Date: November 03, 2025

The Secretary,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 543971

Dear Sir/Madam,

Sub: Transcript in respect to the H1 FY26 Post Earnings Conference Call
Ref: Disclosure under Regulation 30 and other applicable regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In accordance with Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and our letter dated October 24, 2025 please find the Transcript in respect to the H1 FY26 Post Earnings Conference Call held with the Analysts/ Investors/ on 29th October, 2025.

The transcript of the conference call can also be accessed at the website of the Company a www.bondada.net.

We request you to take the same on your record.

Thank You,
For Bondada Engineering Limited

Sonia Bidlan
Digitally signed by Sonia Bidlan
Date: 2025.11.03 18:12:51 +05'30'

Sonia Bidlan
CS & Compliance Officer
M.No. A37766

BONDADA ENGINEERING LIMITED

H1 FY26

POST EARNINGS CONFERENCE CALL

October 29, 2025 11:00 AM IST

Management Team

Dr. Raghavendra Rao Bondada - Chairman and Managing Director
CA Satyanarayana Baratam - Director & Chief Financial Officer
Rear Admiral R Sreenivas, VSM (Retd.) - Chief Executive Officer

Call Coordinator

KAPTIFY

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the H1 FY26 Post-Earnings Conference Call of Bondada Engineering Limited.

Today on the call from the management team we have with us, Dr. Raghavendra Rao Bondada, Chairman and Managing Director, Rear Admiral R Sreenivas, CEO of Bondada Group and Mr. Satyanarayana Baratam, Director and CFO, along with the management team.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to run us through the business presentation and performance highlights for the period ended September 2025, the growth plans and vision for the coming year, post which we will open the flow for Q&A.

Over to the management team.

Dr. Raghavendra Rao Bondada: Good morning to everyone. This is Dr. Bondada Raghavendra Rao. Start the presentation.

Yes, as informed by Mr. Vinay, this is the post-result presentation of the Bondada Engineering Limited. So yesterday we have reported our H1 results, which are very good numbers. I think you might have seen, all of you might have seen in the stock exchange. So this Bondada Engineering Limited, your company, most of you might be knowing that actually, who we are and what we are. We are into renewable energy, telecom, Indian railways and the BESS segment, as of now, we also have future plans for even defence and data centres.

Maybe we have not shown those two things because very nascent and actually a lot of brainstorming is happening on those two segments. But mostly, we will focus on that existing businesses and then Vision for 2030 also, we would like to bring to some of the highlights to you. Next.

Yeah, this is already been told by Mr. Vinay that Bondada Engineering at a glance and then business overview, then the future forward and financial performance and highlights of H1 compared to last year of H1.

Next. Yes, this we are into mainly now four business segments that is renewable energy. In renewable energy, we are right now solar EPC and also we are going to start solar IPP very soon. You might be knowing, all of you knowing that actually we have we got 2 GW WO for IPP project from AP government that setting up two gigawatt IPP plant in Andhra Pradesh. And also once we commission the plants, we will also undertake the operation and maintenance of the solar power plants. This is what actually our brief portfolio and scope of the work that we undertake in renewable energy sector.

Then telecom, telecom tower construction, telecom fibre construction, laying of fibres and even telecom networks operation and maintenance. Then railways, Kavach passive infra that is 4G dedicated network we are building for the railways and also we are there into other safety projects of railway signalling and railway projects.

BESS This is battery energy storage system. Right now we are setting up the battery storage plants at their existing substations. May be going forward even at the renewable energy parts also. Set up this battery energy storage systems.

So as I mentioned, data centres also we are pursuing now and even defence and aerospace also we are seriously pursuing that but not much done work in this actually but maybe next one quarter or two quarters we'll come back to and tell that actually what is that our business plan and how we are how we what kind of revenue numbers or what kind of growth we are looking at in these two segments we will come back to you later.

Yeah, this company is headquartered in Hyderabad, Pan India presence is there, 14 plus years of vintage is there. Right now around 3,500 people, employees are there. CRISIL A stable rating and a great place to work some of the credentials.

So go back, this one. Yes. Yeah. As I mentioned, all these segments like renewable energy telecom BESS and railways. Basically what we do is EPC services, concept to commissioning of the plans, concept to commissioning of the tower sites and even railway networks also we do the design, we undertake the design and construction and supply some of the products like telecom towers, transmission towers, substation structures and even for solar plants, MMS structures, these are all internal. We have pretty good factories in Hyderabad where we manufacture and supply to all these products.

Not only this itself is a we have a subsidiary company called Bondada Green Engineering Limited. Not only our captive consumption, but we also take orders from others, just only as a supply contracts. Then once post-commissioning of these sites, then we will also undertake operation maintenance of all the segments that we are working like in solar segment, anything after commissioning of the plant section, we have to, based on the contracts, anything between three years to five years, we have to manage those plans and thereafter on mutual agreement basis, we can continue those operation of those plants.

And even telecom networks, it is a cycle wise, for example, Telangana Jio Circle, entire Telangana Jio Circle is managed by us, which includes 35,000 root kilometres of fibre and 35,000 numbers of telecom towers we are managing right now. Then IPP is yet to start. Right now, we are in the process of pooling the land and as well as the connectivity approval.

Once it is done, actually maybe post two quarters actually, work is going to start in this IPP projects. In addition to this EPC services, we also have other energy efficient products, manufacturing in and around Hyderabad, manufacturing plants are there. As I mentioned, one is under Bondada Green Engineering, we fabricate all the structures required for telecom towers, transmission towers, substations and solar MMS structures. It's going to be a big business and it's going to be a big company also because the huge volumes are there. As I mentioned, not only our captive consumption, we are also supplying to the other EPC players and even other developers, solar developers also.

And another company called, we have Bondada EcoBuild where we manufacture all energy efficient green construction products, building materials, building construction parts, AAC Blocks, uPVC windows and aluminium windows and doors.

For uPVC windows, not only just making of customized windows and doors, we are also manufacturing the back -- as a backend integration as a part of Atmanirbhar Bharat. Earlier, we used to import that extrusion for this uPVC windows and doors. Now, actually, we started even manufacturing of extrusions in Hyderabad. It's a completely powder to profile, powder to profile is that the process is powder to profile is meeting to European standards and competing with the Indian and Chinese prices in India.

So then another arm we have is Bondada E&E Private Limited where we are manufacturing LED lighting solutions for industrial lighting solutions and predominantly now solar street light, smart solar street lights because most of the governments and most of the renewable energy development authorities are now in the transition of regular street lights to this smart solar street lights. So, we are getting big orders in this space, in this company.

And also, we have one more company called Atpole Technologies Private Limited where we manufacture BLDC motors for various applications like EV, home appliances, even agricultural products, even defence products also, defence appliances also. So all these companies are doing good. Last two years, last one and a half year, their growth is very good. And right now, this composition of revenues is almost contributing all these products are contributing around 10% in overall consolidated company.

Next. Actually, it is a journey 2012 onwards, but I am not able to see very clearly this section. But okay, we will share this presentation. You can go through that. It is a history of milestones. Basically, in 2012, we started with the telecom infrastructure services. Slowly, we ventured into the building materials business that is AAC box and uPVC windows, setting up the factories in and around Hyderabad and Vizag and then supplying it to the Telugu states, AP and Telangana plants. Then we entered into the solar EPC segment, private developers and by 2022, we got good credentials in solar EPC. Then we started bidding for all public sector companies. Now our portfolio in solar is one gigawatt is commissioned, almost 2.5 gigawatt is in work in progress, including that recent 650 megawatt of Adani's also it is now converted into the work in progress. So 2.5 gigawatt is in work in progress and another 2.5 gigawatt is in L1 stage where we have to get the orders and then start execution.

So it is almost now we have the portfolio of almost around 6 gigawatt of solar EPC portfolio. In addition to this, we also have another 2 gigawatt IPP is there. That is this journey has started from 2017 onwards. And in 2023, this company is listed on BSE SME exchange. Actually, in 2022, end of 2023 beginning, we got a very big order from BSNL that is 4G saturation project. That time actually, that was the one -- that was first ever, that biggest order what we got is around INR1,500 crores. With that order, actually, we came to market. Market is perceived us very well. And then thereafter, actually whatever that story you're all seeing of your company.

So 2023 onwards, we have been shifted from operating small, small projects at various places to now big scale projects. Now our smallest project is around INR300 crores to biggest project is up to INR2,000 crores. Now we have the credentials to even participate in tenders like financially, we are qualified up to INR4,000 crores. And technically, we are qualified up to the 1 gigawatt to 1.5 gigawatt of single largest Plants. These are the credentials we built in over last 6, 7 years. And going forward also, we will continue to build this kind of credentials and then we will perform even in future.

Next. Yeah, this is Board of Directors. Next. These are Independent Directors. And this is the main business unit heads and key management team.

Rear Admiral, go back. Rear Admiral Srinivasan has joined us 3 months back as a Group CEO. He is retired from Indian Navy and as well as the MoD, Minister of Defence. And he is Seva Medal holder. And take care of complete operations and systems and process and policies of Bondada Group. Umamaheswara, he's the director on our Bondada Renewable Energy Company and he holds the complete solar EPC business.

MVD Prasad mainly takes care of our Bondada Green Engineering production facility. Pradeep Alaparthi takes care of this Green Bond RE Park of our solar IPP project, 2 gigawatt IPP project. Mr. Surya Murthy takes care of telecom business. Vara Prasad takes care of Bondada EcoBuild and Ravi takes care of Bondada E&E Private Limited and Jagadish takes care of Atpole Technologies. These are all on respect to company's directors.

And this is another team, under them. Actually these are all COO levels and CTO levels. And there actually Rajesh is there, our Vice President, Quality and Safety. And Deputy CFO Madhu is there. And Sonia Bidla, our CS and Compliance Officer. And Sanjay takes care of as COO Renewable Energy.

Next. Yeah, I think we've fairly discussed this point. And any questions related to any point actually you can ask. So that actually more than I am giving the presentation, I think you all might be knowing about your company. But you can ask any kind of questions related to business, related to financials, related to future prospects. We are here to answer.

Yeah, this is already I explained actually. Without seeing this slide actually I already explained.

Next. These are the customers. The top line belongs to telecom customers and second line belongs to all our renewable energy customers. And prospective customers are whole India. We have participated one tender, NHBC. We are participating some tenders, NTPC. We have participated some tenders and we are expecting some others from NTPC also. And even for Gujarat FibreGrid, we also participated one tender.

Yeah, now these are the -- better actually, instead of I am explaining actually, if somebody can ask me the question, I can explain actually what is my capabilities and capacities instead of me explaining all these traits and derivatives.

Moderator: Sir, if you want, we can go to the way forward slides and then move to Q&A.

Dr. Raghavendra Rao Bondada: Yeah, yeah. So this is what our Vision 2030 is to achieve 25 gigawatt of renewable energy, which includes solar EPC, solar IPP and even BESS. Here it is a combination of all, because BESS also we are treating under renewable energy only as of now, though actually BESS is to be installed at regular grey power as well as the green power. And strengthening of telecom leadership for a Digital Bharat as well as the 5G expansions that definitely we would be -- we'd be leading this telecom infrastructure services in India. Already we are leading. This is the company, one of the largest tower deployment company, tower deployed for all the operators. So far actually last 14 years, we have deployed almost 13,000 towers across pan-India.

So the railways one is very recent one based on our telecom credentials. So we got into this railways Kavach safety projects. Now one order we got and so many tenders we participated and we are pursuing a few more areas in railways, not only just this Kavach passive infrastructure, and even safety projects like crash barriers and even other safety projects also for railway signalling safety projects also we are participating in tenders and we would like to grow in this segment.

Scaling up of data centre services to power the digital economy, that is another one that actually maybe next three, four years here also we can see your company can have that sizable and good reasonable impact on these two segments like data centre and as well as the defence segment.

Finally, we would like to have become $1 billion company by 2030, by doing all these things and 25 gigawatt of renewable energy deployment. This is one slide regarding that BESS order. As of now all the tenders are going on with the BESS build, operate and own for next 12 years to 14 years. That's what actually our contract of the TNGECL is 200 megawatt by 400 megawatt hour as of now. And we will continue to participate this kind of tenders in BOO and once it is operation and maintenance also will come into the picture. And then even standalone, we are not going to own this system, battery energy storage system, but actually we can also work for EPC, as an EPC player for most of the public sector companies like NLC and TPC, all these people are coming with a lot of tenders on their power transition phase. We can also play as their BESS EPC players for these companies. And BESS, most of you now knowing that actually this is going to be a huge trillion dollar business in India.

We have targets for 2032 and 2037 and 2047. We have -- because there's a lot of unstable frequency matches and instability in grid stabilization is there because a lot of renewable energy is coming in and that too in some sort of time slots it's coming and you have that regular power is there to match that peak hours to non-peak hours, peak hours to non-peak hours and to use some of the plants to run the platform. This is the solution, energy storage is the solution that we are focusing.

India is focusing. India is putting a huge thrust on this energy storage. I think this is going to be one more flagship business for us, battery energy storage system.

Next. Yeah, data centre. And as I mentioned data centre and defence, we will explain them maybe after some time. Huge brainstorming is happening in these two things. How we will deal with this data centre business, whether EPC or BOO model or owning the data centres and even defence also, how we are getting into this defence sector also. What is that we are going to do? We will come back to you very separately on these two segments.

Satyanarayana Baratam: So financial performance and highlights, I would like to take you through. We have about seven, eight slides on this. Coming to, let us start with order book. So as on date, as of yesterday, we have an order book of close to INR6,000 crores. Out of INR6,000 crores, the make-up is renewable energy, we have INR4,573 crores. We, in telecom, we have close to INR1,000 crores. And Indian railways, we have about INR228 crores. And the products, including our steel products, we have about INR190 crores.

So in terms of L1 stage, as of now, we have L1 status addressed to the tune of INR2,600 crores, for which we are awaiting for the LOAs to come maybe in next couple of months. And apart from that, with this L1 address, if you add, it will be close to INR6,000 crores plus INR2,600 crores, INR8,600 crores of order will be on hand as of now, once this L1 becomes the LOA. And apart from this, we have participated tenders to the tune of INR7,500 crores. As of now, tenders are already submitted and technical evaluation is already done. That financial bid is yet to open. Our previous history of cracking the order is about 25% at this point of time. 25%, even if we take the historical numbers, out of the INR7,500 crores, we have a pretty chance of getting a winning ratio of 25%, which is close to INR2,200 crores, INR2,300 crores.

So after our ending release by end of March 2026, we would like to have a closing order book of anything in between INR8,500 crores to INR9,000 crores, which is more visible and which is more likely to happen.

Dr. Raghavendra Rao Bondada: This INR2,600 crores in addition to this INR6,000 crores.

Satyanarayana Baratam: Yeah, that's totalling to INR8,000 crores. And apart from this IPP 2 gigawatt, it's already on hand as per the government order, it's close to INR9,000 crores, apart from the whatever numbers we have discussed so far. So in terms of half yearly highlights, the meeting, so we had a revenue of INR1,216 crores in the first half year, as against the last year of INR480 crores. So we have a revenue growth of close to 153%. If you see on the quarter-on-quarter growth this half year, our first half year, we had INR520 crores of revenue against 40%. And if you see previous second half year, we had revenue close to INR1,100 crores, against which this half year we did about INR1,200 crores with about 15% of growth rate.

These are the numbers in terms of revenue. EBITDA, if you see, we had INR143 crores of EBITDA. Though the numbers are in millions, I'm actually telling you in terms of crores for more readability. And EBITDA margins, we are close to 12%. So in terms of net profit, if you see, it is INR92 crore this half year, as against the last year, INR36 crores with a growth rate of 150%.

And the ratios, which we have shown here, some of the very, very important ratios. So return on capital employed, we have annualized for the first half year, which is close to 30%, as against 23% of last year, last full year. And return on equity, it is close to 30%. Annualized it is 30%, as against 23% of last year. Debt-equity ratio here, debt, we don't have any long-term debt at all. We are actually considering debt here, means even working capital debt. Even after considering working capital debt also, our debt-equity ratio is 0.3, as against last year's 0.35. It's almost intact. If we consider that only long-term debt, there is hardly any debt-equity ratio.

And the current ratio is close to 1.5%, and interest coverage is about eight and a half times. And if you see on the working capital cycle, compared to last year, we have progressed a lot in this first half year, in terms of collections and in terms of managing the working capital effectively. Our debtor holidays have come down from 125 days from last year to 107 days in this year. And in terms of inventory, last year it's 45 days inventory . Okay, current year it is 52 days, and the creditor days is from 108 days to 70 days. So on an overall cash conversion cycle, if you see, it has come down from 110 days to 90 days, which means almost a kind of four times working capital journey there in the first half year. And we expect to continue the same kind of working capital efficiency and effectiveness even in the second half year.

Next.

Dr. Raghavendra Rao Bondada: Revenue mix. So our renewable energy is 78%.

Satyanarayana Baratam: Okay, in terms of revenue mix, if you see, we have revenue from renewable energy to the tune of 78%. And 10% revenue came from our telecom sector. And even close to 8% to 9% came from our product range, which is basically from the subsidiary companies.

And half yearly it is more of an income statement, which we have already discussed, compared to previous last year of H2 and last year of H1. It's been the growth and year-on-year growth and half year to half year growth. There are all numbers we have already discussed on that.

Next. So in terms of CAGR of revenue, if you see, it is in the last five years, we have about -- okay, in the last five years, CAGR, we have about 41%. But if we see in the last three years, it is close to 100%, last three years. And in terms of EBITDA, we have a CAGR of 61% in the last five years and net profit, we have a annual growth rate of 66% over the last five years. If we consider three years in all these three parameters, we will be close to 100% of CAGR if you consider last three years.

Next. So this is the income statement of the last consolidated. Yeah, in this one more, one more point, what we would like to highlight here is till 31st March, 2025, we have drawn our balance sheets completely under IGAAP procedures, Indian generally accepted accounting practices. However, actually, as per the statutory guidelines, we are supposed to switch from IGAAP to Ind AS, which is Indian accounting standards. We this half year, the first half year balance sheet is done completely under the rules and guidelines of Ind AS.

Next. So this is on the balance sheet side, our reserves and liabilities. So in this two, three takeaways is we, the company as of 30 September, 2025, the company has a net worth of INR610 crores, rose from INR476 crores. The difference being the two major components. One is the first half year internal accruals that is profit. And the second one is we have got amounts from share warrants issues, which is close to 40cr. So there's an increase of almost a kind of INR140 crores from last March to this September.

In terms of the size of the balance sheet, if you see it's completely almost a kind of INR1,489 crores of balance sheet size, as against last year, INR1,200 crores of balance sheet size. And in terms of EPS, if you see EPS, we have not given it. Yeah. In terms of EPS last year, we had an EPS of INR10 per share. And for the annual full year basis, this year for half year, we have INR8, INR8.03 for half year, which is not annualized. Even if we take a simple annualized ratio, it would be about INR16 for the full year. But generally, generally our revenue ratio in the first half year to second half year, as told by my CMD sir, it's a kind of a first half year, we generally report 40% of the revenue and 60% is generally reported in the second half year because of the seasonality issues in the first half year.

If we take that ratio into consideration, our EPS would be a bit more based on the actual performance, what we are going to have in the March.

Yeah, this is all about the balance sheet. And we have uploaded this balance sheet along with the P&L and the cash flow statements. I forgot to mention one more point on the cash flow side. Actually, last year, we have operating cash flow negative of almost a kind of INR140 crore negative. And against that INR140 crore, this first half year, we managed well in getting the collections. We have almost got about INR1,200 crores of realization in the first half year, that including GST receivables and all. And after considering that, our operating cash flow for the first half year is minus INR43 crores, INR43 crores negative. And we are striving hard even to have positive cash flow by March 2026. And our efforts is always on for that.

Moderator: Sure. Thank you, sir.

Satyanarayana Baratam: Yeah, with this, I think we are pretty well covered all the points what is required to be covered. And maybe we can now open up for the question-and-answer session. We are happy to answer any of the clarifications.

Question-and-Answer Session

Moderator: Sure, sir. All those participants who wish to ask a question may use the option of raise hand. In case there is a problem at your end. You can drop the message in chat. So, just one more thing, there is some bandwidth issues at your end. So there are chances that people may ask some questions related to some of the slides that you presented. So with that, we will take the first question from Mr. Hardik Gandhi. Hardik, you can go ahead.

Dr. Raghavendra Rao Bondada: Can we off our camera?

Satyanarayana Baratam: Vinay, do you want us to switch on the camera of ours or we can off the camera? Because of the bandwidth issue, if we switch off the camera, maybe the bandwidth may improve actually.

Moderator: We can do that, sir.

Satyanarayana Baratam: We will do one thing. We will try to do this one. If something is happening, then we will. Yeah, Hardik Gandhiji, good morning.

Hardik Gandhi: Good morning, sir. Congratulations on the absolute set of numbers. I hope I am audible.

Satyanarayana Baratam: Yeah, yeah. Please, please. Thank you.

Hardik Gandhi: So two major questions from my end. So we are going from a asset lite model to capital intensive businesses going forward, which I am seeing the IPP as well as the defence front, where it will be a high-capacity business. So how are we set for the future in terms of funding, working capital and other things?

Dr. Raghavendra Rao Bondada: What is his name? Gandhiji, I think, first of all, it is not a very big asset holding company. Now if you see the total 25 gigawatt of our total target, only 2 gigawatt we targeted is IPP side. IPP side requires the asset. And what are the best side is also BOO is only with this 4 gigawatt. Sorry, 2 gigawatt. BESS side is also 2 gigawatt. Rest all are

EPC. Not much, very big asset actually compared to the total overall target of the company.

Yes, for this 2 gigawatt of -- 2 gigawatt of BESS and 2 gigawatt of IPP is also, now I think, Satya, you can explain that actually how we are able to manage, how we are able -- but actually, perception among you people needs to be changed that actually it is not very big. We are not going to shut down our EPC business and completely getting into the IPP mode actually. Out of total 25, it is not even just 20% of our targets are from Capex mode, asset holding mode. That's what I just want to clarify.

Satyanarayana Baratam: So out of this 25 gigawatt, Gandhiji, actually what we are planning is about close to 21 gigawatt, we will be doing the EPC projects only in terms of solar plants and in terms of BESS EPC. And 2 gigawatt of solar park and 2 gigawatt of BESS we are going to establish on our own, which needs definitely capital requirement. And again, this capital requirement also, whatever this 2 gigawatt plus 2 gigawatt we are planning under IPP model, it is not going to happen overnight. It's going to happen over a period of next five years. And we are planning in a way that we are going to have a phased manner implementation.

Let us say out of this 2 gigawatt of solar plant, we would like to take up 250 megawatt to start with in the first phase. And then once we complete that, we will be having another 500 megawatt. Likewise, we are going to implement in a phased manner. So in between, we will have some timing for -- some disturbance coming.

Moderator: Hardik, there is some disturbance at your backend.

Hardik Gandhi: Okay, I'll just mute.

Satyanarayana Baratam: No worries, no worries. It is from your side, okay, you have to switch on your mic. So that way, let us say as of now, we have a almost a net worth of INR610 crores against which we don't have any term loan. So the company has huge appetite to raise that term loan debt at this point of time. So based on the requirements, based on the implementation phases, we will be raising debt as per the requirements of the project. And also accordingly, maybe down the line one year or one and a half year if required, even we are ready to even dilute the equity to the extent it is required based on that time's actual capital requirement.

Hardik Gandhi: Yeah, because I saw defence also. Sorry, but I saw defence also. So if we are planning to do any tie-ups in the defence front, right? So I'm assuming we will be required to set up a manufacturing facility for the same. So that would also require a huge CapEx, unless and until I'm missing something.

Rear Admiral R Sreenivas: Mr. Hardik, your suggestion that the defence requires a very high capital infusion is in general correct, but that depends on the kind of areas that you select to foray into. So we've been extremely cautious, not getting into very highly capital intensive areas. There are a few areas which are not so high in capital, but they do depend and they do focus on the IP that you are holding. Since it is a greenfield company, since creation of IPs in the defence takes a bit of time, we are looking at acquiring a few companies which have a very valuable IP and which comes to you at an affordable price. So as our CMD mentioned, in a short while you will hear an announcement from us in the areas in which we are foraying into, and then what are the acquisitions that we are doing, and then what are the tie-ups that we are going to have with the tier one vendors of defence.

Hardik Gandhi: Understood. And then last question.

Dr. Raghavendra Rao Bondada: Mr. Gandhi, in short, actually, the company is not under pressure of CapEx rising now at this point of time. But yes, you rightly mentioned that actually some point of time it will come, but that time actually we will use whatever instruments that we have and whatever the opportunities that we have, we will use them and then we will go. But we are very much cautious and conscious that actually, so not hampering that existing projects, not diverting our EPC focus and doing some other things, it has to be taken.

Satyanarayana Baratam: Hardikji, one last point is definitely this company is going to execute EPC contracts on a long-term basis, but definitely our kind of company for a long-term sustainability, definitely we need to have some kind of annuity revenues, which is what we are going to, which is what we are wanting to build up or build up.

Hardik Gandhi: Understood. So and the last thing on the BESS trend, because I'm seeing a lot of things happening on that end. We have seen Ola coming up with a whole new technology. So just to understand what are your thoughts on that? Will there be a technology disruption? How will you source your BESS containers? Will it be from China or will it be sourcing locally? So just wanted your thoughts on the technology as well as the market as a whole.

Dr. Raghavendra Rao Bondada: Yeah, this BESS battery, basically the battery is completely we are depending on China only, because cell manufacturing in India, that ecosystem is not developed as of now. So far, whatever the cells are there for that cell is a major component in battery, which is almost occupying the 50% of the total battery energy storage system, energy storage system. But all 50% we are depending on the China. As of now, it is a lithium-ion technology. But technology is rapidly changing and there are -- even technologies are coming. And we have to say that this rapid changes in this battery, battery energy storage system also. But as of now, we are depending on the China.

And if technology changes are there, including that rare earth metals and all those things, a huge, huge focus. Even India is also putting a lot of huge focus on this, how to develop this ecosystem. Like actually you have seen that last 10 years, we don't have any solar module manufacturing units in India. Even last 10 years, actually huge capacity is built in solar module manufacturing. Now that India is focusing on that actually, how to even manufacture the solar cells. Right now, all the module manufacturing people are importing cells from China and then manufacturing the modules over here.

Likewise, this transition will also takes place, but we have to sail with that. But as you rightly mentioned that actually this technology is changing very rapidly and we are on it. It's not that nothing, we are away from that, actually we are on it.

Hardik Gandhi: Understood, sir. Thank you so much. All the best.

Moderator: Thank you, Hardik. We'll take the next question from the line of Urmish Shah. Urmish, you can unmute and go ahead, please.

Urmish Shah: Yeah. Am I audible?

Satyanarayana Baratam: Yeah, yeah. Urmishji, you are audible.

Urmish Shah: Yeah. So a couple of questions for sir. Current order book execution timeline, if you could give some colour on it.

Dr. Raghavendra Rao Bondada: Okay. Yeah. Current order book is standing almost around INR6,000 crores, which is almost around INR4,500 crores is coming from renewable energy, but that is long-term contracts, in nature is the long-term that we need to deploy anything between another is most of them are in work-in-progress, but it takes another two years to complete this. Thereafter, actually in this INR4,500 crores, we have almost around INR400 crores to INR450 crores of O&M contracts are there, which will run next three to five years of time.

Coming back to this telecom INR1,000 crores, that telecom INR1,000 crores, INR400 crores is the EPC contract, which we are going to complete in next six to eight months time. And another INR500 crores to INR600 crores is the next five years of O&M contracts. These are also another O&M contract which will run in next five to six years. Sorry, five years time. And rest all is actually, this is our railways, around INR228 crores, which needs to be completed next 15 months time. And products is a monthly billing. This is the kind of timelines which we have as of now.

But any solar project, which we are getting even in future also, standard timelines for this completion of this project is between anything between 15 months to 18 months. Thereafter, three years to five years of O&M operations.

Urmish Shah: Right, sir. So sir, we have had such a strong H1. So based on these timelines that you have just elaborated, how do we see to end FY26 with revenue and with if you could give some colour on the sustainability of the margins as well, because we have given very strong set of numbers in H1.

Dr. Raghavendra Rao Bondada: Yeah, yeah. As I mentioned in even the previous discussion also, our company always reports actually 40% of revenues in first half, actually, in fact, actually 35%. This year, actually, we could do better. So 40% of our target comes in first half. 60% of our target for this year will come in second half. I think that projects, the pace of the projects and then cash flow requirement and manpower -- manpower deployed and resources deployed, our eight projects are very much intact. And I'm very much comfortable and confident that actually that 60% of our target can be delivered in second half. That is in terms of revenue. And margins, same projects, same budgets, I don't think any problem in margin also. I think we are going to sustain both EBITDA, PBT or PAT margins. Maybe 100 base points increase will be there because of large scale operations, because economy of scale, because slowly, slowly, quarter on quarter, actually, our size of the projects are increasing. Earlier we used to do 100 megawatt, now we are doing -- we upgraded to 300 megawatt. Now we are upgrading to 500 megawatt as a single phase. So large scale economy is relatively playing on us on our margins.

So I think we are going to sustain these margins or we are going to improve maybe 100 basis points.

Urmish Shah: Because of the bandwidth issue, I couldn't get when you were explaining the networking cycle slide. So what has led to the improvement? Because it has been a tremendous improvement this time.

Dr. Raghavendra Rao Bondada: First one is order book and commitments to the customer that drives everything. First one is order book that we have taken and then committed, committed our commitment to the customer. Again, this company never ever defaulted in its commitments of on-time delivery. So once we are delivering projects on time, everything will fall in place. Your cash flows will fall in place, your revenue, revenue targets are in -- falling in place and your customer comfort, more than this actually, I look at my customer comfort, will fall in place.

Urmish Shah: Okay. So 90 days around, can we expect this runway to go forward?

Dr. Bondada Raghavendra Rao: Yeah, we are very much sure.

Urmish Shah: Okay, sir. Thank you and yeah.

Dr. Raghavendra Rao Bondada: Because actually, whatever the process we delivered in H1, the same process are continuing in H2 also, predominantly the same process are continuing in H2 only, same customers. So I think whatever the ratios which we have reported in H1, I think are going to be intact in H2.

Urmish Shah: Okay, sir. Thank you and all the best for the future.

Dr. Bondada Raghavendra Rao: Thank you.

Moderator: Thank you, Urmish. We will take the next question from the line of Amit Agicha. Mr. Amit, you can unmute and go ahead, please.

Amit Agicha: Yeah, good morning. Thank you for the opportunity. Am I audible?

Dr. Bondada Raghavendra Rao: Yes.

Amit Agicha: Congratulations, sir for a good set of numbers. Actually, sir, I have emailed my questions. And I will just ask one question over here. Like, can the management explain like any execution constraints or seasonality, which you are seeing like constraint to like labour, supply chain or site readiness or grid approvals that could affect H2 visibility of the revenue?

Dr. Raghavendra Rao Bondada: Yeah, I will take up. Actually, I think when you have emailed your questions?

Amit Agicha: Today only, in the morning.

Moderator: Sir, he has sent it today and we've replied to him to join the call.

Dr. Raghavendra Rao Bondada: We were all busy in this earnings call since morning. Definitely, we will reply to your question. But this question I will explain that yes, definitely seasonality impact is there on our deliveries. Normally, that is there in the second quarter. Normally, it is in second quarter of any financial year, actually, we face a lot of issues. But that's what I told actually, having in spite of very intense rains in Maharashtra and even in Gujarat, even Andhra and Telangana this year actually, our projects are intact. But third quarter and fourth quarter is fairly good that actually we can able to deliver the projects on time.

Coming back to the requirement of resources, deployment for this kind of volumes is already set. As I mentioned, last 25 years of my presence in India, I have my own subcontracting system. I have my own subcontracts in each and every state. For example, actually, now Khavda, we started our presence with NLC with 600 megawatt. Now, we have taken around another 650 megawatt of Adani. And Adani, we are going to dedicate some of our capacity for the next three years, that's what our discussions are happening, next two, three years time. For which Adani, actually, we are making very big setup is a permanent setup which caters for next three to five years. That can be a labour colony that can be our officers' colonies and even including medical facilities and all those things we are setting up.

Always HR and the human resources and then labour is always an issue. But we have some edge over these issues. We are able to tackle these issues and we are able to manage our projects by giving the on time delivery to our customers.

Amit Agicha: And sir, is it possible for you to give segmental margins, like how much is the margin in renewables and how much is it telecom and how much is in like railways and the products?

Dr. Bondada Raghavendra Rao: Yeah. Renewable energy and telecom, basically these are EPC contracts only. Normally EPC contracts, whatever the margins we report it actually, because even if you see that the total revenue, renewable energy revenues is contributing almost around 79% to 80%. Whatever that profitability is there in renewable energy, it is predominantly it is of the total companies DBT.

In EPC contracts, we have a PAT of 7.5%, PAT of 7.5%. And even O&M services, a little bit high, which is almost around 10%. Products is around 10%. But as a overall, it is coming around 7.5% to 7.6% because those high margin segments are very low volumes. But majority of EPC is at 7.5%.

Amit Agicha: I appreciate you answering my questions in detail. Thank you, sir. All the best for the future.

Moderator: Sir we will take one question from the chat by one of your shareholders, Mr. Vinod Kumar Kataranya. Vinodji, you can go ahead and ask your question.

Vinod Kumar: Yeah, good morning to all of you. Actually, my question was that I wanted to ask why is this that the trade receivables are very high? I have been seeing that trade receivables is at around INR700 crores, which is around 57% of your first half revenue of the first six months. So if you can shed some light, are you planning to bring down the trade receivables in the future also?

Satyanarayana Baratam: Yeah, in terms of trade receivables, your question, yes, it is 57%. If you take the percentage on the half year revenue, it is 57%. If you annualize it, it is close to about 27%, 28%, even if you annualize it on a regular multiplication of two. INR700 crores of receivables for a revenue of INR1,200 crores for the half year is very generic in any EPC contract. If we take the industry average also, any EPC contract will have debtor percentage of 30% to 35%. In that case, in fact, if you see our receivables, we have managed very well.

And the second thing is, if we compare with last year's receivable number of days, last year, 31 March, 2025, we had about 125 days receivables, whereas in this first half year, we have managed to bring it down to 107 days. So in terms of number of months, if you see, it is close to three months, three and a half months. We shouldn't take it as a percentage of half year revenue. You have to annualize it, if at all you have to see on a percentage of revenue. What we are doing here is we are taking the closing debtors value and we are comparing with the percentage of half year revenue, which is not correct. I hope I clarified your point.

Vinod Kumar: Yes, sir, it is fully clarified.

Satyanarayana Baratam: You got my point, no. 57% is coming if we consider the half year revenue.

Dr. Raghavendra Rao Bondada: In fact, actually, out of the INR700 crores, almost around INR250 crores is reported in last month, September month itself. And second quarter itself, it is our revenue is almost around INR700 crores. So one more thing is actually out of the INR700 crores, around almost INR130 crores is our retention money. Retention money we will get after the completion of the projects because in each and every bill, my customer will hold it 5%, some contracts in 10%, some contracts of 5%, which is accumulation of around INR130 crores retention money is there, which we will get once the project is completed against the submission of bank guarantee or we have to wait 15 months to 18 months of defect liability period. But as a overall, we are not finding any cash trends.

Rear Admiral R Sreenivas: In fact, in the first half year, the cash conversion cycle has come down from 110 of last year to 80 days now, which should give a lot of comfort, not only to you, even to us too.

Vinod Kumar: And one more question I had.

Satyanarayana Baratam: I would say that 57% comparison comparing to taking consideration of half year revenue may not be appropriate. That's —how we analysed.

Vinod Kumar: Your point is taken. I had one more question. You are envisaging to double your revenues by the current financial year end and tripling the revenues by financial year '27 end. That would mean revenues close to around INR4,500 crores by financial year '27 end. Are you confident of achieving this target?

Rear Admiral R Sreenivas: The past record in the last two years itself actually speaks for it. And in fact, it's a very conservative estimate in case of you know, if you look at our past performance in the last FY and then in the H1 of this year.

Dr. Raghavendra Rao Bondada: Yeah, it is actually. I already answered this point, actually. It's all driven by customer commitments. It's all driven by customer commitments. You need to see that actually what is my order book. If order book is there, confirmed order book is there, by any means I have to deliver. By any means I have to deliver means there is no depth of work, actually, which we have to deliver. Once we are delivering means these numbers have to be reported.

Vinod Kumar: Correct. And if you can shed some light on this Madhya Pradesh project that you have been allotted, the two gigawatts solar IPC project. When will the project start and when will the revenues come on the books of the company?

Dr. Raghavendra Rao Bondada: It takes time. It takes time because actually a lot of land needs to be pooled. Out of total 9,000 acres actually, we have started pooling 3,000. We identified 3,000 acres and that 3,000 acres of land pooling we will complete in next four to five months of time. And once land is there, actually, we are applying for CTU through land BG route. And we have to apply for that CTU with the land BG route. And once it is CTU is approved, then we have start bidding for that IPP projects. But maybe 250 megawatt of IPP project will happen in next financial year. And that will go another four to five years.

I think Satya has already explained during the presentation call, how we are going to deal with this two gigawatt of IPP and two gigawatt of BESS work. That will happen next four to five years.

Vinod Kumar: So what is that kind of revenue you're envisaging from this project in the coming years?

Dr. Bondada Raghavendra Rao: What is that?

Rear Admiral R Sreenivas: From IPP what are the?

Dr. Raghavendra Rao Bondada: That INR9,000 crores is investment. INR9,000 crores will come as a EPC revenue for us in next five years time. And once it is based on the size of the plant actually that we will get annuity revenue, -- annuity revenues. Maybe if INR250 crores is there, actually, we will get almost around first year itself around.

Satyanarayana Baratam: Maybe once we complete the entire two gigawatt plant implementation, from this entire two gigawatt of plant, we will be getting a kind of INR1,000 crore revenue per annum.

Dr. Bondada Raghavendra Rao: Per annum per

Satyanarayana Baratam: On an annuity basis for next 25 years.

Vinod Kumar: INR1,000 crores for the next 25 years.

Satyanarayana Baratam: Next 25, yes.

Moderator: Thank you, Mr. Vinod. I would request all the participants to please restrict your questions to two since there are many in the queue. We'll take the next question from the line of Vimal Parekh. Vimal, you can go ahead please.

Vimal Parekh: Thank you very much for the opportunity. A very good morning and great set of results. I think a great execution is why these numbers are showing. I had a question largely, so am I audible first, just wanted to check.

Satyanarayana Baratam: You are audible sir, please carry on.

Vimal Parekh: So I just wanted ask my questions are more towards your future businesses, which is the energy storage data centre and defence sector, and wanted to understand what kind of a capital outlay are we talking here, and will we have separate teams for each of these divisions? So that would be my first question.

Satyanarayana Baratam: Okay. So in terms of BESS, and in terms of solar plants, we have already clarified that. So solar plant, we will be implementing a 2 gigawatt of plant, which is already allotted to us by the government of Andhra Pradesh through a separate government order. And in terms of BESS also, we would like to establish 2 gigawatt capacity BESS across India, maybe in the next 3 to 5 years of time. So this is totalling to 4 gigawatt capacity on IPP model or build and own and operate model. And whatever CapEx needed for this period of next 5 years in a phased manner, we will be addressing through debt and also in terms of equity by diluting some of our existing equity. That's what is our plan at this point of time.

Mostly, we would be requiring the first trench of debt, maybe in 2026, beginning first quarter of 2026. And as of now, our balance sheet can take the appetite of raising debt up to about INR1,500 crores, which we can very much raise as per the balance sheet credentials. And we will start with raising the debt and as and when it is required, we will even ready to dilute some of the equity by raising the equity through either preferential issue or rights issue.

Dr. Raghavendra Rao Bondada: That is for 2 gigawatt. But coming back to the data centres, data centres to start with, actually, we are not looking at very big size of data centres. The way people are talking about the Google data centre and the Microsoft data centre, which we are not getting there. There are others, so many opportunities are there in data centres. Small, small data centres are there, less than 1 megawatt, even less than 1 megawatt data centres are huge. The volume is huge. Which first, actually, we will enter as a land pooling and creating the complete ecosystem for data centre and giving the power and giving the fibre to the data centre.

We may not be able we may not be owning the data centre till we get the anchor customer in the data centre. That doesn't require much capital requirement for data centres. We understand for 1 or 2 years of this ecosystem, then we will start owning the data centre maybe after 2 years. Maybe that time, actually, we need to have a CapEx requirement, but which I am not clear on that actually how much is the requirement after 2 years. That we will come back to you later. But as of now, this is what our thought process and our work is happening on ground. Defence, you can tell.

Rear Admiral R Sreenivas: Yeah. Defence, we've been, as being a Greenfield company, we've been very extensively exploring different areas and again, different avenues to gather IPs in the critical areas at a nominal capital infusion. So we are not anticipating anything more than INR75 crores to INR100 crores of CapEx in defence, which our business will be centred around more on IP-centric business, on high value product, but the low capital infusion.

Vimal Parekh: Sorry, please go ahead.

Dr. Raghavendra Rao Bondada: Yeah, this will also come, maybe as per our estimation, actually, will come around INR75 crores to INR100 crores. That can be managed internal accrual CapEx. That can be managed. Not now. That will also take another two quarters time.

Vimal Parekh: And will there be different teams to manage this or how is the thought process in the company?

Dr. Raghavendra Rao Bondada: For each and every business, one dedicated CEO is there. They are all from that complete domain knowledge only. We have renewable energy domain knowledge team is there. We have telecom team is there. We have data centre team is there. We have defence team is there. In fact, actually, our CEO group, CEO's background is also defence, actually. He's the Rear Admiral of Navy. He knows that complete ecosystem of defence. Last five years of his tenure, he's in MoD, Minister of Defence in procurement itself.

Rear Admiral R Sreenivas: But notwithstanding, we will have a separate move for defence vertical.

Vimal Parekh: Sir, on the defence side, is there any particular area that we are looking to concentrate? I understand that you're looking to actually acquire companies which are IP-centric. So which probably have some tie ups with DRDO for technology. So is there something identified or is there any other area that we have already identified?

Dr. Raghavendra Rao Bondada: The area, I may not be able to disclose to you now, Mr. Parikh, actually. Just give us another one quarter time that actually we will come back to you with kind of sizable MOE with either one PSU and one international company. I may not be able to disclose to you at which area that we are focusing on. But it is going to be IP-centric with a huge impact on defence products.

Vimal Parekh: Thank you. Thank you so much and wish you all the best. Thank you.

Moderator: Thanks. We'll take a few questions from the chat window. There is a question from Mr. Jatin K. Under BSS EPC, what is the revenue potential per megawatt?

Satyanarayana Baratam: Under BSS EPC?

Moderator: What is the revenue potential per megawatt?

Satyanarayana Baratam: It is actually dynamic in nature. Every quarter it is going to be changing. We can't tell at this point of time. But I think currently it is happening per megawatt about INR2.5 crore to INR3 crore per megawatt hour.

Dr. Raghavendra Rao Bondada: Including both the AC and DC? It all depends upon the scope of the work actually. Some substations comes with the complete AC readiness. Some substations comes with even you have to supply the power transformers. You cannot tell like that. But as a DC side, I can tell that actually what's going on. But AC side is entirely different because it all depends upon the scope of setup. Setup which is available in that particular substation. DC side anything between INR1 crore to INR1.2 crore per megawatt hour. I am talking, per megawatt hour is going on in the country.

Satyanarayana Baratam: Which means per megawatt it is existing in between 2.5 to 3.

Moderator: The second question is for BESS IPP BO projects, what is the capital cost per megawatt that the company may have to invest?

Satyanarayana Baratam: IPP 2 gigawatt? No. BESS only.

Moderator: BESS.

Satyanarayana Baratam: Same, same. Whatever EPC, same kind of cost would be required.

Dr. Raghavendra Rao Bondada: Maybe here and there, few lakhs here and there, it is the same.

Moderator: There is a question from Raju Gupta. How do you see BESS segment growth for next 2 to 3 years? And how much can we explore till now? And what is the opportunity in the coming year? How much have we explored till now? And what is the opportunity in the coming year?

Dr. Raghavendra Rao Bondada: Right now we have order book of around INR850 crores. INR850 crores of BESS order book is there. And even next 5 years I can tell that actually. This will go 100% CAGR. This order book and even execution will go. Even I am very optimistic at this point of time. So it can go more than 100% CAGR in next 5 years time.

Moderator: Okay. Okay. Thank you so much, sir. We take the next question from Darshit. Darshit, you can go ahead.

Darshit: Hi, sir. One question I have on the receivables. So you had briefly highlighted that the Q2 revenue itself was close to INR700 crores. Yeah. So out of these INR700 crores receivables, are any of them longer than 6 months due?

Satyanarayana Baratam: INR700 crores means it is less than 6 months.

Darshit: No, no. Are any of these longer than 6 months due? Out of the INR700 crores?

Satyanarayana Baratam: Longer than 6 months due, that is again retention money. As per the contractual obligations, the customer holds about 5% as retention money, which will become due only on the completion of the project.

Dr. Raghavendra Rao Bondada: Around INR130 crores is there more than 6 months in the INR700 crores. Rest all is coming from this first quarter and second quarter only. Maybe a few milestones are there actually where plant is not commissioned, that maybe a few crores are there. But otherwise it completely belongs to the second quarter itself. Excluding that retention money.

Darshit Shah: Got it. Sir, secondly, on this Adani where we have got the 650 megawatt order in Khavda and you also highlighted earlier that we are trying to put up a setup for them in Khavda and as we understand and read that Adani is probably going to go big in Khavda with almost plans of putting up more than 20, 30 gigawatt. Yeah. So how big this opportunity can be for us in Khavda if you can briefly highlight that?

Dr. Raghavendra Rao Bondada: Actually we are discussing with Adani anything between 3 gigawatt to 4 gigawatt in next 4 years of time, next 3 to 4 years of time. As part of this actually is the first initial order is 650 megawatt of one block they have given to us. Next 3 to 4 years anything between up to 4 gigawatt we can deliver.

Darshit Shah: Got it. And sir in BESS you said the opportunity is really big and that's where we have also increased our execution guideline from 10 gigawatt to 25 gigawatt. So are we going to put any assembly lines to integrate BESS equipment or we are going to do only pure play EPC? I mean if you can broadly throw some light on that.

Dr. Raghavendra Rao Bondada: Yes, that's where actually very serious work is going on. That also please give us some more time. We will come back to you. Whatever we are talking about actually that battery backward integration, not only just our BESS applications but our power transition application that will also be used for our defence applications. So just give us some more time, we will come back to you with very great detailing and great guidance on this.

Darshit Shah: Sure sir. Thank you so much sir and all the best.

Moderator: Thank you Darshit. We'll take the next question from the line of Vaibhav Lohia. Mr. Vaibhav you can unmute and go ahead please.

Vaibhav Lohia: Hi. Thanks for the opportunity sir. Firstly, congratulations on the superb set of numbers. I only have two questions. So what are the risks you are seeing in executing the orders you have as of now? And next question is what type of margins are you seeing going forward in FY27 and going forward and do you think the ROCE will improve as we are seeing the cash conversion cycle is also getting better. So do you see the improvement in ROCE going forward?

Dr. Raghavendra Rao Bondada: Yeah, first question actually that the risks involve. I am seeing this company is reporting 100% in even last 4-5 years and even last 14 years also. I have not seen means actually there I have not stuck that actually because of this reason, because of this geopolitical reason or because of some other external reason.

Always there is an internal reasons will be there. As long as you are planning better, you are planning your resources in terms of people, in terms of working after, I don't think any risk involved in this. And the segments which we are playing now in renewable energy and telecom infrastructure or Indian railways are best or even defence. I think you might be more knowledgeable than me that actually how much work is there for next 10 years and 15 years and even 20 years. So volumes are there. Fortunately, we are there in very good growth segments.

I am not seeing any risk in that business volumes will come down. And the third point is we are mostly depending on public sector companies and private developers which are having very good financial strength and cash reserves. We are very least dependent on state governments. So hence actually even that whatever the geopolitical things will happen that also will least impact on our growth potential.

Yes, as I mentioned, there has always been a hand to mouth and then 24 by 7 work is going to be there to deploying our people in terms of working team, in terms of labour, in terms of creating ecosystem, in terms of working capital management. This will always be there. We are there to manage those things. That is about risk.

Second point, what is your second point?

Satyanarayana Baratam: Will there be any improvement in the return on capital employed for future projects?

Dr. Bondada Raghavendra Rao: Yes, definitely. Vaibhav, no?

Vaibhav Lohia: Yeah, yeah, yes, sir.

Dr. Bondada Raghavendra Rao: Vaibhav, definitely we can expect in terms of return on capital employed improvement for the ongoing projects and upcoming projects. When you consider it as a standalone EPC ROCE. We are expecting return on capital employed improvement by about 3% to 5% for the existing ROCE, on an EPC model basis. However, in continuation to this, once we come into IPP model, capital intensive model, that ROCE may get corrected a little bit because of the capital intensity.

Vaibhav Lohia: Okay, okay, understood. And so what is the PAT margin guidance you would like to give for FY27 and going ahead?

Satyanarayana Baratam: PAT will be intact. Whatever we have been delivering so far, that will be intact. Maybe we will have a bit better PAT. We are aiming it

Rear Admiral R Sreenivas: We're aiming to better by a few points. Capitalizing on the economy of scales and experience that we gathered over the EPP.

Vaibhav: Okay, okay, understood, sir. Thank you, sir.

Satyanarayana Baratam: Thank you, thank you, Vaibhav.

Moderator: Thank you, Vaibhav. We'll take the next question from the line of Heet Modi. Heet, you can unmute and go ahead, please.

Heet Modi: Thank you for the opportunity, sir. Good afternoon, sir. I have two questions. My first question is, what is the setup days for the BESS? And another question is, what is the capacity of solar EPC?

Dr. Raghavendra Rao Bondada: What is the first question? Sorry, can you repeat your first question?

Het Modi: Yes, sir. What is the setup days for BESS project?

Dr. Raghavendra Rao Bondada: Setup days for the BESS. Oh, setup days, yeah. Once we agree the contract once we make the BESS buy agreement with the customer, actually, they will give around 15 months to 18 months time. 15 to 18 months time to set up the BESS, because a lot of AC side designing is to be done, a lot of DC side designing is done, and also we have to import the cells and all those things. So anything between -- right now, the contracts are going with 15 to 18 months time. Maybe by improving this ecosystem in India, maybe it will come down to 12 to 15 months of time.

Satyanarayana Baratam: But our existing contract is having 18 months time.

Dr. Bondada Raghavendra Rao: 18 months time. But 3 months is over, another 15 months is there.

Heet Modi: All right. Another question is, what capacity of solar EPC?

Dr. Raghavendra Rao Bondada: Solar EPC is keep on increasing, actually. Every year, we are in the last year. Actually, last year, till 2017 to 2024, we commissioned sorry, 2025, we have commissioned 1 gigawatt. Now this year, standalone, this year itself, we are planning for 1 gigawatt. Maybe next year, we may increase it to the 2 gigawatt. That has always been a focal point and focus point for us, actually. We keep improving as and when we are getting the orders.

Heet Modi: So by 2026, it will be 2 gigawatt.

Dr. Bondada Raghavendra Rao: Yeah, standalone, yeah. But actually, you cannot but there also, you need to straight away, you cannot multiply with per megawatt cost, actually. There also may be some portion is -- some portion is module, some portion is without module. Ours is actually some contracts are with complete EPC, some contracts with only BOA.

Heet Modi: Okay. Thank you.

Moderator: Thank you, Het. We'll take the next question from the line of Harshal Dhende. Mr. Harshal, you can ask your question, please.

Harshal Dhende: Yeah. Hello. Thanks for the opportunity. So I just wanted to ask, what is the total addressable market of BESS? And what percentage will you be able to capture it? And what competitors do you have in that market? Thank you.

Dr. Raghavendra Rao Bondada: Yeah. As of now, declared numbers in BESS as of now, declared numbers in BESS is actually almost 132 gigawatt to be commissioned by 2032. 132 or 130 that is numbers given by Government of India, gigawatt hours. But as of now, the total deployment is there less than 500 megawatt. I think less than 1 gigawatt you can take, including all the work in progress also. That is the kind of sizeable market is there for next 6 to 7 years. And

Harshal Dhende: What is the cost per gigawatt to set up? Like, what is the companylike, what do you make per gigawatt of BESS that you're setting up?

Dr. Raghavendra Rao Bondada: BESS year backing?

Harshal Dhende: Sorry.

Dr. Bondada Raghavendra Rao: BESS, for 1 gigawatt hour, it is almost INR2,500 crores to INR3,000 crores.

Harshal Dhende: It is almost 2,500 crores or 2,500 dollars?

Dr. Raghavendra Rao Bondada: No, crores, crores, I am sorry.

Harshal Dhende: Crores, okay. No, I was just reading your subtitles. It came as dollars. Okay. So, per gigawatt cost is almost INR2,500 crores. So, multiplied by 130 is your current size of market that we can get, which is almost INR2 lakh to INR2.5 lakh crore, INR3 lakh crore. And as an EPC player in this field, what is your execution timeline for these kinds of projects? So, right now, when you said you had an INR850 crore BESS project, what is your execution timeline for the same?

Dr. Raghavendra Rao Bondada: I already answered in the previous question, actually. I think most of the questions are repeating. I already answered in the previous question.

Harshal Dhende: Okay. Sorry, I must have missed that.

Dr. Raghavendra Rao Bondada: No problem. No problem. Upcoming contracts are happening anything between 15 months to 18 months there. But by improving the Indian ecosystem on BESS, actually, it may come down to 12 to 15 months. But minimum is 12 months is required because to design the AC side and DC side. 12 to 15 months existing contracts are running anything between 15 to 18 months.

Harshal Dhende: Okay. I don't know if you answered this question also before. But what are your margins for the BESS business exactly? And is this yeah. What is the margin exactly?

Dr. Raghavendra Rao Bondada: Yeah, BESS actually in two ways. Right now, what we are talking about our BESS is BOO model. Build, operate and own and operate model. Actually, our IRRs are anything between 16% to 17% is there for this particular project. But going forward, IRRs may come down to 14%, 13% to 14%.

Harshal Dhende: So this is more of an annuity income almost. It is like I'm setting up something to get a 14% yearly return.

Dr. Raghavendra Rao Bondada: Yeah, yeah. Annuity income only in BOO model. But we are also there in EPC model also. EPC model is there also the similar competition is there. Similar competition is there. We might be reporting around 12% to 13% EBITDA.

Harshal Dhende: For EPC?

Dr. Bondada Raghavendra Rao: For EPC, yes.

Harshal Dhende: Understood. Got it. Got it. Okay, sir. Thank you so much.

Moderator: Thanks, Harshal. Due to lack of time, we'll take the last question from chat participant, Mr. Archit Agarwal. Archit, please go ahead.

Archit Agarwal: Hello. Yes, sir. Am I audible?

Dr. Raghavendra Rao Bondada: Yeah, yeah. You're audible.

Archit Agarwal: Sir, my question is about the future revenue bifurcation. So two to three years down the line, what will be the revenue bifurcation?

Dr. Raghavendra Rao Bondada: As of now, actually, I can give you existing sectors only. But maybe after a few quarters, actually, I will also give the data centres and then different revenues. But as of now, currently, we are operating around 80% is coming from renewable energy, 10% is coming from telecom, and another 10% is coming from our products, other products. So this will continue. This will continue like this for next two to three years on today's condition, on today's situation. But if my data centres and defence is also adding in subsequent quarters that may slightly change. But as of now, these are the situation.

Archit Agarwal: Okay. And from when we can expect the revenue recognition from data centre and defence?

Dr. Raghavendra Rao Bondada: Yeah, after two quarters. After two quarters. We'll come back to you. We'll come back to you after two quarters, maybe after the subsequent time. It depends upon the business model. You can see some revenues are flowing in our books, maybe in the third quarter of '26-'27 next year.

Satyanarayana Baratam: We will keep you posted.

Dr. Bondada Raghavendra Rao: Again, these are all approximate timelines I'm giving. Don't come back and after one quarter, you told this much and why you're not doing this. These are all approximate quarters I'm giving it to you, please. But definitely, third quarter onwards, we are going to make it happen.

Archit Agarwal: Okay. And my last question is, what will be the CapEx requirement for this four gigawatt of IPC project?

Satyanarayana Baratam: Yeah, it's already answered two times. But anyway, what we can do, maybe you can you can interact with us one-to-one. We will clarify you if you don't mind.

Archit Agarwal: Okay.

Satyanarayana Baratam: We will get your number from Vinay and I'll call you back. Okay.

Archit Agarwal: Okay. Sure.

Moderator: Thanks, sir. Thanks Archit. Sir we'll take one last question in the chat from Mr. Arpit Jain for the 2031 $1 billion revenue vision. Does it also include verticals like railway and defence or is it only solar, BESS and telecom?

Dr. Raghavendra Rao Bondada: No, it includes -- it includes everything. It includes everything. But actually, predominantly it is RE, renewable energy and BESS and telecom only. This one, railways and data centres and defence may occupy maybe a portion of 20%. 80% will come from these three only.

Vinay Pandit: Okay. Sure. Sir that is the last question for the day. I would request you to give your closing comments.

Satyanarayana Baratam: Someone has a question.

Rear Admiral R Sreenivas: So Vinay, I think, I think

Vinay Pandit: Sir would you like to give any closing comments or do we end the call?

Dr. Raghavendra Rao Bondada: No, no, no. We'll make. Yeah.

Satyanarayana Baratam: So you want us to give the closing remarks, Vinay?

Vinay Pandit: Yeah, yeah, anything you want.

Dr. Raghavendra Rao Bondada: Yeah. Thank you very much for coming to, coming to this call and then patiently listening to our presentation.

Satyanarayana Baratam: And asking very invigorating questions.

Dr. Raghavendra Rao Bondada: Yeah, yeah, sure. Very valid and insightful questions. And we hope that actually we could be able to answer all your questions. If not, if you're not satisfied with these answers, you are always, you are people can always get in touch with us one-to-one so that we are happy to reply or email or call or WhatsApp or chat. Thank you very much for arranging this call, Mr. Vinay, Kaptify. And thank you all.

Vinay Pandit: Thank you, sir. Thank you to all the participants for joining on the call. And thank you to the management team for their valuable time. This brings us to the end of today's conference call. You may all disconnect now. Thank you.