

Prostarm/Secretarial/2025-26/94

February 18, 2026

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 544410	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Scrip Symbol: PROSTARM
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Sub: Transcript of Earnings Conference Call for the Quarter and Nine Months ended December 31, 2025

Ref: Regulation 30 and 46 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015 (the “SEBI Listing Regulations”)

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 (2) of the SEBI Listing Regulations, please find enclosed the transcript of the Earnings Conference Call held on **Monday, February 16, 2026, at 02.00 p.m. (IST)**.

The above communication is also available on the Company’s website at www.prostarm.com.

Kindly take the above information on record.

Thanking you,

For **Prostarm Info Systems Limited**

Sachin Gupta
Company Secretary and Compliance Officer
Membership No: F12500

Encl: as above





Prostarm Info Systems Limited

Quarter and Nine Months ended December 31, 2025

Earnings Conference Call

February 16, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 16, 2026 will prevail

MANAGEMENT:

Mr. Ram Agarwal - Chief Executive Officer and Whole-Time Director

Mr. Abhishek Jain - Chief Financial Officer

**Prostarm Info Systems Limited
Q3 and Nine Months FY'26 Earnings Conference Call
February 16, 2026**

Moderator: Ladies and gentlemen, good day and welcome to the Prostarm Info Systems Limited Q3 and nine month FY'2026 Earnings Conference Call hosted by Valorem Advisors. 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 this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Good afternoon everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Prostarm Info Systems Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for the third quarter and nine months ended of the financial year 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is probably to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Ram Agarwal - Chief Executive Officer and Whole-Time Director and Mr. Abhishek Jain - Chief Financial Officer.

Without any delay, I request Mr. Ram Agarwal to start with his opening remarks. Thank you and over to you, sir.

Ram Agarwal: Good afternoon to everyone and a warm welcome to all of you for joining our first ever earnings conference call for the third quarter and nine months of the financial year 2026. For some of you who may not be familiar with the company, let me begin by giving you a brief

overview of the company. After that, our CFO will take you through the financial and operational performance of the period under review.

Prostarm Info Systems Limited was established in 2008 with the objective of becoming a power electronics solution provider. Over the years, we have evolved from being a specialized equipment supplier into a comprehensive power solutions company with strong manufacturing and service capabilities. Today, we focus on designing, manufacturing, assembling, and servicing energy storage and other power conditioning equipments. Our product portfolio includes UPS systems, solar hybrid inverters, lithium-ion battery packs, servo-controlled voltage stabilizers, isolation transformers, battery energy storage systems, and other customized power solution products. In addition to our manufactured products, we also execute solar EPC, end-user computing solutions, and provide value-added services such as installation, annual maintenance contracts, and rental solutions. We cater to a diversified customer base, including government departments, public sector undertakings, utilities, railways, infrastructure companies, healthcare institutions, BFSI, and industrial enterprises. Our ability to provide reliable and customized power solutions has enabled us to build long-term relationships and establish strong credibility in the market. To support this growth and to support this growing customer base and strengthen our execution capabilities, we have continuously expanded and upgraded our manufacturing infrastructure. As part of strengthening our manufacturing footprint, we currently operate three manufacturing facilities. Three of these facilities are fully operational and commercialized, including two units in Pune focused on UPS systems and related power conditioning products, and the lithium-ion battery pack facility in New Mumbai. In addition, we are doing CAPEX of two more facilities that will significantly enhance our capabilities. We are adding a 1.2 gigawatt, our best manufacturing facility in Jhajjar, Haryana, which is nearing commissioning and is expected to be operational in Q4, financial year'26. We also have initiated an expansion in Bakrol in Ahmedabad, Gujarat, for manufacturing UPS systems ranging from 1KV to 600KVA, which is expected to become operational by Q1 next financial year. This expansion plan positions us well to cater to increased demand for advanced energy storage and power solutions. In parallel, we are currently in the initial phase of launching lithium-based batch solutions for the commercial and industrial segment, and are working towards introducing a comprehensive range of home energy storage solutions. Additionally, we have introduced QR codes on our products to improve traceability, service responsiveness, and overall customer satisfaction. We are also implementing SAP B1 and Salesforce systems to strengthen internal controls, improve operational efficiency, and enhance customer relationship management.

With this brief overview, I would request our CFO – Mr. Abhishek Jain, to share the financials for the quarter and nine months. Over to you, Abhishek.

Abhishek Jain:

Thank you, Ram ji, and good afternoon, everyone. Let me take you through the financials and operational highlights for the third quarter and nine months ended of financial year 2026.

Operating revenue for the quarter stood at INR 161 crores, representing a growth of 110% year-on-year and 141% sequentially. The strong sequentially growth was driven by execution of large scale orders during the quarter. EBITDA for the quarter stood at approximately INR 20 crores, reflecting a year-on-year growth of about 81%, with an EBITDA margin of 12.65%. Profit after tax stood at approximately INR 15 crores, representing a growth of nearly 101% year-on-year. PAT margin for the quarter was 9.28%. While margin moderated compared to the previous quarter, this was primarily attributable to the margin profile of specific projects executed during the period. Given the project-based nature of our business, margin may vary depending on execution mix and timing of revenue recognition. However, as revenue scaled up, we witnessed operating leverage benefits and margin to become more sustainable.

For the nine month period, the operating revenue stood at INR 281 crores, reflecting a growth of approximately 5% year-on-year. EBITDA stood at approximately INR 35 crores, representing a growth of about 3% year-on-year, with an EBITDA margin of 12.55%. Profit after tax stood at around INR 25 crores, showing a growth of approximately 13% year-on-year. PAT margin for the period was approximately 8.89%.

Now moving to the operational highlight for the quarter, we continue to strengthen our order book with several notable wins. During the financial year, we secured important battery energy storage - Battery Energy Storage Systems ("BESS") projects from leading entities such as Karnataka Power Transmission Corporation Limited, Bihar State Power Generation Company Limited. In addition, we received orders from South Central Railway, Steel Authority of India - SAIL, and Hitachi Payment Services. These projects are currently under execution and contribute meaningfully to our revenue visibility. As of the end of the quarter, our order book stood at INR 9,460 million across 91 projects. Backed by this robust order book, the company maintains healthy revenue visibility for the coming quarters and remains confident of achieving good financial closure by the end of FY'26. We also have projects under relevant status amounting to approximately INR 207 million, which provide additional revenue near-term conversion potential. Beyond the confirmed order book, bids under evaluation and tender plan to participation, during the financial year aggregate to approximately INR 7,754 million, providing strong pipeline visibility and supporting our medium-term growth outlook. During the quarter, we also achieved full regulatory closure on a legal custom matter. On 29th July 2025, the Commissioner of Customs issued a favourable order resulting in the complete withdrawal of the show cause notice and closure of all related proceedings. This eliminates regulatory overhands and enforces our governance and compliance standards. We have also materially strengthened our balance sheet during the period. Long-term debt reduced from INR 3.4 crore as of March 2025 to INR 1.5 crore as of nine month FY'26. As a result, we are now effectively net debt-free. This strengthened capital structure enhances financial flexibility and allows us to support expansion initiatives through internal approvals while maintaining prudent leverage levels.

Overall, the quarter reflects steady execution, strengthening of our operational foundation and continued progress in capacity expansion and capability enhancement. We continue to maintain disciplined working capital management aligned with project execution cycles.

With that, I now open the floor for a question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Paras Chheda from Purple One Vertex Ventures. Please go ahead.

Paras Chheda: Hello, sir. Thank you for this opportunity and congratulations for a great set of results. Just a couple of queries. One is on EBITDA margin, you said this was project-specific. Going forward, what kind of EBITDA margins can we expect? Can we expect those margins to revert back to 13%, 14% or it will be sort of project-specific? That is question one.

Abhishek Jain: Thank you so much for your question. The EBITDA margin, if you see our earlier trend as well, it has been the mix of various revenue and the margin that we built up across the project. On an overall basis, you would find the margin to be in the range of 12% to 15% as earlier.

Paras Chheda: So, it will probably revert back to that region of, let us say, 14% to 15% response.

Abhishek Jain: Yes.

Paras Chheda: Understood sir. Sir, out of the current order book, what percentage is expected to be executed in FY'26 versus FY'27?

Abhishek Jain: The total order book that we have, this would have a pipeline of around from current quarter to up to 18 months time horizon. So, if you take roughly out of this, roughly around 20% would be executed in the current financial year.

Paras Chheda: Okay sir. And a large part of that in FY'27?

Abhishek Jain: And a large part of it in FY'27 and going forward. Yes.

Paras Chheda: Right. So, in terms of just general revenue guidance, for FY'26, my understanding was about Rs. 430 crores or somewhere in that region. So, what guidance would you put for FY'26 and FY'27 generally?

Abhishek Jain: This is somewhat sensitive information, but if you look at my growth, which I am mentioning about 20% to 25% growth, based on the order that I have currently, and I have a bit under evaluation of around 750 plus of bid under evaluation. And these are generally last-mile products. I mean, once I receive the order, the execution time is very, very less. So, we are confident of achieving a good number for the current financial year, which would be in the range of 20% to 25% plus.

- Paras Chheda:** Right. And for FY'27, a similar trajectory can be sort of
- Abhishek Jain:** Yes. Which I have answered through your point, through your first question, which was
- Paras Chheda:** Sir, just going forward, one more question. I mean, what portion of our BESS revenue is expected from the manufacturing versus the EPC and integration activities? And when do you see that meaningful revenue contribution from the BESS? It will be in FY'27?
- Abhishek Jain:** Yes, it would be a meaningful contribution from BESS. Right now, our factory, we are putting up a factory in Jhajjar, which you must be aware, and that is expected to be operational by the end of this financial year. So, that factory has the capability to give me a contribution of around 40%. I mean, if I look at the capacity utilization of around 40%, 45% in next financial year that should give me a good amount of contribution from BESS segment.
- Paras Chheda:** Understood And most of our revenues in BESS will be from the manufacturing or the OEM supply?
- Abhishek Jain:** This is what our target segment is. We do not want to work more like a developer, but want to be in this segment as an OEM or a EPC player.
- Paras Chheda:** If I recall correctly, one of those EPC projects you are looking to sell down, I guess.
- Abhishek Jain:** We are focusing on that. But right now, I would not be able to comment on that completely. But yes, we are targeting. Let the time be the essence for it, how it gets executed.
- Paras Chheda:** Right sir. And sir, last query of mine, in terms of receivable days, now the execution has, of course, gone up in Q3. So, you know, sir, what are the receivable days and working capital cycle as of now looking like?
- Abhishek Jain:** Working capital cycle currently for me would be around 150 plus days because of the Debtors being towards last month. I mean, as you know, we always have the revenue booking done on the last month of the quarter. And big chunk of revenue has come up in the month of December. So, but this will be always cyclical depending upon the order that we execute. The Debtors cycle would go up or go down based on the order that we execute on a timeframe and a timeline to be looked into.
- Paras Chheda:** Sir, average receivable days would be in what region?
- Abhishek Jain:** This is what average receivable days currently would be. I am just still working on it. It would be something around roughly 190 days.
- Paras Chheda:** Okay. I understood.

- Abhishek Jain:** This is again, it is because of the factor of the Debtors, huge Debtors being booked up. I have booked up around Rs. 160 crore of revenue in the, in Quarter 3. So, you can very well imagine if Rs. 160 crore of revenue, which is without GST, that itself is a big chunk of Debtors which comes up on my books.
- Paras Chheda:** But by the time we exit the year, FY'26, broadly the receivable days will come down.
- Abhishek Jain:** This would come down. Aging would definitely come down.
- Paras Chheda:** Right. Okay. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Aniket Madhwani from Step Trade Capital. Please go ahead.
- Aniket Madhwani:** Yes. Hi, sir. Am I audible?
- Moderator:** Hi. Yes, sir. You are.
- Aniket Madhwani:** Yes. I just want the bifurcation of the order book. I mean, how much amount of orders have you received from BESS and how much order is under bid pipeline?
- Abhishek Jain:** Currently, bid, I told already that bid under evaluation is around Rs. 750 plus crore. And in terms of the order that we have right now, Rs. 890 plus crores is under the BESS segment.
- Aniket Madhwani:** And what conversion rate should we expect for the bid pipeline
- Abhishek Jain:** Out of BESS of around Rs. 890 crores, Rs. 43 crores would be booked in the current financial year.
- Aniket Madhwani:** I am just asking for the bid under consideration. Rs. 750 crores, you are referring to bid right?
- Abhishek Jain:** Yes, that is under bid under evaluation. The strike rate should be around 20%.
- Aniket Madhwani:** 20%.
- Abhishek Jain:** Yes.
- Aniket Madhwani:** Okay. Currently, if we bifurcate your revenue in this quarter, how much amount have you achieved from BESS segment and other segments?
- Abhishek Jain:** Okay. As of now, till December, we have not achieved any revenue from BESS. Total around Rs. 40 crores would be booked in the quarter four from BESS project.

- Aniket Madhwani:** Okay. And lastly, talking about your capacity. So, what is your current capacity under? I mean, how much is it operational and what are you planning to expand?
- Ram Agarwal:** Capacity is, we have set up 1.2 gigawatt of land in Haryana for BESS. Out of which, we are expecting 40% to 50% capacity utilization in the next financial year.
- Aniket Madhwani:** Okay. And so, your total capacity for BESS will be 1.4 gigawatt, right?
- Ram Agarwal:** See, 1.2 gigawatt is our single shift. If we go for two shifts, it will be, immediately, it can be 2.4 gigawatt or 2.5 gigawatt of plant for the two shifts.
- Aniket Madhwani:** All right. And you are expecting around 40% to 50% of utilization in the next financial year?
- Ram Agarwal:** Next financial year, we are very hopeful because some policies likely to come from the government of India, where we are making a mandatory 50% Make In India for all tenders published from 1st April. So, ministry is in close touch with us. Us means people like us and it is likely to come anytime. So, there will not be any pressure on the price and the margin both in competition with China.
- Aniket Madhwani:** Regarding what policy?
- Ram Agarwal:** Policy like for all the BESS tender, government is coming out with a policy to make a 50% make in India mandatory for all tenders which we are going to publish from 1st April.
- Aniket Madhwani:** Okay. Got it.
- Ram Agarwal:** This is just to support or protect the local manufacturers.
- Aniket Madhwani:** So, this will actually improve your margins, I guess.
- Ram Agarwal:** Definitely, it will improve the margin and the business overall. Definitely.
- Aniket Madhwani:** Okay. So, going forward, do you see to be in range of 12% to 15% only or you are being conservative right now?
- Ram Agarwal:** Let us be conservative and practical. We are always hoping for better. Things are on very improvement side only. All this will help us further but we cannot say anything and we would like to maintain the conservative side or minimum side of 12% to 14% or 14% to 15%.
- Aniket Madhwani:** Okay. Got it. Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Yes. Am I audible, sir?

Abhishek Jain: Yes. You are audible.

Deepak Poddar: Thank you very much for this opportunity. I just wanted to understand this 1.2 gigawatt capacity in BESS is coming by this fourth quarter, right?

Abhishek Jain: Yes.

Deepak Poddar: And what is the CAPEX involved and what can be the revenue potential of this at optimum utilization?

Ram Agarwal: Okay. See, CAPEX involved is a direct Rs. 25 crore and rest is a working capital. And our commercial process should start from Q1. And next financial year, we are hoping and targeting to use 40% to 50% of our production capability. So, like we are targeting 500 to 600 per megawatt.

Deepak Poddar: That I heard. I mean, you mentioned that. I was just wanting to understand that at optimum utilization of this, what can be the revenue potential? I mean, per megawatt, what would be the revenue potential?

Ram Agarwal: As per today's calculation, it should be Rs. 1000 crores to Rs. 1200 crores if it is fully utilized.

Deepak Poddar: Rs. 1000 crores to Rs. 1200 crores revenue potential, right? At optimum.

Ram Agarwal: Correct. Correct.

Deepak Poddar: So, ideally, I mean, at only a Rs. 25 crores CAPEX, we can have a potential of Rs. 1000 crores to Rs. 1200 crores revenue, right?

Ram Agarwal: Because here we are doing the rest of assembling and manufacturing. The main product that is the core, the main raw material that is lithium cell is coming from third party. Today from China, tomorrow may be from local other party. So, that becomes a major raw material for the whole batch. And Rs. 25 crores is the only plant, assembly plant. And rest all will be the working capital.

Deepak Poddar: Okay. So, mainly we are doing assembly, right? I mean, this plant that is

Ram Agarwal: Actually, electronics, assembly and manufacturing has a very, very single, minor difference between assembly and manufacturing, particularly in our industry, electronics.

Deepak Poddar: Okay. And the main product, lithium cell is coming from China. That is what you mentioned, right?

Ram Agarwal: As of today, coming from China, but so many developments are happening. So, I am very hopeful that this current calendar year end, something should start within India.

Deepak Poddar: Okay. And what can be the margin profile here in this segment?

Ram Agarwal: As a manufacturer, we should expect the minimum margin in overall. And as the policy is likely to come in our favor from 1st April. So, we are very hopeful that we will maintain minimum conservative 15%, 14% to 15% EBITDA. And we are hoping it will be, it can be better on the, maybe the situation for the next financial year, we are hoping. But this is a conservative and minimum side.

Deepak Poddar: Okay. So, minimum 14%, 15% EBITDA margin one can expect from BESS right?

Ram Agarwal: Yes. We are hoping to get

Deepak Poddar: So, return on investment is very high, right? I mean, only with Rs. 25 crores CAPEX at full utilization, you can do Rs. 140 crores, Rs. 150 crores of EBITDA.

Abhishek Jain: Yes, this you can take it up. See, actually, what assembling line, what Ram ji told, this assembling is not a standard assembling. You have to be from a power, we are from power electronic space. So, we understand to some extent, and we already been doing lithium for last five years on a smaller capacity. So, we understand nuances, it is electronic, which require augmentation, calibration, then how to maintain the temperature. Also, there would be a demography challenge. All those things would be there when you are executing it. So, it is not a very, very vanilla category product. So, assembling, as you heard, but it is a customized assembling.

Deepak Poddar: Correct. But given the kind of return this segment is offering and do not we expect any competition will catch up and ideally our EBITDA margin will go down in the medium term. So, any comment on that?

Abhishek Jain: See, if you look at it here, there can be few players, there can be more players coming into it. There can be. And we have not, market size is very, very big. And if you look at the capacity that what we have right now, the market access is too big to handle. And with the things coming up for Make In India, you would find that margin should be stable for Indian players. So, I do not see it as of now, unless there is something other on the regulatory side.

Deepak Poddar: Okay. Understood and in terms of growth next year, you mentioned the base business will grow at about 20%, 25% and the BESS will be over and above that. Is that the right understanding? I mean, 40%, 50% out of Rs. 1000 crores will be Rs. 400 crores, Rs. 500 crores additional revenue from BESS and the base business will grow at 20%. Would that be right understanding?

Abhishek Jain: Yes, not exactly to mention it. But yes, we will be targeting to have such revenue occurrence.

Deepak Poddar: Okay. That is it from my side. Wish you all the best. Thank you.

Abhishek Jain: Thank you so much.

Moderator: Thank you. The next question is on the line of Nitin Babulal Gandhi from Inoquest Advisors. Please go ahead.

Nitin Babulal Gandhi: Yes, thanks for taking my question. Can you share the working capital like expected in BESS business?

Abhishek Jain: Yes, see, what I am targeting around 40%, 50% of capacity utilization in our BESS factory. So, on a full year basis, the requirement should be around Rs. 200 crores. However, since we are focusing more towards the EPC side, that would help us to have a better working capital management. Because generally, there is no too much of credit engaged when you do as a manufacturer or as like an EPC player.

Nitin Babulal Gandhi: So, basically Rs. 200 crore working capital for Rs. 500 crores of revenue.

Abhishek Jain: Right.

Nitin Babulal Gandhi: And can you share some more thoughts on this Ahmedabad unit, which you are likely to commission Q1 FY'27, what is CAPEX and how is the revenue profile of that?

Ram Agarwal: See, for Ahmedabad project, we are putting a CAPEX of around Rs. 6 crores. And this is mainly a strategic call for focusing mainly on UPS, which is our core main product, and to totally come out of dependence on China. Because today we are bringing complete UPS also from China, which we want to come out of it. So, we are coming, we have set up this facility only for UPS, not for any other product. And to target the next financial year end, we will come out of stock, bringing the complete UPS from China. This is our target. It is not commitment, but it is our target.

Nitin Babulal Gandhi: How much is current year end import? FY'26, nine months, how much is the import?

Ram Agarwal: 13% is our import contribution.

Nitin Babulal Gandhi: 13% of 281, so approximately 35 crores?

Ram Agarwal: Yes.

Nitin Babulal Gandhi: Okay. And what will be the capacity to produce at Ahmedabad unit?

Ram Agarwal: Ahmedabad unit, it cannot be said in terms of capacity, because the small capacity, 1 KV, it can be in thousands. A bigger capacity, 500 KV, it will be in hundreds. So, overall, there can be a

minimum daily capacity, it can be 3,000 to 5,000 units per day. There is a capacity we can do. A small capacity number will be high, big capacity number will be small. So, it is difficult to say in terms of capacity, like gigawatt hour in terms of BESS.

Nitin Babulal Gandhi: Okay. So, 1 KVA to 6 KVA, 3,000 to 5,000 units?

Ram Agarwal: Single phase, 1 KV to 10 KV, we can target around 3,000 to 5,000 units per month.

Nitin Babulal Gandhi: Okay. Thank you very much.

Moderator: Thank you. The next question is from the line of Darshil Jha from Nirvana Capital. Please go ahead.

Darshil Jha: Hi. Good afternoon. How are you, Abhishek ji?

Abhishek Jain: Good afternoon. Everything is fine. How are you, sir?

Darshil Jha: Good. My question was on the BESS side. So, currently, whatever order book we have up around Rs. 900 crores. So, that is mainly on built-on operator, right? That is not on the EPC side?

Abhishek Jain: Mainly, yes. Out of which, Rs. 40 crores is on EPC model and remaining two are on the rental model.

Darshil Jha: Okay. So, Abhishek ji, how much CAPEX will be used in that particular built-on operator model, I understand that our initial thought process is to kind of make our name here and then probably majority of the projects will take into EPC only. So, this is just a trial which we are doing in built-on operator model. So, how much money would we need to put in to set up this facility?

Abhishek Jain: If we do the complete project, the funding requirement would be around Rs. 400 crores to Rs. 450 crores, if we do the complete project on a boot-or-boo model. However, we are also looking for some other alternates which is to be discussed, which I cannot, It is still on the card and on the drawing board where we are in discussion for some other nature of business for these two projects as these two projects have been taken at a very, very good rental and at a viability gap funding of Rs. 27 lakhs as against Rs. 18 lakhs. So, overall commercials are better for both the projects.

Darshil Jha: Got it. So, I mean, would we need to raise funds for this exhibition or we are looking for some other modes through that we will not be looking to raise funds for this particular project?

Abhishek Jain: Yes, we are open on both the sides. It can be and it cannot be because we are also exploring other options which we would come and tell you at the right time. And here, even these

projects are backed by LC and it is backed by LC from DISCOMS, unconditional. And if they delayed payment, then there is a penal liability of 5% over the SBI benchmark rate. But that is one side of it. But other side is that we are also looking for some other venues which we are exploring aggressively.

Darshil Jha: Got it. And the revenue recognition would be the EPC, I mean what we will be doing for these projects?

Abhishek Jain: Yes. Yes, exactly.

Darshil Jha: Okay. And secondly, on the base business, you know, our order book currently is roughly around maybe Rs. 80 crore, if I exclude the BESS part. So, in that Rs. 750 odd crore, which is the bidding pipeline, I assume that that majority is for the base business, not the BESS, right?

Abhishek Jain: Sir, for your information, since last six months, we have not bid for any of the BESS projects. We are waiting for market to settle in that, as you must be aware. So, we have not bid for any of the BESS projects, considering the current tariff, what is going on. We are sitting on a good order on BESS, which is there on my books, with a very, very handsome margin. Rs. 750 crores are all from non-BESS segment, mean our core product.

Darshil Jha: Traditional business.

Abhishek Jain: Traditional. Yes. Traditional business.

Darshil Jha: Okay. Got it. And we do expect for full year, this traditional business year-on-year would

Abhishek Jain: We are looking for at least 20% conversion out of it from this segment. And one thing I just need to give you as a highlight that always remember in our core product category, any order that we win, the timeline for executing those projects is very small. It is generally from three months to six months timeline.

Darshil Jha: Correct.

Abhishek Jain: So, the conversion ratio is very, very fast.

Darshil Jha: Got it.

Abhishek Jain: Yes.

Darshil Jha: And sir, lastly on, Ram ji, you said that the policy which will come from 1st April, where 50% domestic content would be required for any BESS tenders coming from the government. So, you said it will be beneficial for companies like us. So, can you little bit highlight like how it will be beneficial for us? As per, I mean in comparison.

Ram Agarwal: Because anybody, because our, when we go for local manufacturing, definitely we may be little, price wise, little less competitive from China. But as we are going to be a hindrance or entry barrier for China to come directly in the market. So, price level will go up and the minimum sales level and minimum business will be there for all the manufacturers. And as the market size is so big, like even 10 or 20 more manufacturers will come, there is space for everybody. So, both in terms of quantity and in terms of quality, both will be taken care by research support. If you go into solar, solar also government has put 40% duty and now they have come up with ALMM, everything. So, very soon they will come out with ALBM also to support the battery manufacturers.

Darshil Jha: Correct. So, my point was that there would be no domestic manufactured within our country. So, what do you mean to say specifically? With this regulation coming in, the pricing will definitely go up because

Ram Agarwal: See, pricing, operating price has already gone up in last one month. So, it has gone to below cost level in last few months, three, four months. So, price has already started going up. But because of this entry barrier, these local manufacturers get an edge on the company who will directly import from China and supply to government or in the market. So, we always have some price edge and the entry barrier will have an upper hand on them.

Darshil Jha: Got it. Thank you, sir. I will come back in the queue.

Ram Agarwal: Thank you.

Moderator: Thank you. The next question is on the line of Meet Mehta from Paras Exponentials. Please go ahead.

Meet Mehta: Yes. Hi. Thank you for the opportunity. My question is not answered. But one question, what are the current tariff trends that you are seeing in BESS biddings? So, can you throw some light on that?

Ram Agarwal: The current price, what is going in the tariff-based project, if you see, price has gone up by almost 20%. Already, it has gone up. Like for two hours, it has gone below 1.7, 1.69 or whatever. Last one was 2.15. So, price has gone up and will further go up because there is a lot of supply chain issues from China. And as China has announced the, I think, reduction in the export incentive on BESS from 1st April. So, price will go up further. And if you see, our price is like 2.54, which is already, I can say, like highest in this segment. And with more 27 lakhs VGF. So, our numbers are very good compared to current. Even if its price goes up, still we are on very better position. But yes, price is going to go up.

Meet Mehta: Okay. Understood. And another question, is that what parts of exactly in BESS that you are manufacturing in-house? And like, what percentage? Can you throw some light on that also?

- Ram Agarwal:** See, there are five, six main components of the BESS. Like the lithium cell, BMS, EMS, cabinet or containers, firefighting and cooling. Out of which we are the OEM for the PCS. So, PCS and EMS too are, we are going to focus on becoming a complete OEM of these two components. And gradually, we are tying up with the cooling company and the firefighting company. So, that we buy the component or raw material from them. And we can do in-house integration as per the requirement. Because no ready-made product or component can fit inside the BESS. All are customized. So, we will have the in-house capability to customize and to assemble as per the customer requirement. So, it is not a standard which will be requiring for every project or every site.
- Meet Mehta:** Okay. That is helpful. Thank you.
- Moderator:** Thank you. The next question is from Chaitanya Agarwal, an Individual Investor. Please go ahead.
- Chaitanya Agarwal:** Yes sir, first of all, the congratulations for the good set of numbers. And I have a question regarding the working capital for the BESS projects. Are we going for the funding part? And if we are going for the funding part, when it will be complied? And when will be the revenue will be recognized from those areas?
- Abhishek Jain:** Yes. Funding part, as already earlier told, we are expecting 40% to 50% capacity utilization in the next financial year. So, the total, if I look on the full capacity side, the requirement would be around Rs. 200 crores for executing this project. But we are also trying to manage the working capital of it because we want to work like an EPC or like an OEM. Under this category, there is hardly any major credit being offered by the OEMs or the manufacturer. So, that would help me to calibrate the working capital requirement. So, that can be assessed completely in the next financial year as to what based on the price movement and how we can manage the pricing and the working capital part of it.
- Chaitanya Agarwal:** And sir, for the battery part, are we importing the batteries or like we will make the batteries on by own and then we will put it up there?
- Abhishek Jain:** We would only be importing the lithium cell. The rest of the integration would be done at our factory. Means from cell to module, module to rack and rack to containerization. Everything would be done at our premises.
- Chaitanya Agarwal:** Okay. And the last part, the revenue, which will be coming from the PPA things, that will generate from FY'27 or FY'26 end?
- Abhishek Jain:** That would generate from FY'27 end.
- Chaitanya Agarwal:** FY'27 end?

Abhishek Jain: FY'27, yes.

Chaitanya Agarwal: And the project completion time?

Abhishek Jain: Yes, at the project completion. The project would be completed in the next financial year. So, the earlier we execute it, the revenue would start. Though we have sufficient time to do that project.

Chaitanya Agarwal: Okay, got it. Okay, sir. Thank you.

Abhishek Jain: But there are other means also what we are targeting. If that is being done, the revenue recognition would happen much earlier.

Chaitanya Agarwal: Okay, okay. Yes, got it, sir.

Moderator: Thank you. The next question is from the line of Jigar Jani from Nuvama PCG Research. Please go ahead.

Jigar Jani: Hi, sir. Congratulations on the great set of results.

Abhishek Jain: Hi, Jigar.

Jigar Jani: Hi, sir. So, sir, just continuing on the previous participant's question on revenue recognition for this BESS project. So, what I understand from the call is there are two parts to it. One is on the EPC part and then there is a normal tariff that you would be receiving based on a monthly basis. So, and I see you have two SPVs also set up for both these Karnataka and Bihar projects. So, can you just elaborate how this will happen? So, first we will book the EPC part in your standalone business and the normal revenue recognition will happen in the SPVs?

Abhishek Jain: Yes.

Jigar Jani: So, and these margins for the EPC are a separate contract apart from the order book because I believe in the order book you are just calculating based on the monthly tariff into the

Abhishek Jain: Yes, we have covered based on the tariff itself, only based on the tariff.

Jigar Jani: Right. So, the EPC part is a separate part of the business for these two?

Abhishek Jain: Yes, because EPC would be different, separate margin and rental would be different, it says it would be deferred over multiple years. So, rental would be a different margin.

Jigar Jani: Okay. So, could we see some of these from an EPC perspective?

Abhishek Jain: Sorry, Jigar, your voice is somewhat unclear.

Jigar Jani: Yes, I was saying that from an EPC perspective, how big will be these two projects on a broad basis, the Bihar and Karnataka?

Abhishek Jain: From the EPC perspective, this project cost would be something around Rs. 450 crores. If we take two of the projects together.

Jigar Jani: Okay. Okay, understood. And this rental business will be in the SPV, correct?

Abhishek Jain: Yes, the rental business would be in the SPV.

Jigar Jani: And the CAPEX that you would be moving will also be, this project will be booked in the SPV, right?

Abhishek Jain: Yes, otherwise, so you cannot have the tariff. It has to be part of the SPV, yes.

Jigar Jani: Correct, correct. Okay. And sir, again, circling back on the working capital, so on the working capital, Rs. 200 crores for this capacity will this again go up when you fully utilize this capacity or it should not go up substantially?

Abhishek Jain: See, what I am considering as, if I use it on a full capacity, it should be around Rs. 400 crores, but Rs. 400 crores would be the lifetime requirement. So, then there would be a cycle by which what project you are executing. So, there would not be a requirement of that particular amount at any point of time. But what I am calculating is a peak on an yearly basis, on the utilization side of it. And then if we are doing an EPC based or like an OEM, then generally you do not require to offer credit. So, your realization would be better off.

Jigar Jani: Right, understood.

Abhishek Jain: And the advantage would be more towards private than being government.

Jigar Jani: Correct. And would we be open to selling down these projects once it is set up?

Abhishek Jain: 100%. If it works out, we would explore that opportunity.

Jigar Jani: Okay, understood. And sir, lastly, on the supply chain side, we were speaking to other BESS manufacturers. There seems to be some issues in terms of procuring lithium cells, etcetera. At least it was the case two, three weeks back. Are you guys also facing issues in terms of sourcing of cells?

Ram Agarwal: See, it is not an issue. This is a price challenge. These are geopolitical issues. There is no increase in any raw material price or shortage of any raw material. Due to some political issues, prices

are jacking up. And due to the policy change in China, prices will go up further. As India government is also bringing out a policy to support our manufacturers, same is happening with China. So, it is a short term disruption will always be there. But it will further stabilize the manufacturing activity in our country.

Jigar Jani: Correct, sir. But in case these cell prices go up, then the IRRs for the BO projects also kind of decrease, right?

Ram Agarwal: No, but our project price is already so much on higher side. Like today, the lowest level what it has gone, we are almost 50% higher than what has gone in the market on the tariff side. So, our case are very safe and secure. And in terms of VGF also, we are Rs. 27 lakh, Rs. 18 lakh is a going VGF incentive. So, overall, we are much better space, much better and secured space. And as we are going to, we are working on two, three options to offload this project in the market. So, where we want to remain focused as an OEM, as a technology and solution provider and not as a like a developer in the coming months or in future.

Jigar Jani: Great, sir. Great. Thank you so much for answering my questions and best of luck, sir.

Moderator: Thank you. The next question is a follow up question from Chaitanya Agarwal, an individual investor. Please go ahead.

Chaitanya Agarwal: Hello.

Abhishek Jain: Yes, hi.

Chaitanya Agarwal: Yes. Sir, as you told that you will import the cells and make the BESS system in your factory. And for that, if we put up in the BESS project of Karnataka and Bihar, and there will be a margin in the manufacturing business as well?

Ram Agarwal: See, as an OEM, definitely there will be. We are splitting these two activities into two different. One is the OEM and EPC, what we are going to do in our parent company. And the other activity is the selling of power as a PPA, which will happen in our subsidiary. So, both this entity will have their own margin. As EPC will have our own margin, as the selling of power will have their own margin in the respective entity.

Chaitanya Agarwal: Okay, sir. And for like the PPA thing and the BESS project one, are the land and the evacuation finalized?

Ram Agarwal: See, there is no land in our scope of work. We are getting free land by the respective utilities company. Secondly, they are installing this BESS inside their substations. So, virtually, evacuation of power is minimal in our case.

- Chaitanya Agarwal:** Okay, got it. Got it, sir. Thank you. And the EPC and the OEM part will be generated in the Prostarm Info Systems, and the selling of PPA will be in the SPV?
- Ram Agarwal:** Correct. And whatever, tomorrow any offloading will happen, it will happen in subsidiary, our SPV, and not in our parent company.
- Chaitanya Agarwal:** Okay, sir. Got it.
- Moderator:** Thank you. The next question is on the line of Ayush Jain, from Xequity Securities Advisor Services. Please go ahead.
- Ayush Jain:** Congratulations on good numbers. Just two, three questions on the front of cash flow position. Hello.
- Abhishek Jain:** Yes, please.
- Ayush Jain:** Yes, cash flow position. I just wanted to ask about cash flow position. You are on an operating cash negative, right?
- Abhishek Jain:** Right.
- Ayush Jain:** Right. So, when can we expect it to jump back to positive?
- Abhishek Jain:** We are expecting that to be there from next financial year onward. Because of the project that we execute, it results into a negative cash flow. But we do it with a good margin, which you have already seen in our past and even in the current returns. So, we are focusing to make it cash positive in next financial year. It will take some time, but it will come up.
- Ayush Jain:** In mid of the financial year, Quarter 2, Quarter 3?
- Abhishek Jain:** Quarter 3, around. Quarter 2, you will start seeing the effect coming in, because we would be focusing on making also our revenue more consistent. So, that would also result into a better realization instead of just getting skewed in terms of number. So, that all controls and mechanisms should help me to bring the cash flow to this position in next year from Quarter 3 onward.
- Ayush Jain:** Okay. Got it. And second question is about the segmental revenue breakup in this quarter. So, you are telling me you have EPC order that got fulfilled, right? You booked an EPC revenue in this quarter?
- Abhishek Jain:** No. We have not booked the EPC revenue.
- Ayush Jain:** Okay. So, on what account the revenue jumped so much?

- Abhishek Jain:** Revenue jump is because we have executed the major order under CCTNS, which was a big size order that we have taken in the month of October and which was executed in the Quarter 3 itself.
- Ayush Jain:** Quarter 3.
- Abhishek Jain:** Yes. You would always find when we are, it is about the timing difference what you would find in terms of getting the order. When we are getting the order, once we get the order, the execution is always very fast.
- Ayush Jain:** Okay. So, it is an end-user computing, I will say. The order was about end-user computing from the segment, end-user computing, right?
- Abhishek Jain:** Yes. That is a part of our important core strategy. If you are aware that there is all digitization, smart cities, and whether it is revenue records or hospitals or your Thana or IGR or anything. So, there is a continuous replacement and good business coming up in terms of end-user computing where we provide end-to-end solution, including delivery, supply, installation, warranty, everything has to be done by Prostarm. So, it is not like only selling one product, but it is like selling a complete solution at multiple locations for the entity.
- Ayush Jain:** Okay. You behave like a system integrator for those companies.
- Abhishek Jain:** Yes. We behave like a system integrator there. It is a big value-added service for us because we are already into UPS manufacturing and all other products are to be bundled up with UPS.
- Ayush Jain:** Yes. That is correct. But when you go towards UPS, I just wanted to ask your Pune site, your Pune factory is not going to 80% or 90% of the capacity, right? You are not utilizing that much of capacity. You are in mid-teens, I guess, the capacity.
- Abhishek Jain:** Yes. I would answer that. See, the Pune unit, what you are finding, there we are more focused towards the customized category product, not on the all entire regular range of product. Yes, we have a very good list of our very, very well-known manufacturers who work like a subcontractor to us. So, it is not putting the right energy to the right space. It also helps you to minimize the cost. And the project cost at which it is implemented is not very high.
- Ayush Jain:** So, you have put up a factory at Pune for UPS and you are telling me that you are outsourcing some parts of the components manufactured outwards?
- Abhishek Jain:** Yes. As I already mentioned earlier as well.
- Ayush Jain:** Then why are you putting up the next factory in Ahmedabad?

Abhishek Jain: Now, for putting up unit in Ahmedabad is because we want to focus completely on UPS. There, in our existing setup, we also do UPS, we also do servo, we also do solar hybrid inverter or railway specialized products and other things. But in Ahmedabad, we will be completely and completely focusing on UPS, which would be ranging from 1 kV to 600 kV. So, same resources and same manpower cannot be applied. And here also, the CAPEX size is around Rs. 6 crores. So, it would be optimization of the production capability and reduce dependence on China.

Ayush Jain: So, now tell me, what will be the effect for the Pune factory then? What value Pune factory will do to the company?

Ram Agarwal: Pune factory will be totally focused on hybrid solar inverter, customized solutions and this PCS, what we are going to focus for the BESS. So, battery part will happen in Jhajjar, electronic part will happen in Pune factory. So, our regular product UPS will shift to Ahmedabad. All customized and industrial application solutions, where UPS work becomes common, but UPS special is not common, is not standard. So, we want to remain focused in all these supply as a vertical and as a strategic call, we have devoted all our regular business to Ahmedabad, so that we can have more number. And as the supply chain in Ahmedabad has improved like anything, so where we can get a good supplier and good grades for a regular product. And Pune is a place for all strong quality and technicals. So, we want to focus in Pune for all customized and other solutions and standard UPS in our Ahmedabad.

Ayush Jain: Okay. So, you will be shifting the plant and machinery from Pune to Ahmedabad?

Ram Agarwal: No, nothing. No plant machinery will shift from Pune. Everything is a new procurement. We want to have an add-on. We do not want to have anything from Pune. Everything will be going to new procurement of plant machinery in Ahmedabad.

Ayush Jain: So, can I ask you the bottom line analysis? You are estimating that Pune factory will have a better utilization with the UPS plant and machinery division in the next year?

Ram Agarwal: For all customized and different power solutions, Pune will be there. And for our regular UPS, for all type of segment, but for regular UPS, Ahmedabad will be there.

Ayush Jain: Okay. So, what kind of capacity utilization we can expect for in the coming year for the Pune factory?

Ram Agarwal: Pune factory, we will going to maintain or we are going to improve further on what is capital utilization happened in this current financial year. Because now we are focusing on more on customized solutions, projects like oil and gas, wells and other metro and aviation projects. So, capital utilization will be further improved in Pune and it will also going to be a good utilization in Ahmedabad also as we are focusing on the private channel business for the next financial year. So, our business in the regular UPS will also going to go up.

Ayush Jain: Okay. And one more question, Ram ji. I want to ask you one question in hindi, what your business is, actually what I am able to understand that you are shifting your business towards BESS slowly.

Ram Agarwal: No. We are making three segments. Three segments and three focus areas and three dedicated teams. One team is for only for UPS because UPS is our core product so that we do not get diverged into other businesses from UPS. So, we are focusing on UPS and we will do it in Ahmedabad. Second, we will do BESS only in Jhajjar, so it is a different team and a different vertical. So, it will be add-on to all our sales and development growth, everything. And Pune will remain on all the product and solution other than regular UPS and BESS. So, you have to understand

Ayush Jain: So, we will be able to make UPS cash cow and BESS a growth engine.

Ram Agarwal: No. See, I will tell you, there is a lot of growth engine in UPS too because overall market is growing. And any sector, any vertical, be it pharmaceutical, medical, iron, tools and machinery, anything, even for that, even this Blinkit and all, UPS is must. And UPS level is going up like anything, utility level. So, we want to focus on UPS as a core product and we want to increase our sales in UPS. So, that is why.

Ayush Jain: Okay. So, you have a, what would I tell? Are you a direct competitor with Microtek or Luminous in UPS?

Ram Agarwal: See, I will tell you, you have asked a very good question from me, Microtek or Luminous is working in the domestic segment. Till now we were not in domestic segment. Now, we are going to target domestic segment. We are going to target additional three segments. One is domestic segment, second is IT segment, typically with the computer the small UPS which is seen, we do not focus on that. And the other one is typical as a power partner who sell UPS as UPS, no integration as such. And the other one is system integrator which takes UPS, add four more items, they integrate and sell. So, these three verticals, we are now targeting and focusing. If you will see Luminous, traditionally they sell inverters with tubular batteries or lead-acid batteries. But from day one we want to focus on technology. We are coming out with inverter with lithium battery only. We have made IA-based, AI-based software. All the product of the company which are manufactured will be controlled, monitored from any remote location anywhere in India, provided customer gives the connectivity. Then we want to give the service which nobody can match. Like, if machine will stop working then it itself will call log us. Customer do not have to call log us. And the call log in real time will go to our nearest engineer's app. Every call can be monitored. Every customer can see anything and everything in their mobile based app or the desktop. So, the technology driven setup that we are trying to make, you will see Microtek, Luminous and who all are working in this segment, that thing is not available. So, technology enabled what we are going to do, because for this we have taken

Salesforce software and we want to completely integrate our entire operation with this digitization.

Ayush Jain: Okay. And we can expect that our after sales service is going to be really strong as compared to the other companies?

Ram Agarwal: Very strong. We are going to do out of the box which is not in the market. There no precedent of that in the market and we are going to be in every kind of segment.

Ayush Jain: And it will create a mood in the market because of which the visibility of our product will also increase and our product will be more acceptable.

Ram Agarwal: No. Visibility will increase and we will also bring referral scope to every user and customer in coming time. So, at referral point, if one person refers to the other, so it automatically adds to our customer base in coming months and we want to improve on numbers, not only on one vertical or one geography or one product. We are focusing on every vertical to have a vertical wise growth which justify or which will sustain the growth for next three to five years. If we will focus on one or two verticals then we will not sustain.

Ayush Jain: So, you

Moderator: Sorry to interrupt.

Ayush Jain: Last two questions.

Moderator: Sir, this is all the time we had.

Ayush Jain: Last two question, Ram ji if you will say, please.

Moderator: Management can we go ahead?

Ram Agarwal: Yes, please.

Ayush Jain: Ram ji I have two more questions. What I am able to understand about the company, that in the next five years, I can understand that in the next five years you must have created a niche category in the powered value chain, in India Power Transmissions value chain etcetera.

Ram Agarwal: Our target is that only. We want to take the company at such a level so that everything and everything in power electronics.

Ayush Jain: In power electronics.

Ram Agarwal: Correct.

- Ayush Jain:** All right. And Ram ji, my last question is on lithium ion. You source it from China, people in the industry are really skeptical that going forward the lithium ion that we are sourcing, that we will be able to do it rightly or not? Right now, you were saying that geopolitical scenario is bad?
- Ram Agarwal:** Five years ago same story happened for solar. There was a lot of disruption but today it has tripled. Today solar cell is being manufactured in India, and everything is happening.
- Ayush Jain:** Have you signed MOU with anyone?
- Ram Agarwal:** A lot of discussions are going on. As and when it gets final it will be in open forum in front of you all. We cannot share it right now, but a lot of options are being discussed and explored.
- Ayush Jain:** Okay Ram ji. Thank you. Thank you so much.
- Ram Agarwal:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraint, that was the last question. I now hand the conference over to the management for the closing comments.
- Ram Agarwal:** As a promoter and as a CEO of the company, shareholders, investors, prospective, existing, I just want to pass on one message that we are not going to be conventional or traditional company in this domain. We are working on too many strategies, too many opportunities. We are going to add on at least five to eight verticals in coming months, where each vertical is capable of doing three-digit number. So, it will give us overall good growth and sustainability in the organization for long run. With this, I would like to sum up and thank all of you, each one of you, for joining us today.
- Moderator:** Thank you, sir. On behalf of Prostarm Info Systems Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.