

Prostarm/Secretarial/2026-27/27

May 28, 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 Year ended March 31, 2026

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, May 25, 2026 at 02:30 PM (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
Q4 & FY26 Earnings Conference Call”
May 25, 2026

*E&OE - This transcript is edited for factual errors.
In case of discrepancy, the audio recordings uploaded on
the stock exchange on May 25, 2026 will prevail*



MANAGEMENT: **MR. RAM AGARWAL – CHIEF EXECUTIVE OFFICER
AND WHOLE-TIME DIRECTOR – PROSTARM INFO
SYSTEMS LIMITED**
**MR. ABHISHEK JAIN – CHIEF FINANCIAL OFFICER –
PROSTARM INFO SYSTEMS LIMITED**
**MR. CHANDAN CHAUDHARI – FINANCE, CONTROLLER
– PROSTARM INFO SYSTEMS LIMITED**

MODERATOR: **MR. ROHAN BARANWAL – ARIHANT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Prostarm Info Systems Limited for Q4 and FY26 Earnings Conference Call, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Baranwal from Arihant Capital. Thank you and over to you, sir.

Rohan Baranwal: Hello and good afternoon to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining in to the call -- into the Q4 and full year FY26 earnings conference call of Prostarm Info Systems Limited. Today from the management, we have Mr. Ram Agarwal, the Chief Executive Officer and Whole-time Director of the company; Mr. Abhishek Jain, the CFO of the company.

So without any further delay, I'll hand over the call to the management for their opening remarks. Over to you, sir.

Ram Agarwal: Good afternoon to everyone. I am Ram Agarwal and a warm welcome to all of you for joining our first ever earnings conference call for the fourth quarter and 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 the operational performance of the period under review.

Prostarm 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 solution company with strong manufacturing and service capabilities. Today, we focus on designing, manufacturing, assembling, and servicing energy storage and power conditioning equipment.

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 power solution products, etcetera.

In addition to our manufactured products, we also execute some solar EPC projects, system integration 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 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 in Pune focused on UPS and related power conditioning products and a lithium battery pack in Navi Mumbai.

In addition, we are doing capex for two more facilities that will significantly enhance our capabilities. We are setting up 1.20 GWh battery manufacturing facility in Jhajjar, Haryana, which is nearing commissioning and is expected to become operational at the end of Q1.

The facility is expected to substantially enhance our manufacturing capacity for large-scale energy storage solutions and strengthen our execution capabilities across both utility, as well as C&I projects.

Further, the Gujarat expansion project for our manufacturing UPS systems ranging from 1 kVA to 600 kVA is progressing as planned and is aimed to diversify the product portfolio, while strengthening the company's presence in the power conditioning segment. The facility is now expected to become operational by Q2, FY27. Earlier, commissioning was targeted for Q1, FY27; however, timelines were impacted due to on-going supply chain disruptions.

These expansion initiatives position us well to cater to the growing demand for advanced energy storage and power management solutions, while enhancing our scale, execution capabilities, and market reach.

During financial year 2026, we continued to strengthen our presence across key business verticals and secured several prestigious orders from leading organizations like; Adani, Karnataka Power, Bihar Power, L&T, West Bengal Medical, South Central Railway, Steel Authority, and India One among few. Supported by a strong order book and a growing bid pipeline, we remain confident about our medium to long-term growth prospects.

While the on-going geopolitical situation in West Asia created certain temporary supply chain and execution-related disruptions during the fourth quarter, we believe the long-term demand outlook for reliable power backup and energy storage solutions remains very strong. Increasing focus on grid stability, energy resilience, renewable integration and localized manufacturing is creating significant opportunities for companies operating in the power electronics and energy storage ecosystem.

With our diversified product portfolio, expanding manufacturing capabilities, Pan-India presence and strong execution track record, we believe Prostarm is well-positioned to capitalize on the emerging opportunities.

We also continue to focus on operational excellence and technology integration across the organization. Implementation of SAP B1 and Salesforce platform is progressing well and is expected to further strengthen the internal controls, operational efficiency, customer relationship management and service responsiveness. Overall, FY26 has been a year of steady expansion, capability building, and the strengthening of our operational foundation for the next phase of growth.

With this brief overview, I would like to request our CFO, Abhishek Jain, to share the financial highlights for the quarter and the financial year. Over to you, Abhishek.

Abhishek Jain:

Thank you, Ram ji, and good afternoon everyone. As I am not keeping well, Chandan Chaudhari, our Finance Controller, will take you through financial and operational highlights.

Chandan Chaudhari:

Noted. Good afternoon everyone. This is Chandan. Let me take you through the financial and operational highlights for the fourth quarter and the financial year 2026. Operating revenue for the quarter stood at INR105 crores representing a growth of 27% year-on-year and a degrowth of 35% sequentially.

During the quarter, execution timelines were impacted by temporary supply chain disruptions and manufacturing challenges caused by limited gas availability arising from the ongoing geopolitical situation in West Asia. As a result, certain project executions scheduled for March were deferred and are now expected to be executed during quarter one of FY27.

EBITDA for the quarter stood at approximately INR11 crores, reflecting a year-on-year degrowth of approximately 3% with EBITDA margin of 10.43%. Profit after tax for the quarter stood at approximately INR8 crores, representing a growth of nearly 16% year-on-year, while PAT margin stood at 7.56%.

Margins during the quarter moderated compared to the previous quarter and year, primarily due to the margin profile of projects executed during the period. Given the project-led nature of our business, margins may fluctuate on a quarterly basis depending on project mix, execution timelines and revenue recognition. Nevertheless, we remain focused on improving operational efficiencies and maintaining healthy profitability over the medium term.

For the full year, operating revenue stood at INR386 crores, reflecting a growth of approximately 10% year-on-year. Revenue growth during FY26 remained relatively moderate, primarily due to subdued execution during quarter four of FY26, which has historically been the company's high-performing quarter.

On the margins front, EBITDA margin moderated by 98 basis points to 12% in FY26 compared to 12.98% in FY25. This was primarily driven by an increase in procurement costs along with higher employee investment undertaken to strengthen execution capabilities and to support future growth.

Employee expenses increased from INR22 crores in FY25 to INR29 crores in FY26, while employee strength increased from 425 to 470 during the year. These investments were made in line with our long-term expansion plans and growth ambitions.

Profit after tax stood at around INR33 crores, reflecting a growth of approximately 14% year-on-year, while PAT margins improved to 8.55% as compared -- 8.24% in FY25. On the working capital front, working capital level increased to INR83 crores in FY26 from INR64 crores in FY25, while working capital days increased to 185 days from 68 days in FY25.

This was primarily driven by higher receivables, strategic inventory build-up, and supplier advances aligned with our strong order pipeline and business expansion initiatives. A significant portion of the increase in receivables was attributable to large project executions completed towards the end of quarter four of FY26.

Collections against these receivables have already commenced in Q1 of FY27 and a substantial portion is expected to be realized during the current quarter. As a result, operating cash flow during the year remained temporarily impacted due to timing difference in collection and working capital deployment.

However, supported by a strengthened post-IPO balance sheet and liquidity buffer, including fixed deposits of over INR102 crores, the company remains well-positioned to comfortably manage its near-term working capital requirements. Further, the company's balance sheet strengthened considerably during the year, with the long-term debt reducing from INR3.4 crores as of March 25 to nearly INR80 lakhs in FY26. Consequently, the company is now effectively a net debt-free company, further enhancing our financial flexibility going forward.

On the order book front, the company continued to witness healthy business momentum across key segments during FY26. As of end of FY26, our executable order in hand stood at approximately INR1106 crores along with the additional L1 orders of around INR96 crores, taking the overall order book to approximately INR1202 crores and providing strong revenue visibility for the coming quarters.

Additionally, bids aggregating approximately INR257 crores are currently under evaluation, which further strengthens our medium-term growth pipeline and execution visibility. Looking ahead, while geopolitical uncertainties may continue to create temporary supply-side challenges, we believe the long-term demand outlook for power backup and energy storage solutions remains robust. Supported by our expanding manufacturing capabilities, stronger order pipeline and improving execution visibility, we remain confident about the company's medium to long-term growth prospects.

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

Moderator: The first question is from the line of Paras Chheda from Purpleone Vertex Ventures LLC. Please go ahead.

Paras Chheda: Sir, my first question was with regards to the receivables that have shot up tremendously, you know, over this Q4. How do we look at it, sir, and what proportion of this, I just heard that a significant part of this will be covered in Q1 or received. So what percentage or amount will be received in Q1 and how do we look at the receivable scenario as of now? That's the first question.

Management: Right. Thank you, Paras ji, for your question. You're right, the debtors stood at around INR 254 crores. This is majorly because of one major order being executed in the third quarter and which was completed by fourth quarter and receivables against that has already been started. It was around INR 158 crores of execution on gross -- I mean on gross level. Debtors is always on gross, so on gross level INR 158 crores of receivables stood for that figure and majority of this

would be collected in the quarter one. So you would find a significant improvement in debtors in quarter one.

Secondly, I would also add here, out of INR 254 crores, if you remove INR 158 crores of receivables, then the total debtor is around INR 96 crores against the remaining billing that we have done. And even on the same line, if we reduce from our net worth -- from our turnover of INR385 crores -- the INR 134 crores of net revenue from this project, then it is INR 252 crores.

If you work that, the aging would come down to 90 days as against what is coming as 241 days. So it is basically just skewed because of one particular revenue being booked and major realization would be in quarter one.

Paras Chheda: And the realization you're confident will be done in Q1?

Management: Yes, some can still spill over, but majority would be collected in quarter one.

Paras Chheda: Understood, sir. And sir, you know, over the last con-call, the general discussion or the indication was that for in FY27, we would probably turn operating cash flow positive. So are we still on track for that guidance?

Management: Right, Paras ji, we are still on track of that. We told by quarter three of current financial year, you would find that improvement. Even in the current, if you look at the cash flow being negative at around INR48 crores, it is predominantly because of higher debtors. Even we are on the expansion mode and we have also taken -- we have given advance to supplier for procurement of material considering the current market conditions, so that is around INR 20 crore.

So all those things would start falling in place, we are tying up with the dealer and distributor model which we have specified earlier and ease out the revenue model on a consistent basis. All these factors would help us to bring down the cash flow from negative to positive level.

Paras Chheda: So on an annual basis for FY27, probably we would still be cash positive from operations?

Management: Yes, because you have to give us some time to settle with this particular of skewed, yes, which we told earlier as well. This year we are expecting we would have a sign for that.

Paras Chheda: Right, sir. For FY27, the working capital requirement was guided at about INR 200 crores, you know, last time around. Now, can we probably meet that with -- I mean, whether some sort of equity dilution will happen because, internal accruals and debt can meet quite a part of that, but are we still looking for equity dilution?

Management: Paras ji, just missed out on your last part. It got...

Paras Chheda: No, I was saying that our working capital requirement was indicated at about INR 200 crores for FY27 over the last call. So now, a large part of that can be met with internal accruals and debt maybe. Are we planning to go for equity dilution this year to meet our working capital requirement?

- Management:** No, as such we are not planning for it, for equity dilution. Right now, we are in a position where if any requirement is to be done on the working capital side, it can be met from the bank sources or our internal accruals.
- Paras Chheda:** So no equity dilution is under planning?
- Management:** Yes. And you would not have seen our dilution as of now. We are still at around 73% holding.
- Paras Chheda:** Understood, sir. The BESS project that we have, which was under the developer mode, have we decided to sort of, hive off and get into the EPC mode? And what kind of project IRR do we expect on that if we continue with the developer mode?
- Management:** Sir, in this, yes, we are looking for hiving off both the projects, both the projects. But currently, if you are aware, there has been too much of disruption in the market with lithium price being moving and China current with West Asia what is happening. So that is somewhat and dollar appreciation. So there is gap to it.
- But yes, we are looking for hive off. We are speaking to few of the companies for hiving off these projects. Here, only thing is that EPC part would be done by Prostarm. So that part you would find in terms of the profitability coming into books for the company as a whole.
- Moderator:** Thank you. We will take our next question from the line of Jaynam Ranka from HIC. Please go ahead.
- Jaynam Ranka:** I just wanted to know the EBITDA margins in the different business segments, especially in the build-to-operate and EPC segment? And my second question would be the -- what would be the asset turnover ratio in your BESS segment?
- Management:** Right. First, I would answer your asset turnover ratio. See, the total capex that we are planning up is around INR25 crores for the BESS capacity that we are adding. And that factory has a potential of generating revenue of around INR 1000 crores. So asset turnover ratio is always very -- it's very, very high because it's an assembling plant. It is not a full-fledged where we are doing cell manufacturing.
- Now, your first question was about the EBITDA margin. We are actually not able to derive individual EBITDA margin considering it is order-to-order based. There is always a difference in the margin that we generate. Plus, products are also intermingled. I mean, a transformer goes to the UPS, UPS goes with and servo is also being added. So always there is a cross-products which get sold. However, on an overall basis, EBITDA margin is always in the range of 12% to 13% on a year-on-year basis.
- Moderator:** We will take our next question from the line of Archit Agrawal from Steptrade Capital. Please go ahead.
- Archit Agrawal:** Hello. My question is about the margins. Sir, what is the reason for this sharp decline in the margin for Q4?

Management: In quarter four, just two-three factors to it, Archit. One is about the -- our always margin profile varies from order to order. So in quarter three, if we have booked some good margin order, then it would have a different margin mix. And same way in quarter four, it was not on the similar line margin order that we had executed and that's the reason.

But year-on-year if you look at it, that if you look at it, then the PAT percentage has gone up to 8.55% from 8.23%, which always in our commentary we deliver that you have to look at ourselves on a holistic basis because it is not quarter-to-quarter which arrives at the margin profile. Because order sometime it is at a very good margin, some orders are at a lower margin. So mix of it decides about the margin profile for it.

And what's the next question? Another reason for it is there has been significant increase in our employee cost because of the expansion that we are undertaking. So our employee cost has gone up to INR 29 crores as against INR 22 crores. And in similar line, we have added high number of employees as well.

So and in similar line, even our cost of production has gone up from 72.2% to 72.78%. This has been the key reason for increase in the higher cost. And as you are aware, there has also been a dollar appreciation in last three to four months. It has been very, very volatile. So this is also to some extent has impacted our cost of production because we are not able to pass on the entire cost to our end customer.

Archit Agrawal: Okay. So if we even take the average, net margin of last few quarters, so it comes around 10%. So considering the effects in this quarter, I mean rupee depreciation and the cost of goods sold increased this quarter, so can we expect the same level of margins in coming quarters or will it be back to normal...

Management: EBITDA margin would be there in the range of 12% to 13%. However, there can be short-term interim disturbance for us because of the cost which has gone up and other costs also which has gone up. So that would to some extent impact the margin profile. But since we take many orders as well with the very, very high margin, so overall if you look at the company profile for the Y-o-Y basis, it would be at around 12% to 13% EBITDA margin. And we have done this in the past as well, even in the current year we are doing the same. So, it would be comfortable, 12% to 13% of EBITDA margin would be maintained.

Archit Agrawal: Okay. And my next question is about the order book. So, you have said that you will execute the BESS order of around INR 40 crores in this quarter. Right? So, is it achieved or still pending?

Management: In this, yes, in quarter one we would achieve -- we would do that BESS order of INR 40 crores.

Archit Agrawal: No, but it was achievable in the -- in this Q4 quarter.

Management: Yes, it was achievable in Q4. That is the reason why our revenue has been subdued or else we would have done a much better revenue. Because of this West Asia disturbance, our supply chain also got disturbed and therefore the billing was not able -- we were not able to execute the billing. Now we are getting the material ready and the execution is going to happen in the in quarter one.

Or else our revenue would have been around INR430 crores plus. There has been a disturbance in last -- our always last quarter becomes a very, very critical quarter.

And since mid-Feb, you would have seen a big disturbance from China, freight movement has been -- has been very, very reserved. So, supply chain was disturbed and even at local level we were not able to do the fabrication because we require gas for undertaking the fabrication job. So, we were affected on the fabrication part as well, which resulted into deferment of billings for us in quarter four.

Archit Agrawal:

Okay. And what will be the guidance for FY27?

Management:

See, for FY27, we would find minimum 25% growth that is there on the card. If you look at my order position, just to give you a very, very brief highlight, out of total order of INR 1200 crores if you remove the BESS developer category, the remaining revenue is around INR 330 crores, plus other than this, we have a channel business which has not been considered here. It is around INR 100 crores per year.

Last year we did around INR 107 crores, so if you add that, it comes to around INR 450 already as on today. So minimum 25% growth is there with us is there for next financial year. Apart from whatever additional business that we generate and orders that we take for the full financial year.

Moderator:

You may please rejoin the queue for more questions. Thank you. We will take our next question from the line of Priyansh Miri from NGP Family Office. Please go ahead.

Priyansh Miri:

Hi, sir. Good set of numbers. Sir, my question is on the current four different capacity we have. What is the highest peak utilization revenue potential that we have across the five facilities? And also, why the utilization has been low for this year, if you can give some color on that?

Management:

Yes. Highest capacity would be from the Jhajjar plant. It's a 1.2 GWh factory, so it has a potential of generating revenue of around INR 1,000 crore from that particular unit. So that is the -- that's the biggest highest turnover which can be there out of the five facilities.

Now with respect to your question about the capacity utilization being lower, in earlier commentary also I have mentioned that we are not only predominantly dependent only on our factory part for the production.

We also -- we are also importing from China which is then customized and then being sold. So, we use our factory to the area where there is a high-end customization required. Rest we are able to do from our job worker for servo, job worker for isolation transformer and our known resources for manufacturing of UPS. So, if you look at holistically, the capacity is not constrained. Revenue whatever order that we take, we are in the position to build up revenue from our own sources, in-house capacity plus my vendors, my subcontract manufacturers from whom I can do the procurement.

- Priyansh Miri:** Understood, sir. Sir, the current order book that we have, like will it be executed within a 12-month from now? And also on the capacity part, sir, you mentioned just the big one. Can you also give us some color on the maximum revenue across all of these facilities?
- Management:** Maximum revenue?
- Priyansh Miri:** Like 100% utilization, what could, from our existing facilities, right? Without any capex, what could be the maximum revenue that we can see maybe three years or five years down the line?
- Management:** Like this, it would be bit difficult to answer, but however I would try to frame it. Jhajjar factory has a capacity of generating revenue of INR 1,000 crores and the UPS factory, if you are aware that we are coming up with expansion in Gujarat, which would be more like a assembling line for UPS.
- That plant has the capacity which can go up to around 3,000 to 5,000 units per day. So even if you take figure roughly around 9 lakh units can be produced there. So that has the capacity of giving you around INR 500 crores to INR 600 crores of revenue from Gujarat facility.
- So these two added up, so majority revenue would be coming from these two facilities. Even if you look at it, if I do 100% only manufacturing from my factory and at full-fledged operations, the revenue from all facilities together can be around roughly around INR 1,700 crores to INR1,800 crores other than import that we do. If I do only and only 100% localized based business only.
- Priyansh Miri:** Understood, sir. Sir, next part of the question, like will be able to execute whole order book in next 12 months?
- Management:** Except for the BESS on the developer model because that's a rental model with around INR 63 crores of rental per year. Rest of the entire INR 336 crores what I have told you would be booked in the current financial year as well as the channel business of around INR 100 crores minimum what I've taken. So that would be executed in the current financial year. So around 430 is, what I'm already mentioning would be done in the current financial year.
- Priyansh Miri:** Understood sir. Thank you for this opportunity.
- Moderator:** Thank you. Next question is from the line of Ayush Jain from Xequity Advisors. Please go ahead.
- Ayush Jain:** Hello. Yes, couple of questions, sir. As your revenue guidance is of INR430 crores for FY27, right?
- Management:** If you can take as a roughly order in hand, 330 will be order in hand plus channel is a regular base business, I mean it's without, you don't have a PO which caters only to it. That's around INR 100 crore.
- Ayush Jain:** That's over INR 70 crores, INR 80 crores, INR 100 crores you're saying INR 530 crores we can expect? Actually.

- Management:** INR 336 crores plus INR 100 crores...
- Ayush Jain:** Okay, INR 336 crores plus INR 100 crores, INR 430 crores roughly? Okay. So second thing is, so our business is of a lumpy margin business, right? So what can be the base EBITDA margin that we should consider while formulating our financial models for your company the base EDITDA margin...
- Management:** Base EBITDA if you take, that should not be less than 10%. Should not be less than that.
- Ayush Jain:** Not less than 10%. Okay. And third thing is, if we have unutilized capacity, you were saying that you people get things contract manufacturing from outside, right? If we have unutilized capacity, then what we can expect in future in suppose one or two years? When will the capacity get utilized to the tune of say 70%, 80%? Yes, so I'm asking just for the sake the capital expenditure we are doing, when will that be better utilized?
- Management:** So firstly, the capital expenditure, it's very, very small if you look at the overall picture. Even when we had done our expansion in Pune, the cost was very low. When we did 100 MWh expansion for lithium, the cost was around INR3.5 crores to INR4 crores is the total capex for that because it's an assembling line.
- If I go into a more backward integration, then your cost gets increased. And Jhajjar plant, the capacity, the cost is around INR 25 crores.
- Ayush Jain:** So INR25 crores then you can achieve INR 1,000 crores.
- Management:** And even for Gujarat, the overall project cost is not more than INR 5 crores to INR 6 crores. So you can very well evaluate, the cost is very, very low in terms of the turnover.
- Ayush Jain:** The asset turnover ratio is higher. It is in 8, mid-teens, 10, 11. It's very high.
- Management:** It's actually very high. But however, now to answer about the capacity utilization, yes, you would find more capacity utilization getting increased. Even if you look at the capacity utilization has improved for us as compared to last year from our factory.
- And with the Gujarat plant coming up, what we are planning, earlier like UPS that were imported on an as-is basis, then which was again assembled, aligned, and accomplished. Now it would be more on the SKD side. So we have to do more value addition at our factory. So it would have more manufacturing angle to it. So you would have more factory capacity utilization for the, UPS part, which is our core product.
- Ayush Jain:** Okay. And my next question is on the line of ESOPs. Do you have any other ESOPs commitment lined up in next two years?
- Management:** See, this is somewhat difficult the total pool of ESOP is 40 Lakh and as of now it is around 13 Lakh being issued and something around 3.5 Lakhs.
- Ayush Jain:** How much is issued? Sorry, sir, pardon, I didn't get it. How much is issued till now?

Management: Just a minute. 40 Lakhs is the total pool and out of which ESOP already issued is around 13 Lakh and roughly around 3 Lakh plus we have recently given, 13.26 is what is outstanding as on March '26.

Ayush Jain: Sorry 30.26?

Management: 13. 1, 3.

Ayush Jain: Okay.

Management: 13.26 is the current outstanding. And fresh ESOP has been granted for around 3.22 Lakh has been granted. And there can be more ESOPs going forward because we would be taking more talent from the industry. So for acquisition of talent, ESOP is always a very, very good tool to acquire.

Ayush Jain: Okay. And my last question is on the line what's your market scenario right now for UPS business? Like it's coming all the way from only the government business or you're getting private orders too?

Management: It's coming from mix of all private and government everywhere. See, if you look in our total revenue, 43% of revenue is from government, rest is all from private.

Ayush Jain: And the payment cycle is the same for the two business sectors?

Management: Yes, payment cycle is same.

Ayush Jain: Yes, payment cycle is same. Okay. Thank you so much.

Moderator: Thank you. Next question is from the line of Paras Chheda from Purpleone Vertex. Please go ahead.

Paras Chheda: Yes, sir. On your BESS project.

Moderator: I am sorry to interrupt Paras we are unable to hear you.

Paras Chheda: When, do we expect our solar plus BESS project to be executed now? Of course, we are looking to hive off.

Moderator: Paras can you please use your handset mode we are not able to hear you.

Paras Chheda: Am I audible now?

Moderator: Yes, please proceed.

Paras Chheda: Yes, so I was saying that, you know, when are we likely to implement or execute our developer-based, you know, project because it's probably not in FY27 completely. When do we likely expect the completion of that project? Or if you are looking to hive off, will it be a sort of a one-time gain kind of a thing? And what's the project IRR on that, sir, when it comes to execution?

- Management:** Project IRR currently is coming at around 10% to 11% on an overall project basis. However, regarding execution, Ram ji would just add on it.
- Ram Agarwal:** Yes, Paras, this we are working very closely with few people to hive off our both projects. And we are too sure that we will be able to hive off both projects. And if you talk of EPC execution, we are targeting Bihar to be done in this financial year for sure.
- Karnataka there are some hurdles which if it happen, then we will try to execute even Karnataka also in this financial year. But as we do not have control on the legal issues, legal side issues of Karnataka, so Bihar is in our control, so Bihar we will execute for sure in this financial year.
- Paras Chheda:** Right, sir. Just last query from my side. Now, I mean assuming, you know, Jhajjar facility is up and running from let's say 1st of July this year, what capacity utilization do we expect for this year and next year?
- Ram Agarwal:** This year we are hoping to touch 25% to 40% utilization in this financial year.
- Paras Chheda:** 25% to 40%. And probably next year?
- Ram Agarwal:** Next year we are very hopeful to touch 70%.
- Paras Chheda:** Up to 70%, right. And sir, what kind of growth rate do we expect on the UPS business now?
- Ram Agarwal:** UPS growth rate we are expecting even more better as we are now coming up with Ahmedabad plant, there we'll have a more focus on the variety of UPS. So, we can assume a good growth of UPS business in next two financial year. Maybe more than 30%. 40% growth in next two year compared to last two year.
- Paras Chheda:** Understood, sir. And just last question, what receivable days do we, you know, sort of target to exit FY27?
- Management:** In FY27, the receivable days would be something around roughly around at 120 to 150 days.
- Paras Chheda:** 120 to 150 days.
- Management:** Yes, and we'll be cash flow positive as we said for FY27 as a whole.
- Paras Chheda:** Undershood. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Mrunal Patel, an individual investor. Please go ahead.
- Mrunal Patel:** Hello, sir. My name is Mrunal and I want to ask you about our new facility of Haryana. Everyone is waiting for new facility BESS and I have watched your NDTV Profit interview where you mention about this BESS facility can generate INR1200 crore revenue per year at maximum pace. So please shed a light on this.

- Management:** Yes, good afternoon. This Jhajjar factory, almost all our machines have come, it's going under assembling. And we are expecting that to be completely operational in this quarter. That unit would be ready in this quarter.
- Mrunal Patel:** Okay, sir. Maximum revenue can generate in the FY27?
- Management:** FY27, what already Ram ji told earlier, it would be around in the range of 25% to 40% would be the capacity utilization that we are expecting from our Jhajjar factory.
- Mrunal Patel:** Sir, yes, but in BESS new facility...
- Management:** Yes, from new facility, yes. Yes, this is from the new facility what I'm telling.
- Mrunal Patel:** Yes, only standalone BESS facility where we can generate maximum revenue from that Haryana facility.
- Management:** From Haryana facility, we are targeting 25% to 40% in current financial year.
- Mrunal Patel:** Okay, sir. And currently in H1 FY27, all companies are waiting for Discoms' approval for our solar plants. So, in our Gujarat maximum EPC players are making solar power plant but can't get approval from the Discoms. So, what is the reason behind that?
- Ram Agarwal:** See, this is a policy decision. Maharashtra has taken decision so fast to implement BESS in all the solar plant and they have implemented immediately. But some cases gone against them in the court and still under sub-judice with the court. So, Gujarat also is working on same line. So sooner or later to standardize the -- to stabilize the grid stability, BESS is important. Either for the new project or for all the existing project, solar project. So sooner or later this will all will come up, BESS energy storage plant. And lot of discussions we are -- we are doing with the existing EPC players to install BESS in their plant.
- Mrunal Patel:** Okay, sir. In FY27, solar players making the 40 to 45 gigawatt per year basis solar power generation or solar power installation, but we all already crossed 170 GW solar module manufacturing. And after June 2026, ALMM part two is coming. So, is that any problem solar power generator can face?
- Ram Agarwal:** I cannot say much on this segment because we are not into this segment. But similar some corrections or some limitations also coming from the government side on our battery energy storage also where they will announce the ALBM, Approved List of Battery Manufacturers. So I don't see as a disruption, I just see as a supporting from the government to the local manufacturers so that China -- Chinese material come to India as less as possible.
- Mrunal Patel:** Okay, sir. All the best for FY27.
- Ram Agarwal:** Thank you.
- Moderator:** Thank you. Next question is from the line of Archit Agrawal from Steptrade Capital. Please go ahead.

Archit Agrawal: Hello. Am I audible?

Moderator: Yes, you're audible. Please proceed.

Archit Agrawal: Yes, so on a multiple occasion you mentioned that due to supply chain disruption, the company was unable to achieve the targeted revenue as was contemplated during the Q3 estimate, right? So can you elaborate to some extent which kind of the supply chain disruption that you have been facing and how margin has -- margin dropped from Q3 as well as actually we want to know about that.

There has been significant variance between the estimate that you have mentioned for during the Q3, right? So, there are two things, one is the deviation in the Q4 revenue as compared to the previous estimate and second thing is about the drop in the margin, right? So please throw some light and tell us little bit more so that we can come to know what would be your Q1 and which kind of the supply chain disruption that you are facing, right? Can we quantify as well as...

Ram Agarwal: Yes, I'll tell you. In Q4 last financial year, we were majorly facing the issues of supply chain in terms of the freight, freight forwarding. The logistic movement from the China to India was one side. We are not getting the proper timely logistic support and the cost of freight has gone up by more than 2x in Q4 compared to earlier.

First. Second, in last three months, the dollar has appreciated almost close to more than 10%, three to four months. So, this is a second reason. Third, due to geopolitical issues, China knowingly they have -- they have removed the export incentive on BESS from 1st April. So, the cost of all the material which was planned earlier, which was order placed earlier for 1st April, the automatic the cost goes up. So, either the supplier in China they are cancelling the old order or they are passing the cost to us.

So, these are the major reason it has affected in Q4. But now if you talk of Q1 and further in this financial year, it may not affect much because already it has been accounted. We have already taken the hit. And now whatever project or bidding we are doing, whatever new sales we are doing, all the price affect has been taken into account.

So, the hit what has been done in the last financial year and the initial of Q1, all has been more or less has been taken into account. So, we are now well-placed to take this price increase and the other challenges for the rest of this financial year.

Archit Agrawal: Actually, all these reason that you mentioned, right, that is the I think macroeconomic issue, right? That is the problem of entire India.

Ram Agarwal: Correct, correct.

Archit Agrawal: So, sir, actually this problem India has been facing since 15th March, right? So last 15 days may be affected, but sir I am talking about entire Q4 and I am talking about entire FY26.

Ram Agarwal: No, no, 15th March was severely affected, but problem was going for last January onwards because the container movement was not happening. So, this only the trade people or the business people will come to know. In the open market, it was not very much known to the general people.

15th March when the complete disruption has started, then only we all come to know. And because of this many lots of big corporate has delayed their postponed their capex in Q4. Like Adani we had been asked to do in Q1 of this current financial year. Otherwise, we were ready to bill them last financial year.

Archit Agrawal: So, sir, actually see what is my understanding, so see if you look at your entire annual set of number, right, for between FY25 to FY26, growth is very negligible, only 9%, right? It is quite low as compared to the industry, as well as compared to your previous guidance. So, see what I'm understanding even if we consider last one month you have been facing this supply chain disruption, right, instead of 15 days.

Ram Agarwal: No, it's not been done, I'm telling you. Last Q4, the last of Q4, generally our trend in last few years if you see, our last month of the Q4 is always become a very big high billing month for us in the whole financial year. So, we are having lots of order in hand, where we couldn't bill in Q4, end of the Q4. Now all has been billing will happen in this Q1 and Q2.

This is the only main reason where everything was done in Q4 or last financial year and billing was not happened. So, revenue is not booked. If you see our order in hand position of March 31st, then you will come to know that was the so high number of orders in hand was there with us, which we are billing in this Q1 and Q2.

Archit Agrawal: Okay, so you mean to say Q1 and Q2 will be good?

Ram Agarwal: Yes.

Archit Agrawal: Okay. And sir, can you throw some light on the industry peers because sir we have not seen such kind of the drastic fall in the industry as a whole because we are also tracking the same industry, right? So, so far as the peer is concerned, actually we noticed the significant growth. Even there is no -- there is a little drop or moderate margin in terms of the margin, right?

So, actually industry is almost maintaining the same set of the margin and if you look at in terms of the growth, so top-line growth is there, right? But here in your case it's quite different. So, actually I'm not able to understand the exact reason and please quantify it as well.

Ram Agarwal: I'll give you one example. Like we have Adani order of around INR43 crores in hand. Single order got delayed postponed from Q4 to Q1. So, entire that INR40 crores has hit us at the end of the Q4, otherwise we would have billed and would have achieved around INR430 crores INR440 crores turnover in the last year, which would have given us the good growth in the last year.

So, only one order gets postponed to Q1 and we got a hit of INR40 crores. This is the -- this is I'm not talking in general; I'm talking specific one order single order has hit us INR 40 crores. And which we are billing now.

Management:

Archit, I would add here more thing. You would have seen all our declarations with respect to orders that we have been giving back-to-back. If you look at Adani which we were not able to execute, SAIL we got the order of INR7 crores which we have not been able to execute, South Eastern Railway is around INR13 crores that we were not able to execute.

So, there has been a temporary disruption. Always what happened is, in this industry, it's always capex -- it is having a depreciation benefit. We get good mileage in the month of March for the billing with respect to the revenue. So, there had been some temporary resistance and calls subdued from the customer side. And the order that we had in our hand, that is also not getting executed.

People were watching as to what is going to happen next. And you have been parallelly seeing the dollar movement coming up. Now you have mentioned about the costing part. In industry you are watching other companies also. I am not pretty sure about it if you are looking from the same line segment, not solar. If you compare a solar company, it's a different category. I am not a solar company. So, we are into...

Archit Agrawal:

Actually, we are not comparing your company with the solar company, but yes, there are few sets of the company if you look at the one of the segments is matching with your company, right? So, so far as that segment is concerned, actually we have not seen any kind of such drastic fall in terms of the margin as well as in terms of the revenue.

Management:

See, this particular amount which is there -- which I told you, all this billing which has got deferred, if this would have been booked, then our numbers would have been much, much different. So, you would have this impact in quarter one and quarter two. And regarding the cost, I've already mentioned that since company is on the expansion phase, we are coming up with facility in Gujarat and Jhajjar.

Plus, we have onboarded many sales people, so our total employee cost has also gone up to INR 29 crores from INR 22 crores. This is in line with the expansion plan that we are lining up for the coming financial year. This and plus the dollar composition because the import and the even local procurement have gone up. So, that has impacted to some extent on the margin.

So, it is not about one particular item having an effect, something which has been done from the company side on the expansion part, which was somewhat toppled by the disruption which happened from Feb period onwards actually, mean West Asia for example.

Plus, the expansion which the company is undertaking, for the one who the company had taken expansion, so whatever onboarding company has done from its side. However, the outcome of this would be that the coming year we would see a better quarter one and quarter two.

- Archit Agrawal:** Okay, Abhishek ji. Sorry to interject you. So, sir, we are on a 25th May, right? So, almost I think 60%, 70% of the Q1 is also completed, right? Still actually there is no conclusion so far as this month is complete, right? So, how do you see Q1 number? So, will you say same thing at the end of the Q1 or there will be improvement in terms of the margin?
- Management:** In quarter one of this financial year, you would see a revenue growth as vis-à-vis the quarter one which was there in quarter one last year. You find that growth.
- Archit Agrawal:** Okay, So, there is a growth there too?
- Management:** Yes, there is a growth there too.
- Archit Agrawal:** Okay, so means you mean to say there will be not much impact of this supply chain disruption in Q1 so far as the margin is concerned?
- Management:** Now we would be in position to take those billings, now we would be in position to take it.
- Archit Agrawal:** Okay. Okay. So, sir, what would be the margin guidance for Q1 and Q2?
- Management:** You target the EBITDA margin would be in the range of 12% to 13% and PAT percentage would be in the range of 8.5% to around 9.5%.
- Archit Agrawal:** Okay. Okay. Understood.
- Management:** Right. One more Archit ji, if you look on an overall basis, I've already mentioned that around INR 430 crores of order is already there including channel business. It's already there with us. This is other than whatever business we generate and not even including the BESS developer business. We are not considering that. So, this much is minimum revenue, so you can always multiply and you can do those maths as to what roughly number should be for the company. That is good side.
- Archit Agrawal:** Okay, understood. Okay, sir. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference back to the management for closing comments.
- Ram Agarwal:** Yes, thanks. Thanks all of you for participating in this earnings conference call. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Managers at Valorem Advisors. Thank you all of you.
- Moderator:** Thank you very much. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines. Thank you.