actually, in some cases not a, you can say there is no interplay in terms of co-located. Everything is connected to the natural grid and there is no linkage between the resources. You just need to charge the battery through solar. That is as simple as it gets. So the operationalization of the whole thing is not technically complicated. It has regulatory and procurement wise. Some of the things are being done for the first time. So, but we are not finding it very challenging.

**Ketan Jain:** Understood. Thank you. Thanks for your answer.

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

**Mohit Kumar:** Yes, hi. Good morning. And congratulations on a very good quarter. So my first question is, is it fair to say that, that 2.2 gigawatts, which is signed, PPAs signed, will get commissioned by FY '27? And do you see any delay as of now due to transmission issues or is it too early to assess?

**Nikhil Dhingra:** So you're right, Mohit. That 2.2 gigawatt will be done by FY '27. And it is staggered across FY '26 and FY '27, the connectivity. So we are not seeing much delay. And the reason for that is we have sourced our connectivity independent of these bids. What we have been telling you also is that we source connectivity prior to the bids.

So that really de-links the PPAs signing to the connectivity timelines. And once you source connectivity early, the commissioning timeline of that connectivity is also early. So the timelines are, of course, staggered, but we can say that this 2.2 gigawatt is scheduled to be commissioned as far as connectivity is concerned in the timelines you mentioned.

**Mohit Kumar:** Understood. My second question is, of course, there's a huge capex layout for the next couple of years. Yes, and I think there is some gap in the debt tie-up for the capex plan. When do you expect to tie up the entire debt for the capex for 2.2 gigawatt especially?

**Nikhil Dhingra:** Right. So we actually, Mohit, are not seeing any gap on the debt side. What we are trying to do is, let's say our project got sanctioned in one of the board meetings of the leading lenders on Friday. We will make an announcement whenever it is public. But the thing is that the debt sanctions are definitely on time. And of course, we are getting multiple offers for each of these projects.

So the debt tie-up, if all of them are kind of in principle sanctioned, what happens is once we take the sanction, there is a fee payment which we need to do, and there is a disbursement timeline which we need to follow. So what we try and do is sync up the disbursement timelines with the capex timeline, where we actually need to spend money, right. PO ordering is fine, but the lenders want to take their disbursement in 6 months, otherwise their debt needs to be revalidated.

So that is why we have not taken consciously the sanction for some of the projects which are getting sanctioned now. So we will be totally tied up in next quarter for all the 2.2. We have actually got debt for a couple of them, which we didn't draw also. So lenders are also cautiously telling us that ask us to sanction only when you are taking the disbursement in a quarter or so. So that's all we are doing by deferring these timelines of sanctions.

But as far as the lines go, we have lines for all of these 2.2.GW We go out and we have undrawn debt even in our operational projects, right? You know the lenders give us lines in our operational projects. So we have more than INR1500 crores of undrawn debt for the projects which we have already taken partial disbursements. So that is, I think on the debt side, we are fairly covered.

**Mohit Kumar:** The last question, sir, did you see any back down instruction in the quarter due to drop in demand, especially in May 25?

**Nikhil Dhingra:** So see, on a macro basis, like we said on the industry side, there has been a shortage, there has been low demand and all that. But we are a PPA, 100% PPA-tied company. So when we were selling our one plant in merchant, right, for 1 or 2 months before we signed the PPA with SECI, which is the 300 megawatt plant, at that time we were seeing the drop in the tariffs because of the lower demand.

But it was only for 1 or 2 months for us because our 100% of capacity is tied up in PPAs, so we don't get the impact of this low demand because of our PPA-tied up capacity.

**Moderator:** The next question comes from the line of Diana Bokinala from Dolat Capital.

**Diana Bokinala:** Congratulations on a great set of numbers. My question is on evacuation challenges. So we see more contracted projects that is, which have LOA signed of ACME Solar going to come up in Madhya Pradesh and other states right now.

Would this be related to evacuation delays in Rajasthan, Gujarat? And do we see the situation improving in these two states? And any idea on the current status of HVDC transmission projects as well that is going to ease the situation?

**Nikhil Dhingra:** Right. Right one. So basically, see, Rajasthan is -- connectivity in Rajasthan in 2026, '27 is not enough for everybody to commission their plants in that state. Of course, everybody prefers to put it there because they have the highest GHI and the associated costs are also lower because of the lower land cost and easier execution which happens in that state. And the most dry period for execution you get at all of any state in India.

So Rajasthan remains the favorite destination for everybody to put up the solar plants. But you can't put up all of your capacity there because you need to time up the connectivity operationalization as per your PPA. So what we have done is we have taken connectivity at, we have a cutoff GHI, which is the radiation. And above that cutoff radiation, we match our tariffs to the place we are putting up the solar plant or wind plant at.

So let's say we have tried and taken connectivity only at those places which have the highest GHI in that state. So let's say a place like Neemuch would have one of the highest GHI zones and it's closer to Rajasthan than closer to MP. So our Neemuch plant is essentially coming in Chittorgarh. It is not coming in Neemuch. So that is how it is.

Similarly, the other state we have zeroed on is Andhra Pradesh and Karnataka. And that Andhra Pradesh project specifically had the seven substations which were supposed to be chosen. And out of those we have chosen the highest GHI zone which was in AP out of those seven substations. But of course, Karnataka is another state which has connectivity.

So you need to actually, if you're executing a IPP based portfolio, which is selling all the power to the government, it makes sense to block connectivity across the -- and that has a yearly commitment in terms of the PPAs.

It makes all the sense to diversify across states and it makes all the sense to take plants which are the connectivity which are coming at early intervals rather than later and not tie up yourself with one state because that's not going to help you commission at frequent intervals of plants. It is a very good, and government also doesn't want you to do that, right?

This ISTS waiver which got expired for solar and wind, there is all intent to diversify the connectivity across India rather than keep it concentrated in generation sources. That is why the government has not extended the ISTS waiver for solar and wind. So we are moving in line with that direction of the government.

In terms of the HVDC, we have taken some connectivity for future in Barmer, Bikaner and also in Ramgarh. So those are lines which are slightly dependent on HVDC. And of course, we are not updated on the actual timeline, but it should be, government is trying to do it prior to 30. We are speaking to the vendors who are doing it, we are speaking to the government.

So all the intent is to commission it in '29 or so, but we are not relying on that for any of our projects. It's a part of the future portfolio for us. It is part of the large scale land acquisition, the government land acquisition, the state land acquisition we are doing. So none of our pipeline is dependent on the HVDC commissioning.

**Manoj Upadhyay:** Yes, I want to clarify here, the current -- all current projects, what we are talking about, they are not dependent on HVDC. So we have a three category of project. One project which are under construction. All those connectivity's are available in '26 and '27. So there we are doing and they are not dependent on any of these HVDC or new thing. Then we have a second type of project, which we are planning for '27, '28.

Again, we have a connectivity based on the project which will win. What we are creating the connectivity for '29, '30, that is dependent on HVDC. That we will participate, for those connectivity we will participate perhaps in the tender this year or next year. Just to clarify.

**Moderator:** The next question comes from the line of Vikram Datwani from Nuvama Institutional Equities.

**Vikram Datwani:** Thank you for the opportunity and congratulations on a good set of numbers. My first question is, in an FDRE project, my understanding is that when there is a partial early commissioning of a project, the power has to be offered to the procurer at 50% of PPA tariff. So the early commissioning of battery in these FDRE projects will yield us 50% of the tariff cost, is my understanding correct?

**Nikhil Dhingra:** So just like to clarify, in these FDRE projects, the battery is not considered as a source. So the solar and wind are considered as source and we have taken no objection from the counterparties that this is not considered as a source. It is explicitly mentioned in most of the PPAs. But wherever there is a vagueness, we have taken the explicit NOC from these counterparties because it is not a source. It's just a storage resource.

The generation is, if you are commissioning, early commissioning solar or wind, then you are liable to pay to the vendor because in this case, there is no generation of electricity happening. We are taking it from the grid and we are not charging any bit of renewable capacity. As long as we commission the solar and wind, then you need to follow the principle you mentioned.

**Vikram Datwani:** Got it. So that would actually answer my follow-up as well as to how we can play the merchant market in the early commissioning of the NHPC battery project. Okay, that answers my questions.

**Moderator:** The next question comes from the line of Siddharth from IIFL Capital.

**Siddharth:** Hi, sir. Thank you for the opportunity. So my question is, earlier you mentioned that the battery price was 100 USD per kilowatt hour. So is that the landed price in India or the supply cost, like the pay to the supplier? And my second question is that the NHPC BESPA, which we have signed recently, so is it right to assume that the NHPC we have signed BESS supply agreement with the other party as well?

**Nikhil Dhingra:** Right, right. So on these two questions both, 100 is the landed price. It includes all the duties and the logistics cost also.

**Management:** Includes BOS also to clarify it. BOS. Transformer. Everything. Everything required for putting up the whole project. And in terms of the NHPC project, none of the PPAs get signed until the

power supply agreement is signed with the state. That's the practice which is always there for each of the PPAs. So they had signed with Andhra Pradesh and then only they signed with us.

**Moderator:** The next question comes from the line of Raman K.V. from Sequent Investments.

**Raman KV:** Sir, my understanding is, because we are doing a huge capex in the coming 2 years, in FY '26 as well as FY '27, so our debt portion will be substantially be increased. So can you give an estimate almost about how much debt can we expect by this year?

**Nikhil Dhingra:** Right. So see, capex is financed 75-25 in terms of debt and equity for us. And typically what we have seen is post-capex, we get revenue within 8 to 9 months of that capex, weighted average capex being done.

So in terms of this financial year, our capex target is close to, let's say, INR 14,000 crores, but it may -- but the weighted average, so the debt for that would be around INR 11,500 crores. But that debt will come towards the end of the year because in this quarter, like we said, we did only INR 800 crores of capex. So it is completely back-ended.

So the weighted average debt will be much lower than, the addition of the debt will be much lower than the capex. Because typically we spend the money just one month before the dispatch of the product. So the whole designing period, the whole, you can say, the ordering period, the capex is deferred.

So from the delivery to the operationalization, that is our efficiency comes wherein we try and operationalize the plant immediately post the key equipment arrival at the site. So the whole site is ready before the key equipments come. So from the capex to the revenue, typically, as I said, our effort is to get it done in six months, not more than that. So that's how -- so the debt will not be addition, weighted average will be much lower than INR11,500 crores. It will be, I can't say the number right now, but it will be much lower than that.

**Rajat Kumar Singh:** And also because, as Nikhil explained earlier, the debt will be largely coming in terms of LC payments, which will happen towards the fag end of the delivery when the -- just before the commissioning happens. So the impact on the overall debt and the interest cost will be lower. And also during the construction phase, the IDC has all capitalized, right? So only when the revenue starts increasing, the interest cost hits the P&L.

**Nikhil Dhingra:** And one more thing, during LC phase, we are trying to take buyer's credit also.

**Rajat Kumar Singh:** Yes.

**Nikhil Dhingra:** So that will reduce the cost during construction period. Because during the construction period, the interest rate is slightly higher than the operational period. We are trying to reduce it. We have done it in the past also, by taking buyer's credit. And the equation -- and that is why we are trying to get banks also as a part of our lending portfolio. Because the banks are able to offer you those products in a far agile manner. So that will reduce our operational debt cost, sorry, under construction debt cost also.

**Raman KV:** Sir, going forward with the refinancing part, which you already mentioned, can we expect the -- that quarterly interest cost -- quarterly run rate of INR200 crores to INR220 crores this year? And in the coming year, in FY '27, around INR400 crores. Because by then, your INR11,000 crores of debt will also be taxed, right?

**Nikhil Dhingra:** Yes. Broadly you are right. It could be around that. But it should be lower and gradual. Because, let's say, if we are able to load up that much of debt, then the capex would have happened. And of course, the -- and the capex, there is some bit of reduction possible. And as you see, the prices have been lower than our estimates. So there could be a slight or substantial reduction in this number. But yes, directionally your math is more or less in the right direction.

**Raman KV:** Sir, and my second part of the question is, with respect to the BESS segment, with the current delay, can we expect this 200-megawatt BESS revenue to be coming in Q3? And what is the -- at optimum utilization, what kind of revenue can it generate?

**Nikhil Dhingra:** In terms of the new NHPC contract you are talking about or the commissioning of the…?

**Raman KV:** Yes. Yes, sir.

**Nikhil Dhingra:** NHPC tender. So NHPC tender is not a large revenue project. Of course, it will generate, at its peak, around INR70 crores of revenue. So it is…

**Raman KV:** Okay. At annual level, right?

**Nikhil Dhingra:** Annual revenue. And it is -- of course, we have 18 months from, let's say, June. So we have that much timeline, but we are all for early commissioning of this plant. And we are working with the Andhra Pradesh Government to get their readiness with us. Then we can easily commission it. Once they give us the go-ahead, we can easily commission it in six months. So that's much level of preparedness we have. So we are waiting for them to give us the notice to proceed. This is their readiness. Because we don't want our equipment to come and they are still sorting out their bit of work. That is what we don't want to do, because...

**Raman KV:** So when are you expecting this to be commenced? In Q3 this year for you to see?

**Nikhil Dhingra:** No. Actually we are not putting that Q3 this plant. We are putting the FDRE battery as Q3 and Q4. And not this battery commercialization. Yes.

**Raman KV:** And how much the FDRE battery revenue potential will be? It will be on the same lines of NHPC?

**Nikhil Dhingra:** It will be slightly higher. Because -- it will be actually quite higher, sorry. Because in an NHPC tender, you are constrained by the bid you made. And it's a 15-year long contract. So there is a levelized lower tariff. But as we mentioned in replies to one of the questions, the unit rate for a peak power in India, because you are free to sell in whatever hour you want to sell.

So you choose the highest paying hour. And there the tariffs are around INR9. And the charging cost is much lower for the battery, as you know, because you can see the tariffs which are

prevailing for charging cost. So there will be a much higher revenue purely from -- much higher than this number of NHPC.

And the quantum is also much, much higher. Like we said, we are going to charge 2500-megawatt hour of battery, whereas this project only has…

**Manoj Upadhyay:** 550MWh

**Nikhil Dhingra:** 550MWh of battery. So it's 5 times larger commissioning. And the revenue and profits are also substantially higher.

**Raman KV:** So it's like 5 times more. What's the peak revenue? I just want to understand what's the peak revenue...

**Nikhil Dhingra:** So we don't want to -- yes. Yes. Yes. Yes. We don't want to give a guidance on that, since it's a merchant-based project. So it's all part of our upside planning. It's something we have preponed, right? And we are doing it on our best effort basis and we are -- because all these approvals and everything we are trying to do. So we will be able to give you guidance, but that is not happening today.

**Raman KV:** Okay. And so my final question is with respect to the guidance, long-term, with respect to FY '26 and '27 guidance, like, how much growth are you expecting to see across all the vertical?

**Nikhil Dhingra:** So see, that is also a function of what we just spoke about in the previous reply. So like we are trying to commission these battery projects, which are the components of the FDRE. Then we are commissioning the FDRE projects. So I think most of the research analysts have done the math. So I think depending on these commissionings, we will be meeting those revenue targets, because our PPA is tied up, right? Our costs have some upsides.

So I think that is what you can expect. It is the timeline which we have spoken about in various replies, that FDRE will be commissioned by this time, the battery will be commissioned by this time. I think I will request you to put up these puzzles together. And if you have any questions, our team will be able to take up in detail.

**Moderator:** I would now like to hand the conference over to Mr. Manoj Kumar Upadhyay, Chairman and Managing Director, for closing comments. Thank you, and over to you, sir.

**Manoj Upadhyay:** Thank you all for asking a very, very relevant question. And thank you to the entire team that they have delivered a very good performance. As you are all aware that ACME is known for innovation and technology, so I wanted to brief you, and I saw some of the questions also you all have touched on.

I would like to share with you that last week we finished five years of continuous testing of the FDRE, which is the battery, solar and the grid together. And we were able to test the battery degradation, and I'm very happy to share with you they were very well within the limit, what we have thought of, of five years of continuous testing.

We were also able to test the power electronics reliability because they had to interact with the grid and we collected -- we selected the very poor grid to interact, because normally our grid in the FDRE is connected to 400 kV or 220 kV. They are very, very stable grid, but we wanted to abuse this -- abuse the testing, so we connected to 33 kV and tested all the variation possible in this one, and I'm proud to share with you that it worked very well for so many years.

Third is we also wanted to test the charging and discharging efficiency of the battery, and again, I'm proud to share with you that those testings were well within the assumptions and that also shows the battery can last for five years, ten years, as it was in the charge.

And also it is important in this one how the automatic grid interaction with energy management system will work. For the last five years, we are operating in manual and automatic both mode. Manual mode is when you are able to schedule based on the customer need. Automatic is that when you are able to schedule based on the frequency need, when the frequency in the grid goes down.

We were able to test all this, and that will help us to really that learning to put in the big project installation. As I shared with you in the last quarter, that apart from this, we are also installing 10-megawatt hour battery perhaps in next two months. They will become operational. To -- they again will go through the testing. By the time, our bigger project will get commissioned.

So all these things, we start small, we test it and then we take the position in the big one. So we are continuing this process. And we should be able to share with you in next two months, three months, that the result of even in the second stage of the testing, before the final installation happens in November, December, or January, February.

The third -- what is also important in this, our business is, as we are seeing more and more solar installation, the radiation, and the land, these two things have become very important. So technically, when we are finding is that the higher radiation zone, slowly if they get diminished, what we should do? How do we optimize it?

So ACME started working on new configuration, where we believe from the next project onwards, we should be able to reduce our land requirement by 15%, 20% time, which means that existing land in the high radiation can accommodate 15%, 20% more solar. That will help us and improve our further generation. And this is what ACME is known for. And we will continue to do that.

The third thing, I think the technology wise, we started with a very small testing of few hundred watts of perovskite. Now we are happy with the performance. Now we will be moving the second level of the perovskite testing, maybe 50 kilowatts to 100 kilowatts, which we should be doing in next three months, four months, and then moving to the bigger level.

That will also show us that when silicon is moving towards perovskite, what kind of operational efficiency, especially in the morning and evening hours in the low light condition, we will gain it. And we will keep on updating you as we finish our testing in the process.

So apart from the operational performance, cost focus, innovation is the key to ACME and we will keep on maintaining to that. Thank you again for having patience and listening to us. And I look forward for your support.

**Moderator:** On behalf of Dolat Capital Market Private Limited, that concludes this conference. Thank you for joining with us and you may now disconnect your lines.