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6th August 2026

The Secretary **The Calcutta Stock Exchange Limited** 7 Lyons Range Kolkata - 700 001 **CSE Scrip Code: 15060 & 10015060**	The Secretary **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 **BSE Scrip Code: 500086**
The Secretary **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 **NSE Symbol: EXIDEIND**	-

Sub: Transcript of the Earnings Call of Q1 FY 2026-27

Dear Sir/Madam,

This is in furtherance to our letter dated 03rd August 2026 wherein the Company had submitted the link of the audio recording of the Earnings Call held for Q1 FY 26-27 business update.

Pursuant to the Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the said earnings call, for your information and records.

The transcript of the earnings call is also available on the Company's website at https://www.exideindustries.com/investors/earnings-call.aspx.

We request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For Exide Industries Limited

JITENDRA KUMAR MOHANLAL

Digitally signed by JITENDRA KUMAR MOHANLAL
Date: 2026.08.06 11:39:25 +05'30'

Jitendra Kumar
Company Secretary and
President– Legal & Corporate Affairs
ACS No. 11159

Encl: as above

"Exide Industries Limited

Q1 FY27 Earnings Conference Call"

August 03, 2026

MANAGEMENT: **MR. AVIK ROY – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER –EXIDE INDUSTRIES LIMITED**
MR. MANOJ KUMAR AGARWAL – DIRECTOR FINANCE AND CHIEF FINANCIAL OFFICER – EXIDE INDUSTRIES LIMITED
MR. JITENDRA KUMAR – PRESIDENT, LEGAL AND CORPORATE AFFAIRS, COMPANY SECRETARY – EXIDE INDUSTRIES LIMITED
MR. PRASHANT SARASWAT – HEAD, INVESTOR RELATIONS – EXIDE INDUSTRIES LIMITED

MODERATOR: **MR. ADITYA JHAWAR – INVESTEC CAPITAL**

Moderator: Ladies and gentlemen, a very good afternoon, and welcome to the Q1 FY27 Earnings Call of Exide Industries 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 this conference call, please signal an operator by pressing start then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aditya Jhawar from Investec Capital. Thank you, and over to you, sir.

Aditya Jhawar: Yes. Thank you. Good afternoon, everyone. From Exide Industries, we have with us MD and CEO, Mr. Avik Roy; Director of Finance and CFO, Mr. Manoj Kumar Agarwal; President, Legal and Corporate Affairs, Company Secretary, Mr. Jitendra Kumar; and Prashant Saraswat, Head of Investor Relations.

Before we proceed, there's a disclaimer for the call. A few statements made by the company's management in the call may be forward-looking in nature, and we request you to refer to the disclaimer in the earnings presentation for further details. We will start the call with a brief opening remarks from the management, followed by Q&A session.

I would now like to invite Mr. Avik Roy for opening remarks. Over to you, sir.

Avik Roy: Thank you, Aditya. Good afternoon, ladies and gentlemen, and a warm welcome to you all to the Exide earnings call. Let me begin with the operating environment, followed by our financial and business performance, and I'll end with the progress of our advanced chemistry giga factory.

India's demand environment remained supportive during the last quarter. The improvement in affordability and consumer sentiment following GST rationalization, which happened in second half of last year, continued to support the automotive and other consumer demand.

Sentiment in both rural and urban markets remained positive and the replacement market demand stayed robust. On the cost side, the environment remains challenging. Input costs remained elevated during the quarter, largely reflecting disruptions in West Asia and adverse currency movement.

While lead LME prices in USD terms remained largely range bound, adverse movement in the Rupee against U.S. dollar continue to put pressure on input costs. The company has taken calibrated price adjustments to partially offset the impact while continuing to keep a close watch on the evolving commodity and currency environment.

Against this backdrop, the company delivered a strong performance during quarter 1 '27. All major businesses recorded double-digit growth, led by 2-wheeler and 4-wheeler OEM, home UPS, solar, 2-wheeler and 4-wheeler replacement business, industrial infrastructure ex telecom and even exports.

This resulted in a standalone revenue growth of 17.6% during the quarter. EBITDA stood at INR655 crores, up 19.5% year-on-year, with EBITDA margin at 12.4%. The margin expanded by 20 basis points on a year-on-year basis and by around 70 basis points on a sequential quarter basis.

This margin expansion despite cost and currency headwinds was driven by higher revenues, cost control through our cost excellence program and a very efficient supply chain. The balance sheet remains strong. We continue to be debt-free and generate healthy operating cash flows.

As I mentioned, Q1 '27 saw a broad-based growth across our businesses. Automotive OEM business marked its third consecutive quarter of 25% growth on a year-on-year basis. Of course, it is on a low base of last year. This reflects sustained momentum in automotive OEM demand and our strong position across key vehicle platforms. Home inverters and solar also delivered growth of over 20% year-on-year, aided by a strong summer season demand and focused market initiatives. Solar achieved its highest ever quarterly revenue of INR400 crores plus. Industrial Infrastructure, excluding telecom, maintained its double-digit growth trajectory supported by industrial UPS and traction business.

However, government tenders remained muted during the quarter, though we expect it to pick up in the second half. Exports business, on a low base after 5 consecutive quarters of decline, grew by 20% plus on revenues. We continue to closely monitor the evolving global macro environment though.

A little update on our lithium ion giga factory. At the Bangalore giga factory, equipment across all 4 production lines has now been delivered and installed and the utility is fully operational.

The milestone I would like to highlight is that our first NCM cylindrical line commenced customer sample deliveries during the quarter. These are the first locally manufactured cells out of the facility. The LFP prismatic line has also started sample supplies for 3-wheeler and telecom applications.

We have also meanwhile completed key certifications and testing requirements, including multiple BIS standards registrations. We expect revenue contribution from the Bangalore plant to commence during FY27 shortly. Localization runs through all of this. What we are building is a genuinely Indian advanced chemistry cell platform, multiple chemistries, multiple form factors, strategic sourcing partnerships for raw materials, automation-led manufacturing and a global technology partnership.

Our cumulative investment in form of equity in our subsidiary, Exide Energy Solutions Limited stood at INR4,902 crores as on 31st July, including a INR100 crores investment made in the month of July. Thank you very much.

And with this, I would like to close my opening remarks. I will give it back to the moderator, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vibhav Zutshi from JPMorgan.

Vibhav Zutshi: Congratulations on a strong quarter. My first question is on the core business. Could you just tell the split between volume versus pricing growth in this quarter and if there was any new contract win which added to the revenue?

Avik Roy: The core business, I think the volume growth was also double digit on the businesses level, I'm saying, in most of the businesses, I would say. We had a benefit of year-on-year price correction on the top line, that will enhance the growth numbers. But volume numbers, I can give you some examples of, let's say, 4-wheeler replacement was at 10%. 4-wheeler OEM was at 21%. 2-wheeler OEM was 20%. Solar was about 12% to 14%. So, some of the major businesses I highlighted where even the volume growth are also very strong in mid-double digit. And there was no contract signed. I did not get your second question. Was it regarding the new core business?

Vibhav Zutshi: Yes, if there was any new contract signing, which contributed to the growth in top line?

Avik Roy: No, no, nothing. This is business as usual.

Vibhav Zutshi: Okay. Great. So just fair to say that even in 2Q as the base is quite favorable, doing 15%, 16% revenue growth for full year looks fairly achievable, right?

Avik Roy: For the full year, I will not be able to give you a guidance, Vibhav, because for 2 reasons. One is that everything is not visible at this moment how the market will look like. But you have to also understand the base level for automotive OEM for H1 was very low. But actually, post GST rationalization, the automotive industry boomed from last Q3, from October onwards. So we'll have a base effect in second half of this year in percentage terms. But in absolute volumes, they are still at a very high level. I think passenger vehicle has gone from 1.2 million to 1.4 million level.

So I think in absolute value terms, it's still at elevated level. But in percentage terms, automotive OEM might go down because of the high base of last year's quarter 3, quarter 4. So that's the question to the full year outlook. You have to also understand that quarter 1 is generally the strongest quarter for Exide historically because this is the inverter battery season. Peak summer, this time, a peak summer helped us to ride on the demand of inverter batteries.

And if you recall, we have said this in past that last year, we had an early monsoon onset in the Q1. So we did not have that support from the inverter batteries last year. So that has also helped in the Q1 performance. But going forward, inverter battery is seasonal. So it will also have its cycles. But yes, to answer, last year, our quarter 2 level, the base was low. So we should be getting advantage out of that in percentage terms.

Vibhav Zutshi: Got it. That's super helpful. Now second question is on the lithium-ion business. Firstly, can you now that you have started the sampling, can you just tell how the yields are looking like? And any learnings out of commencing such a big giga factory?

Avik Roy: Yes. I think things are improving. It's a very complex start-up business when you start up a factory. Every process parameter has to be measured with benchmark. And we got a pretty strong learning curve and helped by our technology partners, both on the NMC side as well as on the LFP side. It's ongoing.

Yields are improving, but the real yield will be visible when you run the plant at 3-shift operation. At sample level, it's very difficult to really test the full yield. I mean we have other numbers, but we don't want to declare it because we know that things are improving. Unless we run it on 3 shift basis, we should not be able to know what is the full-scale line yield.

Vibhav Zutshi: Got it. Got it. And just a follow-up on this, when you say revenue will start to come in very shortly, any volume commitments that have come in from the 2-wheelers, 3-wheelers and from the other applications so far?

Avik Roy: I can tell you that at least we are starting with 2 lines, 1 NMC and 1 LFP. I think we can fairly quickly load these 2 lines provided our yields improve. Demand will not be an issue because the kind of products we are making, I said this before also, that this market already exists. 2-wheeler packs are coming with imported cells. So, 2-wheeler market already exists, and it is growing by leaps and bounds. Secondly, Line 3, we will be utilizing for largely 3-wheelers, telecom and other stationary storage. These markets already exist. Only thing the imported cell will be replaced with Indian cell. So we don't see a demand side issue at all because it's just a switchover.

Moderator: The next question is from the line of Mukesh Saraf from Avendus Spark.

Mukesh Saraf: My first question is regarding the PLI. I do understand that the government has opened up 10 gigawatt hour for reapplication for the PLI. So just understanding if is Exide is pursuing this, any thoughts there?

Avik Roy: Well, we are not supposed to tell you our strategy at this moment, Mukesh. But yes, this is interesting. At least it's a good signal from the government that the government is encouraging local manufacturing. And we are a serious player just studying all the fine prints of the conditions, and then we'll take a call. But in the first phase, as you know, we have set up 6 gigawatt hour without any PLI support.

Mukesh Saraf: Right. Understood. My second question is regarding the comment that you just made that, obviously, right now, most of the EV auto industry are using imported cells and the market is ready for you. But how does the pricing work? I mean, despite the VAT that is now there for the Chinese imports, how will the pricing work when you supply these cells? Because obviously, you're just starting off this facility, the yields will be lower, utilization rates will be lower. So I'm just trying to understand the margins that you will be able to sell at the beginning at least in the initial phase.

Avik Roy: So Mukesh, I will maintain my earlier position on that this is too early for me to comment on margins. On the pricing side, I can tell you, so far, the export VAT of China has been reduced from 9% to 6%, by 3%. But this will go away from 1st of January. So actually, this whole 9% -- right now it is 6%, but it was 9% earlier. So, this will go away from 1st of January. So that time, we will see the impact on the imported cell landed cost given the currency situation.

The entire rebate, VAT rebate has not been taken off. It's still there. So from 1st of January or let's say -- yes, 1st of January '27, we will be able to see the impact on its import landed cost. Other thing which has happened meanwhile, which I'm sure you guys are tracking is that post this crude oil crisis of Middle East, the EV production of Chinese factories have gone up crazily. Every EV production factory is loaded.

So also the battery manufacturers, they are fully loaded to serve the domestic demand. In this environment, of course, they will have less appetite to dump prices or dump the volumes in export countries, in the domestic the overcapacities that were there last year, now they are almost fully utilized because of this demand. So these 2 drivers we watch closely should work in our favor, and we'll monitor it closely.

Mukesh Saraf: Got it. Got it. Just lastly, you had mentioned about the summer season this time being better and the inverter volumes being significantly better. So of our overall revenue, how much would inverter be now for us, the home inverter business, which is having some seasonality?

Avik Roy: Yes, it will anywhere range between 15% to 25% based on the season.

Moderator: The next question is from the line of Aditya Jhawar from Investec Capital.

Aditya Jhawar: Sir, a couple of questions. Number one, sir, how are you seeing the import duty of lithium-ion cell changing? If you can remind us that what is the import duty right now for the cells? Is it at 5 and 20 that structure -- the earlier structure? And in your assessment, how it will change in the next couple of years?

Avik Roy: So right now, you're right, the cell is still at 5%. But going forward, and this also I have maintained for quite some time, we need about 2, 3 more players, serious players. Today, the whole demand of the electric vehicle battery is around 20 to 25 gigawatt hour in India. And today, we have a local cell capacity of, let's say, Exide and few other guys. So, the domestic capacity is not going to fulfill the demand of the auto OEM. So they have to depend on import.

But at some point of time, if 2, 3 people significantly ramp up their plants, the quicker the better. If you have about, let's say, 15 gigawatt to 18 gigawatt around local cell capacity, I'm sure the government will take this case of approved list of cell manufacturers or something like that, like they are planning for solar. Similar kind of initiatives we expect from the government.

And whatever conversations we are having with them, the only question is that, so if you localize, if we put that barrier, then the automotive industry will really have to cut down production or increase the prices of the EV, etc., which is understandable. So therefore, I think a big driver will be some 2, 3 people like us also immediately come on board.

Aditya Jhawar: Okay. Fair enough. Sir, second question is on the 2-wheeler batteries. So you mentioned that FY27, there will be a commercial production. So how many OEMs we are engaging? And for how many OEMs do you expect the commercial production to start in this financial year, sir?

Avik Roy: We are talking to all the major OEMs, legacy as well as new. About 3 OEMs, I can tell you. And all these 3 contribute to about, let's say, 80% of the EV volume of the country. So in all the 3 places, we are in the homologation process. And of course, we'll not get 100% volume to start with. We will be another supplier possibly. But these customers fairly cover about 80% to 85% of the Indian market in terms of share of the EV market. So even if they give us a portion of their demand, I think we'll be through.

Aditya Jhawar: Yes. That's very good to know, sir. Final question, sir, on the 4-wheeler side, what kind of engagement you're having with customers? Are they are inclined towards sourcing only the cell from you and doing that assembly in-house? And also, are we working on a hybrid battery for 4-wheelers. So just a little bit of a couple of minutes on our traction with the 4-wheeler OEMs?

Avik Roy: So as you know, we have 2 lines of LFP. One -- the first one we are using now for 3-wheeler and telecom and stationary. The fourth line, which is under installation, under commissioning, I would say, would have 4-wheeler OEM products. The products which we are manufacturing will go to 4-wheeler OEMs.

But now, that your plant is ready and it is making samples, now we see a major interest from many of the 4-wheeler OEMs -- they are coming to our factories and have started conversation on what kind of readiness we have and what kind of sales we will be producing on the line so that it also matches their future product platform.

So far, we did not see much of the interest from the 4-wheelers. So far, mostly the 2-wheeler guys are coming. But now, once we are ready and they also feel that there is a need to have a backup supply because with all these restrictions and the cost inflation of imports, they are talking to us.

We are talking to at least I cannot name, but at least 1, 2 major 4-wheeler OEMs of the country. For that, the fourth line needs to be commissioned, which will be close to, let's say, end of this fiscal year. And then we'll make announcements whenever it comes.

Moderator: The next question is from the line of Vijay Kumar Pandey from Axis Capital.

Vijay Kumar Pandey: Congratulations for excellent set of numbers. Sir, initially, first on the core business, I wanted to understand about the price hikes we have taken in Q1 and any other price hikes that we likely to take in the Q2? And how much of it is reflected in the Q1 numbers, the price hikes?

Avik Roy: So I can tell you on Q1, on year-on-year basis, the price correction would be in the range of 4% to 6% across categories. There are multiple categories. It is not uniform across, but around 4% to 6% in various categories, we took price increases. What was your second question, please?

Vijay Kumar Pandey: No, this was the first question. Any further price increases we're planning to take...

Avik Roy: We will take a call as it comes. At this moment, we have not made a decision for quarter 2. But we are closely monitoring. As you know, in the past also, we have not taken corrections in one shot. We have taken as and when the input costs went up, on a dynamic basis, we took 2%, 1%, 2% as a step by step we have taken rises. So we will probably do the same in quarter 2 also. At this moment, we are watching.

Vijay Kumar Pandey: Okay. Secondly, sir, in the case of lithium-ion batteries, so we would like to get an understanding about the revenue potential considered 3 years down the line, if we are able to in lithium-ion battery cell?

Avik Roy: Which potential?

Vijay Kumar Pandey: The lithium-ion -- the new battery plant, what could be the revenue potential from there? Just want to understand the potential from there 3 years down the line or 5 years down the line?

Avik Roy: So I can only say that in rupee terms, it's very difficult to say because it depends on commodity prices and etc. But 6 gigawatt is our capacity of Phase 1. And very soon -- and we have a provision of going to 12 gigawatt in the next few years when the demand picks up. So you put a number around that gigawatt hour and that should be our revenue depending on the commodity prices of that time.

Moderator: The next question is from the line of Shubham from Investec Capital.

Shubham: On the lithium-ion side, can you please help us refresh the amount of subsidies that we will be receiving over the next, say, few years?

Avik Roy: No, this amount is not in public domain, I'm sorry. But very soon, the rule is, the moment you officially declare your start of production, we are entitled to apply for it. So we will be doing it shortly. If we make a public disclosure, probably you'll get to know. But as of now, this number is not in public domain, I'm sorry. But as I said, the milestone is that we'll have to declare the start of production officially and then apply for it, submit the application.

Shubham: Okay. Okay. Also on the tech side, you mentioned that you're working on NMC as well as LFP. Are we also working on sodium ion? Like is there a tech partnership there as well?

Avik Roy: Not at this moment. This is big enough for us. India has to learn lithium first before going to sodium. Still in India, there is 0 knowledge of lithium. So I think we have to master this first, and we are finishing our learning curve, then we'll think of any other chemistry.

Moderator: The next question is from the line of Pramod Amthe from InCred Capital.

Pramod Amthe: So the first question is some of your OEMs are announcing big capex for capacity expansion for convention ICE vehicles. So with regard to that, how are you placed on lead acid capacity and what are your capex and capacity expansion plans?

Avik Roy: So that's a very good question and very relevant question. You are right. And this is what also is a nice problem to have. But we, as a part of our capital allocation strategy, every year, we keep INR500 crores, around INR500 crores for our core lead acid business, sometimes for manufacturing technology, sometimes for automation and sometimes for capacity expansion.

The good part of lead acid manufacturing is that you don't have to always invest in a complete line because every machine along the lines have different capacity. So you have to only work on the bottlenecks. So, we are investing on those bottlenecks and our utilization is very healthy on the SLI. And we are aware that not only new vehicles, but all these current automotive production, which has gone out in the last 3 quarters, let's say, these are all going to result in a replacement market 2.5 to 3 years from now.

So we are mindful of that, that it is not going only the automotive OEM volumes, but also the replacement volume will come after 2.5 to 3 years. So, we are investing on those lines, particularly in 4-wheeler because in 2-wheeler, we still have sufficient headroom.

And all other batteries we are seriously investing in debottlenecking most of our factories. Good thing is that we have total 5 SLIs, five 4-wheeler battery factories. So in every factory, we have headrooms for brownfield expansion. So we are exploring that.

Pramod Amthe: Second one is with regard to the lithium ion. What are your plans for BESS? What type of cells you want to produce? How much of capacity you want to divert in that direction? Is that a much easier segment to cater to or it's much tougher considering the long life of the product required?

Avik Roy: No, no, it's not -- actually the duty is different. The application is different. We have a format, LFP format. And for BESS, you need the large format cells. So this -- I will not be able to give you the exact ampere hour, but it is 300 plus, which is the most popular rating for BESS. So that is in the pipeline, that technology being transferred and the line is getting commissioned.

So that's our next step after we commission Line 1 and Line 3, that Line 4, the second LFP line will be our next target. So we have a product -- under the product which we license from our partner, this is one of the products.

Pramod Amthe: And are the approvals much easier to come through there as compared to the conventional OEM supplies or how do you see that segment for you to tap?

Avik Roy: I think this will have a lower start-up time unlike the OEMs because OEM homologation time is very long. This is a project-based, tender-based project. I think the gestation period will be low in terms of validation and homologation, which is not required here. But anyway, field trials we have to do.

Good that there are enough opportunities here where -- to promote local manufacturer, customer -- if he is a government customer even, he can always say that x percentage of the volume has to come locally for field trials, etc.

We'll get some support on the tender this thing also. But BESS tenders are also kind of -- you must know -- all of you must know, and I'm sure you have tracked it. BESS is also kind of getting overhyped now. People do not actually differentiate between what is core technology and what is the peripheral technology.

So a lot of people are making containers and fabricated tanks. But main technology of battery racks and BMS, that has to be developed. The electronic and software portion also needs to be developed locally.

Moderator: The next question is from the line of Raghunandhan from Nuvama Research.

Raghunandhan: Congratulations, sir, on strong results in lead acid battery and also the progress on lithium. Sir, on the first question, for the lithium cell facility earlier you had indicated 25% to 30% utilization for first year. That remains on track? And also, can you indicate the investment plan for full year FY27?

Avik Roy: Yes. So first is, we stand by that utilization, whatever we have said. As I said, the Line 3, the LFP line will be utilized faster than the 2-wheeler line because of shorter time to market. So we stand by that number, whatever -- I think the yield will be also be reasonably good enough to reach that number of utilization, what I mentioned. The second question was?

Raghunandhan: On the investment, sir?

Avik Roy: We have already got an approval from our Board for INR1,400 crores for this fiscal year. But we'll review again -- this is required and we'll let you know. As of now, it's INR1,400 crores. Out of that INR100 crores has gone in July. The rest will happen in the upcoming months.

Raghunandhan: And just to clarify sir, your initial plan was INR7,000 crores for a total of 12 gigawatt hour. So would there be any change in that investment plan or remains intact?

Avik Roy: It might change a bit plus/minus because of currency rates have changed. I mean dollar rates have changed with most of the machineries are imported. So it might change a bit. But second phase will not require as much capex as Phase 1 because Phase 1, we have bought the land for 12 gigawatts. We have put up all the utilities, boilers, chillers, transformers, power substations, all for 12 gigawatt hour.

So the second phase requirement will be only for the machine, the production machines. So it's not 2x, but much lesser than that. But yes, we might exceed that amount because now the business case has changed completely with the given situation. We'll see what it takes. But whatever it is, we'll still fund it from our operational cash flows.

Raghunandhan: Noted, well noted. For Hyundai, Kia, the supply will not happen from the initial Phase 1, 6 gigawatt facility and there a separate line was expected to be set up along with co-investment from Hyundai. Can you indicate any progress there?

Avik Roy: That discussion, that activity is going on parallelly. It's, as I said, this is a concurrent project we are running. And this will not come this calendar year or this fiscal year rather. But it's a co-investment, and it is not going to be a complete line. It could be a line for customization for Hyundai. So far, it is going on. Of course, there are delays. But we'll let you know when it progresses.

Raghunandhan: And in FY26, can you indicate how much was the lithium battery assembly revenues for us and whether that business is profitable and you can indicate the range of margin and also the growth prospects there?

Avik Roy: You mean last year?

Raghunandhan: Yes, sir. FY26.

Avik Roy: But I won't be able to give you the exact number. I think it will be very less INR100 crores, INR200 crores of that business.

Raghunandhan: Understood, sir. And would be profitable?

Avik Roy: I don't think so, no. Lithium prices -- because there is very less value addition unless you have your own cell. With imported cell, I think it is not long-term viable.

Moderator: The next question is from the line of Vijay Kumar Pandey from Axis Capital. Mr. Pandey has left the queue, we will move on to the next question.

The next question is from the line of Ashvath Rajan from Arihant Capital Markets Limited.

Ashvath Rajan: I just had one question. If you could just shed some color on the lithium-ion plant. Do you have any approval on the 4-wheeler side or on the 2-wheeler side? Any specific names?

Avik Roy: No, no, no. I have been saying this in the last quarter meeting also and also in this quarter that we have supplied samples to the OEMs. They are going through the homologation process, which is a time-consuming thing. And then they will get back to us for serial production. That's the normal process. It is mainly for 2-wheeler and 3-wheeler. 4-wheeler, we have not started yet.

Ashvath Rajan: Sir. Any other further trajectory on the utilization? As you mentioned, it will be 25% for the first year. What would it be further?

Avik Roy: Yes, 2-wheeler, 3-wheeler, telecom and other stationary storages, we are making 2 lines completely operational out of 4 lines. So even with partial utilization of these 2 lines, we should be able to reach 25% to 30% of total factory utilization. It depends on the yield what we reach and how quickly we reach.

Ashvath Rajan: 25% to 30% also applies to '27?

Avik Roy: This year, mostly the revenues will come from these products, as I mentioned, 2-wheeler, 3-wheeler, telecom, stationery. And then going forward, once our other lines are also commissioned, we will go for battery energy storage and 4-wheelers.

Ashvath Rajan: Okay. So standard utilization for '27 would be how much?

Avik Roy: It is very difficult to predict because whether we'll start on 1st of April or 1st of June, that will make a difference. When customers will give approval. All these BESS projects have contractual delivery date. So, I will not venture into a revenue forecast for next year. But as I said, you must appreciate that it's near at 25% to 30% in this year. So next year, obviously, we'll try to take it much higher. One thing I can tell you, I think on additional information I can give you that this 3-wheeler market, what I mentioned, almost 70% of this market or 75% of this demand is aftermarket which means retrofitment of lead acid E-rickshaw with lithium-ion E-rickshaw. And about 25% will be new vehicles of OEMs. This market already exists because this is where Exide already supplies lead acid battery.

And we have our dealer network and the entire channel network for this. So, we are only now shifting from lead acid to lithium. So this market is much faster. This market has a replacement market. So this is an added advantage we have over many new players because they don't have the network or the channel distribution network to reach out to the aftermarket E-rickshaw.

Moderator: The next question is from the line of Vijay Pandey from Axis Capital.

Vijay Pandey: Sorry, I got disconnected previously. So just wanted to understand in terms of battery pack, we will continue to supply the battery pack even with the lithium-ion battery, right? Or the...

Avik Roy: Yes.

Vijay Pandey: Okay. And currently, we make around INR100 crores to INR200 crores in FY27…

Avik Roy: No, no, we have -- listen, I mean, let's not talk on crores. Let's talk on gigawatt hours because unit prices, neither you know nor I know what it is going to be in the future. So all I can tell you that we have in-house capacity of 1.5 gigawatt hour of pack making, but we are adding lines as well as we are developing our ecosystem partner model for increasing augmenting pack capacity.

So for 3-wheeler, for telecom, we will need additional pack capacity. We are already hand to mouth. Some of the customers will buy cells for 2-wheeler. But largely, this will be a pack business. But everything we will not do in-house. We will have a balance of in-house as well as ecosystem partner model. That is how the industry works.

Vijay Pandey: And sir, in terms of the lithium-ion battery, our current capacity currently in the Phase 1 and around...

Moderator: I'm sorry to interrupt Mr. Pandey. We are not able to hear you well. Please use the microphone while asking your question.

Vijay Pandey: The 25% to 30% utilization for lithium-ion battery, so that is [inaudible 0:41:00]

Moderator: Sorry to interrupt. Mr. Pandey due to network issues, we are not able to hear you well. Moving on to the next question. The next question is from the line of Animesh Jain from Dalal & Broacha Broking.

Animesh Jain: I want to know that as you told that China is removing subsidies on export. So how we are going to manage our raw materials? And as we have send our samples to our customers, so raw material is from China or it is from Indian producer?

Avik Roy: No, no. Raw material is still not from China. We are talking to many interested Indian companies who have, many of them are listed companies, plans to invest. We are doing pilots with them. But for India to develop its own raw material sourcing, it will take next 3 to 5 years. So right now, it is from China.

Animesh Jain: Okay. And any problem on getting raw materials from China?

Avik Roy: Right now, no, because this export control announcements of Chinese government does not cover raw material as of yet. It will be from November. I think they have deferred it. We'll see what to do. This is not a ban. This is only additional approvals, which is required, it is a kind of export control.

As of now, there is no embargo, but November onwards, we will see how to manage it. Probably we have to keep a higher level of inventory so that there are no delays. So those are operational topics. So to meet the customer demand, we might have to stock material for a longer period than usual. So we'll try to find out, I mean, once the operations start.

Animesh Jain: And sir, my next question is, this year, we are adding 6 gigawatt of line. 3 gigawatt NMC and 3 gigawatt LFP. And, we have already provisioned 6 gigawatt of Line. So it will be all 3 gigawatt again for NMC or 3 gigawatt lithium or all 6 gigawatts of lithium?

Avik Roy: The second phase will be mostly for the LFP, most likely.

Moderator: The next question is from the line of Divyansh Thakur from Finterest Capital.

Divyansh Thakur: Sir, as you mentioned that there are very few domestic players that are in the same market. So can you just name them like who are all players that are currently in lines to launch this giga factories and serve the same market that we are entering into?

Avik Roy: I believe this is your job to find out. I'm not going to name others. If you get information, we'll be happy to know what others are doing, how much they have progressed. We have seen some press announcements, but physical progress only you will be able to know.

Divyansh Thakur: Yes, sir. I have that update. I just wanted to hear it from you. I can also share those names.

Avik Roy: I'm not comfortable taking other people's names, but I'm sure you are aware of them.

Divyansh Thakur: Yes, sir. I'm aware, I just wanted to. Yes, thank you, sir.

Moderator: The next question is from the line of Meet Katrodiya from Niveshaay.

Meet Katrodiya: Sir, my question is specifically more on the raw material component side for the cell manufacturing and that to especially on electrolyte that -- what strategy are we following let's say, maybe partners wants to use Chinese electrolyte, right, but [inaudible 0:45:35].

Avik Roy: I don't think I heard your question. Was it electrode or electrolyte? I think you have a serious disturbance in your line.

Meet Katrodiya: So, I was asking that what strategy are we following to source the electrolyte? Will we import the electrolyte or we use the domestic electrolyte?

Avik Roy: So at this moment, electrolyte will be completely imported because we are accessing the established supply chain of our tech partners. We are not trying with untested unvalidated raw material supplier. These guys are supplying for many years to our tech partner and those cells are in the market or in the field for many years. So we don't have to go through the vendor assessment and quality assessment of those unknown, untested people. But parallelly, we are also talking to one of a large manufacturer. He is also a listed guy in India. You may have seen those announcements. We are doing a running pilot with them. And probably, I can make a guess that going forward, if the first component, which can be localized according to us, will be possibly electrolyte. So that discussion is also going on with a large company because they seem to be very serious and they have got the technology, I think.

Meet Katrodiya: Got it. Understood. And sir, just one -- initially only for, let's say, 6 to 9 months till we stabilize and get the -- we will import and then we'll move to the domestic one? Is it the strategy?

Avik Roy: What is that? I could not get that?

Management: Strategy.

Avik Roy: Yes, yes, yes. Obviously, we have to be -- our raw material has to be there -- has to be ecosystem domestically. Many people have showed interest, but they would also need handholding by the government to put in that investment. So far, I think on the upstream side, we have to do a lot of work on the raw material side, gentlemen. I mean it's not so simple because we have to put up refineries for lithium if you are serious EV player, which calls for large investments. We need people to make the cathode active material here, need people to make the graphite here for the negative. So I think the whole ecosystem has to develop. This takes time, and this needs a lot of handholding by the government.

Meet Katrodiya: Got it. Sorry, if there is any confusion, I was asking particularly on the pilot line we are working with the domestic player, right? So when we can see there is a significant offtake, let's say, I was particularly asking that suppose initially till we get the yield. So whatever target we are -- whatever yield we are targeting?

Avik Roy: I understood, I think, all I can tell you that our target or wish list, you can say, is to go to about 50% to 60% of bill of material localized in next 2 to 3 years. That's our road map. And that's why we are talking to multiple companies, everybody I'm talking to them, both for electrolyte for positives, for negatives. And there are many announcements in the public domain, I'm sure. We are talking to all of them. If we reach 50% to 60% of our bill of material in 2 to 3 years, we'll be very happy.

Moderator: The next question is from the line of Munindra Upadhyay from Elara Capital.

Munindra Upadhyay: So while you have clarified on the -- I mean, export restrictions from China on the raw material side, my question was more on the technology transfer from the Chinese. Actually, last quarter, I think one of your key competitor has mentioned that the Chinese government is actively interfering in the technology transfer as well. So my question is, are you seeing any kind of interference as of now? And if all to happen, suppose in future, how prepared are we to develop these things, I mean, going forward in-house?

Avik Roy: Yes. So good question. I think we are one of those lucky ones that have completed this all tech tie-up as well as setting up a factory before these embargoes started coming in. So as of now, we have licensed 4 or 5 products from our tech partners. And we have also parallelly now invested in our pilot line. We have about 100-plus R&D engineers in Bangalore right now. And the pilot plant will possibly come end of this calendar year- as quickly as possible. And so that is for our future road map. In case in future, we don't get technology licenses or the government doesn't -- Chinese government doesn't allow anybody to give technology licenses. At least these 4, 5 products will keep on manufacturing and parallelly, we'll develop our own know-how on the other cell formats on our pilot line.

So just for your information, I'm sure you are aware, our sequence was that we put the main line first and the pilot line later. Some people did it in the reverse way. They will be a little in trouble because there are a lot of embargoes on machinery exports from China. So they might face some delays in their production lines. But our production lines came first and the pilot lines will come later. Yes.

Munindra Upadhyay: I mean, yes, sir, good to hear that. So in future, if all that to happen, I mean, we can also, I think, explore opportunities with the Japanese or Korean ones, I believe, right?

Avik Roy: Yes, yes, sure. Koreans is definitely -- technologically, these are options. Only thing they are costlier than Chinese.

Moderator: Ladies and gentlemen, that was the last question of today. And I would now like to hand the conference over to the management for closing comments.

Avik Roy: So thank you very much. Thank you, everybody, for joining in. It was great engaging with you with very, very important and interesting questions. I hope we have been able to answer all your questions satisfactorily. If you have any further questions or if you like to know more about us, about our company activity, we would be very happy to be of assistance. Please get in touch with our Investor Relations department. Thank you, and over to the moderator.

Moderator: Thank you. On behalf of Investec Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
