Ref. No: PEL 42/2026-27
Date: August 13, 2026

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 544238

To
The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Trading Symbol: PREMIERENE

Dear Sir/Madam,

Sub: Transcript of Earnings call on Financial Results for the quarter ended June 30, 2026 (Q1 FY27)

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of the Earnings Call on the Company's Financial Results for the quarter ended June 30, 2026 (Q1 FY27).

This is for your information and records.

Thanking you,

Yours truly,
For **Premier Energies Limited**

HITESH KUMAR JAIN
Digitally signed by HITESH KUMAR JAIN
Date: 2026.08.13 16:10:52 +05'30'

Hitesh Kumar Jain
Company Secretary & Compliance Officer

"Premier Energies Limited
Q1 FY27 Earnings Conference Call"
August 07, 2026

MANAGEMENT: **MR. CHIRANJEEV SINGH SALUJA – MANAGING DIRECTOR – PREMIER ENERGIES LIMITED**
MR. NAND KISHORE KHANDELWAL – CHIEF FINANCIAL OFFICER – PREMIER ENERGIES LIMITED
MR. VINAY RUSTAGI – CHIEF BUSINESS OFFICER – PREMIER ENERGIES LIMITED

MODERATOR: **MOHIT KUMAR – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Premier Energies Limited Q1 FY27 Earnings Call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar. Thank you, and over to you, sir.

Mohit Kumar: Thank you, Atharva. Good morning. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 earnings call of Premier Energies Limited. Today we have with us from the management, Mr. Chiranjeev Singh Saluja, Managing Director; Mr. Nand Kishore Khandelwal, Chief Financial Officer; and Mr. Vinay Rustagi, Chief Business Officer. We will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Chiranjeev Singh Saluja: Thank you, Mohit. Am I audible?

Moderator: Yes, sir, you may go ahead.

Chiranjeev Singh Saluja: All right. Good morning, everyone. Thank you for joining us today for our Q1 earnings call. I am Chiranjeev Saluja, Managing Director at Premier Energies, and I am joined today by my colleagues, Nand Kishore Khandelwal, Group CFO; Vinay Rustagi, Chief Business Officer.

With the ongoing wars, commodity price inflation, and shifting trade flows, the environment around us has been quite unpredictable. But I am pleased to say that we are navigating this period successfully with disciplined execution, combined with investments in scale, technology, and people.

The company has reported another record quarter of revenue and profit growth. Our total revenue has increased 34% year-on-year to INR2,508 crores. EBITDA and PAT have grown by 27% and 53% to INR759 crores and INR472 crores, respectively. The profitability margins have been largely steady at 30.3% and 18.8%, respectively.

These results include consolidation of our 51% stake in Transcon. The company reported excellent results in the quarter, with a revenue and PAT of INR110 crores and INR18 crores, respectively. EBITDA and PAT margins in the transformer company came in at 27% and 17%, respectively.

Amongst key business updates, our 5.6 gigawatt fully automated solar module plant at Seetharampur is operational. The 7 gigawatt TOPCon cell line is in advanced stages of commissioning, with trial runs expected to start later this month. Our operational cell plants in Telangana delivered a record capacity utilization of 92%, showcasing our all-round excellence in plant operations.

We won new orders totalling INR3,011 crores for cells and modules, taking our total order book to INR15,000 crores, including transformers. The overall business outlook for solar sector continues to be positive and encouraging. Power demand this year has been exceptionally strong.

Solar demand has been strong, too, with nearly 12 gigawatt of capacity addition in quarter one itself, with great momentum in the PM Surya Ghar Yojana and KUSUM schemes.

On the enabling resolution taken by the company, we would like to clarify that we are in a hyper-growth phase of this industry. And during this phase, it is important that we have flexibility to expedite organic growth path or capitalize on any inorganic growth opportunities, which may help maximize shareholder wealth. As a result, we will continue to take such enabling provisions -- resolutions every year. As we speak, I can confirm that there is no concrete plan to raise any primary capital in the near future.

Over the next few quarters, as new cell and transformer capacities come online, a major step is expected on the back of operating leverage, both in operations and financial performance of the company. This will help us maintain industry leadership position in scale, technology, cost of manufacturing, and continue to deliver industry-leading margins. We are very confident about future prospects of the company. Thank you. We are now open for questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Apoorva Bahadur from IIFL Capital. Please go ahead.

Apoorva Bahadur: Hi, sir. Thank you for the opportunity and congratulations on a strong set of results. I must say the presentation and data quality is very good, a lot of details, so extremely helpful. Sir, I just want to pick your brain on a couple of things. One is on the data that you provided in the presentation on rooftop and PM KUSUM demand. How much should we assume or estimate the DC overloading for PM KUSUM?

Vinay Rustagi: Hi, Apoorva. This is Vinay here.

Apoorva Bahadur: Hi, sir.

Vinay Rustagi: Yes. So, Apoorva, hi. So in KUSUM, you know, there are obviously three components as you know, A, B, and C. Most of the installations are coming in B and C. In B, which is the solar pump part, the overloading is basically 1. But in KUSUM C, where the basically most of the projects are ground-mounted projects in sizes between 2 to 10 megawatts, sometimes larger, the overloading is between 1.3 and 1.5 as we usually see. So on a blended basis, I would expect the overloading to be about 1.2 to 1.25.

Apoorva Bahadur: Understood. So this 2 gigawatt of demand in this quarter would be about 2.5 gigawatt for modules?

Vinay Rustagi: That's right, yes.

Apoorva Bahadur: Roughly so, total demand for both these segments would be around 6 gigawatt on a quarterly basis. How do we see this for the remaining nine months, sir?

Vinay Rustagi: So, I think there is actually great momentum in both the schemes. As you can see, and that is what we're trying to show you in these charts, in Surya Ghar Yojana, there is a kind of month-on-month increase and we're expecting, you know, the average over the next nine months to be about 1.2 to 1.3 gigawatts. In KUSUM, you know, the government has already given a deadline of March '27 for implementation of all the ongoing projects. So, actually we are expecting a huge step up in the KUSUM scheme. And I would expect the installation over the next nine months to be something between 6 to 8, possibly higher than 8 gigawatts.

Apoorva Bahadur: So roughly around, say, 12 to 13 gigawatts in the rooftop space and maybe around 8 gigawatts in this. So roughly, roughly around 20 gigawatts for the next nine months?

Vinay Rustagi: Yes. So when I said 6 to 8, I was talking about the AC numbers. So in DC terms, you know, that would be about.

Apoorva Bahadur: Okay, okay. So it'll be around 23 to 24 gigawatt in total.

Vinay Rustagi: That's right, yes.

Apoorva Bahadur: Okay. So the annual -- and sir, any other segment also coming in for DCR this year? Do we expect any demand from C&I after the ALMM 2 deferment, or from the IPP business?

Vinay Rustagi: No, I think the remaining demand will mainly come from the C&I segment. The government has said that any projects commissioned from 1st January onwards will have to use DCR modules. So, you know, the demand will start arising from the last quarter of this year, which is basically October, November, December. And that itself should also be a sizable volume for DCR market.

Apoorva Bahadur: Sure, sir. Understood, understood. On the second bit, sir, I want to understand is this -- how much of capex did we incur in this quarter on the solar business?

Vinay Rustagi: So the total capex in the quarter was about INR1,500 crores. Bulk of the capex was incurred on solar, on solar projects, basically both Seetharampur and Naidupeta. And then the remaining was incurred on Transcon, INR250 crores.

Apoorva Bahadur: Okay, so INR1,250 crores was in solar?

Vinay Rustagi: Yes.

Apoorva Bahadur: Okay. Sir, lastly, if I may ask, squeeze in just one more question on this mix change that we are seeing. Now that our cell capacity is ramped up, do you see this sort of maintaining this 25% revenue in future from cell sales, or should more of this shift towards the DCR sale?

Vinay Rustagi: So I think over a period of time, of course, the share of the DCR modules will go up. But, you know, the other part of the picture is that, is that N-DCR demand is going to continue over the next two years. So we will, we'll decide depending on the mix of orders that are coming our way as to how much cells should be sold in the external market. We still have a pretty good pipeline of orders for cell sales over the next 18 months. So I think that will continue, but the share of DCR over a period of time, I would say over the next 18 to 24 months, is expected to go up steadily.

Apoorva Bahadur: Sir, because on this one, just wanted to double click a little bit. Even if we assume that in modules on the conversion cost or conversion process, we earn a margin of say a INR1 or INR1.5 per watt peak, why would we sell just cells and probably leave some profit pool on the table for others to capture? Why not capture all of it?

Chiranjeev Singh Saluja: So, yes, so let me answer this, Apoorva. So it is, what you're saying will happen gradually. We have contracts signed where we need to supply cells. These were signed some time back, but as we progress, you will see more and more DCR module and lesser amount of cells going out. Once our cell line gets operational, we're almost 10 gigawatt cell and 11 gigawatt module, which means we will not have a lot of cells to sell.

Apoorva Bahadur: So, safe to assume that the order booking we did this quarter was mostly modules?

Chiranjeev Singh Saluja: It is, yes. It is gradually moving towards more of DCR modules than cells.

Apoorva Bahadur: Understood, sir. Thanks a lot. All the best.

Chiranjeev Singh Saluja: Thank you.

Moderator: Thank you. The next question comes from the line of Kunal Shah from DAM Capital. Please go ahead.

Kunal Shah: Yes. Hi, sir. First of all, thanks for the detailed presentation and the split between solar cell, module, transformers. So this is quite helpful. So, firstly, you know, the Q1 order momentum was strong, you know, the order inflow. But just could you give some bit of insights, now post the announcement of extension of the ongoing C&I projects until December, how are we seeing that the inquiry pipeline or the momentum like in July and August? If you can just give some bit of qualitative guidance here.

Chiranjeev Singh Saluja: So, our DCR order book was quite stable, quite strong, coming in every quarter. Post this extension of ALCM, we have seen a sudden influx of large orders of non-DCR modules, which has been kind of a positive for us because as we speak, we have a little bit of extra module capacity for next two to three months. So it has been kind of a big positive for us that, you know, while our cell line comes up, we had module line sitting for the next quarter, and then that's really now getting busy because of the influx of the non-DCR demand.

Kunal Shah: Understood. And on the DCR, but any colour there on the DCR side of it?

Chiranjeev Singh Saluja: DCR is, we are sold out. So, you know, we are selling now only for FY28 now.

Kunal Shah: Understood. Got it. And secondly, sir, just as a continuation, you know, the revenue mix from cells during Q1 was about 24% odd, right? And the same in our order book is around 58% odd, right? So, any sort of margin guidance that you can give over the next 15, 18 months, you know, as your business mix improves, you know, how can we see the margin trajectory from the current 29% odd operating EBITDA margin?

Chiranjeev Singh Saluja: So, we are quite positive on the outlook for margins, that we will be able to protect our margins. The new cell line coming up is going to get us a lot of operational leverage. As you can see, the transformer business is also throwing up healthy margins. DCR mix is changing from non-DCR to DCR. So, as far as we are concerned, we have been consistently updating that we will continue to deliver healthy margins, industry-leading margins, and protect what we are delivering as of now. And the order book has similar margins as to what we are delivering.

Kunal Shah: Understood. This is very helpful, sir. Thank you so much. I'll fall back in the queue.

Moderator: Thank you. The next question comes from the line of Nitin Arora from Axis Mutual Funds. Please go ahead.

Nitin Arora: Hi, sir. Thanks for taking my question. Just on this ALMM extension, given the ramp-up in the DCR cell capacity, we are still not seeing, you know, too many players who have commissioned also in the last one year. The utilization is not even going beyond 20%. And the new capacities, I wanted your view how you are looking up the ramp-up because -- so in that scenario, if any C&I player, do you think he has a mind-set of not blocking the capacity at this point in time?

My question is, rather than deferring the demand, don't you see the demand coming forward because DCR capacity itself is not available? So I just wanted your view on that, number one. And number two, just what Kunal asked on the margins, given the DCR mix going up on your execution because you yourself said you're sold out, 29%, 30% margin, you think it's sustainable for next two to three years?

Chiranjeev Singh Saluja: All right. Thank you. So to answer your first question, see, market, you know, the view on the market is expected to be favourable throughout FY27 and FY28. Demand is very strong, right. And we have a constrained supply situation. New capacity, as you have seen, is taking longer than expected to come online and longer than expected to even ramp up. And this is what we have seen in the last 12 to 18 months.

The C&I clients are very selective on whom they want to work with. They look at the size of the balance sheet, they look at the size of the plant, the automation, the advanced technology, proven track record. So, so we believe, and we are seeing this, that the C&I players are blocking capacity for FY28 today. They are not waiting, or they are not deferring.

So we have, in fact, signed up orders with C&I customers, which are going into FY28. So, that is the answer to your first question. On your second question on margins, we have consistently, you know, informed that the margins of 29%, 30%, plus-minus 100, 150 basis points, we will be maintaining. And this is because for a simple reason that our 7 gigawatt cell line is coming up, our transformer capacity is growing almost from 4 GVA to 16.25 GVA by FY28, we have ingot-wafer lines coming up. So it is, it is more of backward integration and scale, which Premier is working on. So we are quite confident that we will be able to maintain healthy margins.

Nitin Arora: Coming to the transformer business, can you give us some guidance where you are seeing because your 16 GVA going to 64 on the higher side, which is also very margin accretive because of what other industry player are reporting. But in your next, let's say FY27, FY28, where are you seeing this revenue ramp-up for transformers and the profitability?

Chiranjeev Singh Saluja: I think Vinay will take this question.

Vinay Rustagi: Yes. Hi, Nitin. So, Nitin, as Chiranjeev just mentioned, in the transformer business, there is a huge step up in capacity coming forward. There's also a shift towards the more lucrative HV and EHV segments, which is coming up. The company is also quite aggressively now looking at export business, which seems pretty large, particularly, I would say, North America, Europe, and even Africa.

So I think on the whole, given the ramp-up in capacities, we're expecting the business size to largely, I would say, treble over the next three years. And profit margins, you know, profit margins historically, across the cycle for the transformer businesses have been about 15% in terms of EBITDA, and about 8% to 10% at the PAT level. And we expect that our margins should be slightly ahead of this, given the low-cost base of the company and all the levers that they've got in place for growth as well as cross synergies with Premier.

Nitin Arora: So just because your capacity is coming up, you reported INR100 crores, which is just one month. INR600 crores, INR700 crores revenue is doable in this year, and then it should move towards what, INR1,300 crores, INR1,400 crores next year? Is just the ballpark?

Vinay Rustagi: So I think the initial ramp-up after capacity expansion is usually a little bit slow because of the time it takes to get all the products certified and type tested, and get start getting orders from the clients. So in general, I would say our revenue outlook will be slightly south of what you said in the current year. But then like I said, you know, over the next two years, it will obviously ramp up quite substantially. And then, you know, last year the company had done about INR400 crores of revenues. Over the next three years, we expect this to be more than triple of that level.

Nitin Arora: Got it. Thank you very much, team. All the best.

Chiranjeev Singh Saluja: Thank you, Nitin.

Moderator: Thank you. The next question comes from the line of Mayur Patel from 360 ONE Capital. Please go ahead.

Mayur Patel: Yes. Hi, sir. Congratulations for another set of, you know, results and very strong execution. Just one question on BESS. Is there a thought to tie up with some, you know, technology partner and, you know, backward integrate once you start assembling? But is there any thought around that?

Chiranjeev Singh Saluja: Yes. Morning, Mayur. Thank you. So, on battery energy storage systems, we have already acquired the land and construction started. We are looking to partner with a technology partner for the containerized solution. We are going slow on this because we're also waiting for guidelines from the government on how the non-tariff barrier logic is going to take over on the BESS segment.

There is a draft guideline which was sent out. So we are waiting for more details from the government side to look at further expanding into BESS manufacturing. But our BESS plan of 12 gigawatt, 6 gigawatt Phase 1 is already underway, construction has started, and technology partner would be, I think, finalized in the next two to three months.

Mayur Patel: And next step, is there a, is there an ambition to also get into cell manufacturing for BESS in future?

Chiranjeev Singh Saluja: I would say, I would say there is, but at the appropriate time.

Mayur Patel: Okay, perfect.

Chiranjeev Singh Saluja: Our focus is now…

Mayur Patel: Got it. And sir, lastly, 7 gigawatt new capacity, is it fair to assume that the revenue will start coming in from, say, November, December of this year?

Chiranjeev Singh Saluja: We are actually targeting the first set of revenue to come in September.

Mayur Patel: September. Okay. So then, just like you have ramped up the TOPCon 1.2.

Chiranjeev Singh Saluja: It'll take time to ramp up. Yes, it'll take time to ramp up. I'm saying the first set of revenue would come in September. But if you talk about line reaching close to 50%, 60% utilization, would be November.

Mayur Patel: So, March quarter, we can assume around 60% kind of utilization level from this new facility?

Chiranjeev Singh Saluja: We are targeting at least about 70.

Mayur Patel: Okay. So that means March quarter would imply almost more than 2x of the current cell production, and with if margins and yields remain at these levels, that's the way we should look at it?

Chiranjeev Singh Saluja: Yes.

Mayur Patel: Perfect. Thank you so much, sir. All the best.

Chiranjeev Singh Saluja: Thank you.

Moderator: Thank you. The next question comes from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Yes. Thank you for opportunity. My first question is related to the module business. So, as you had highlighted in the call that there is an influx of a non-DCR. So, is that the reason why our overall realization on a sequential basis on the lower side?

Chiranjeev Singh Saluja: So, non-DCR business is not profitable as we speak. And we can see this in the industry that the non-DCR business, because there is about 250 odd gigawatt of module lines and the entire demand in India is about 60 gigawatt, out of which almost about 30 gigawatt is DCR. So, you know, the non-DCR demand being 30 gigawatt and capacities being over 200, there is a serious situation over there. So, non-DCR business is not profitable as we speak. It is only that people, if you have more capacity of moduling, you would want to run your line rather than keep it shut.

The business is moving towards DCR module. And this influx of non-DCR orders which we have got in this quarter because of government extending up to December, we have got slightly better prices compared to last quarter because everybody is in a rush to commission and connect before December, they are actually targeting November.

So, there is a slight increase in margins in this coming quarter for non-DCR business, but in the long run, if you have more of module capacity and less of cell, then you are in trouble with the module capacity.

Praveen Sahay: Got it, sir. But whatever the orders we have received, especially in the module, that's largely is of a DCR?

Chiranjeev Singh Saluja: Of course, we have DCR orders which is coming in every quarter. We spoke about an influx of non-DCR order because of this five months extension.

Praveen Sahay: And also, just to clarify, in the call, you had also highlighted that whatever the order book you have is largely to do with a DCR module, but if I look at your cell number as well, there is a good growth of order inflow in the cell as well in this quarter, if I look at Q4 to Q1. So, how has been the, if you can highlight, how has been the pricing for those cell orders especially, and the timelines?

Chiranjeev Singh Saluja: So, there is a little bit of a difference. The module orders are for this financial year, but the cell orders go into FY28 and FY29 also. In terms of pricing, most of our cell pricing which are long-term is variable, so wafer is variable, silver is variable, and so is the exchange rate. Pricing is more or less been stable on the solar cell side, that is the mono-PERC cell. TOPCon cell, we don't sell.

We use it for our own consumption because as of now, we do not have a large capacity of TOPCon, but once our new capacity in Tirupati starts off, we have some contracts for supplying TOPCon cells. The prices are quite stable. We don't see any dilution in prices over the last quarter to this quarter.

Praveen Sahay: Just to -- further on this question. Way forward, how we will see this order book? So, you are going more towards a DCR module versus the cell orders, and whatever the cell, because there is a good order book of cell, actually, you have. So, the way forward, how we will look at order inflow in the cell to come in, continue, or you are more inclined towards the DCR module order?

Chiranjeev Singh Saluja: More towards DCR module, because once now our module line has come up, the 5.6 gigawatt, so our focus would be more orders towards DCR module.

Vinay Rustagi: See, there's just one thing I want to add to that. You know, yes, there is a large percentage of the order book which is coming in from cells, but most of those orders are placed, are distributed over a long period of time over FY28 and even stretching into FY29.

Whereas bulk of the module orders are for delivery over the next six to nine months. So if you look at it on a total basis, the cell orders look very large. But if you were to compare it on a quarter-by-quarter basis in terms of what is the order book set for delivery, then the number of module orders is larger than the cell orders.

Praveen Sahay: Got it. Got it. Really helpful. Lastly, on the cost side, if you can highlight how has been the spread, especially in the DCR, because the rupee depreciation and the supply cost which has increased. So how has been in the DCR the spread is moving?

Chiranjeev Singh Saluja: So it's not moved much because most of our orders are on dollar base, so the exchange doesn't make any difference. And if you see, silver has actually dropped, so there has not been a big change in the spread, no material change.

Praveen Sahay: Thank you, sir, and all the best.

Chiranjeev Singh Saluja: Thank you.

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

Ketan Jain: Thank you. Good morning, sir. Congratulations on a good set of numbers. Just two bookkeeping questions. I understand that our depreciation has come off from FY26. What would be the expected run rate for depreciation in FY27, based on our new capacity additions? And yes.

Vinay Rustagi: So, I think, Ketan, hi. This is Vinay. In terms of depreciation, basically, it has come off because of last year we had taken accelerated depreciation. Now we are back to the usual 5-year depreciation for all our new cell and module lines. So over the next three quarters, over the next two quarters, particularly, you will see more depreciation coming in because the Seetharampur line has got fully commissioned, and then, of course, the cell 7 gigawatt Naidupeta line gets commissioned, you know, later this month.

So, I would expect a small increase in depreciation in the next quarter, and then full effect coming in through Q3 and Q4, where we will see roughly about INR240 crores to INR250 crores of depreciation quarterly.

Ketan Jain: Understood, understood. Got it. And what, what would explain our sharp increase in other expenses and employee cost? Other expenses are up around 50%, and employee is around 70%.

Vinay Rustagi: So, so this is nothing but just advanced hiring for all the capacity expansion that is going on in the company. So, you know, the Seetharampur line got commissioned in March, you know, we had to start hiring people, I would say, more than three months in advance of that. And similarly for the Naidupeta line, you know, we've been kind of hiring people over the last six months already.

So we have to prepare in advance in terms of all the hiring, making sure that all the training is done for all these people. And then, of course, even at the corporate level, there is a jump in hiring in terms of because we are kind of, we made a few acquisitions, and we are kind of building out new businesses. So I think that explains the increase in manpower cost. At the same time, I should also say that there is also a very active discussion on cost cutting and optimization in terms of resources across the company.

And, you know, one of the major advantages of the scale-up and the operating leverage that we are getting is that we are able to substantially reduce the number of people that we employ, let's say, on a per gigawatt basis.

A good case in point is the Seetharampur line where we estimate that manpower cost will be roughly about 40% lower on a per gigawatt basis than it has been on the other lines because these were all scattered, you know, 0.5 gigawatt lines, 750 megawatt line, etcetera. So, you know, while at the aggregate level, the costs are going up, but on a per unit basis, the costs will actually be much lower over the next few years.

Ketan Jain: Understood. Thanks for that detail. And sir, just wanted to check one more thing. Is the assumption right that the finance expenses would ramp up in Q3 and Q4 once the new line add up?

Vinay Rustagi: So I think in terms of the finance expenses, yes, I mean, there will be some increase, but, you know, as you know, bulk of the increase in capacity for the new lines has been actually funded by equity. So the increase in expenses will be actually relatively quite small.

Ketan Jain: Understood, understood. And as you explained for employee, what about other expenses, why it is up 50%?

Vinay Rustagi: Sorry, just give us a second. You mean other expenses? Income or other expenses?

Ketan Jain: Other Expenses, expenses.

Vinay Rustagi: So I think in other expenses.

Ketan Jain: From INR120 crores to INR180 crores.

Vinay Rustagi: Yes. So, the other expenses increase is primarily attributed towards the operational cost of Seetharampur post capitalization, wherein the ramp-up is happening in July, that is, subsequent to the quarter, but all the built-up of the cost, the power cost and all, has been taken into other expenses.

Ketan Jain: Understood. It's currently due to the Seetharampur module facility. Understood. Thank you, sir. Those were my questions.

Moderator: Thank you. The next question comes from the line of Sahil Sheth from Anand Rathi Institutional Equities. Please go ahead.

Shweta: Good morning. This is Shweta here. Sir, I just wanted to circle back again on the realizations that we have achieved for this quarter?

Vinay Rustagi: Hi, Shweta. Where are you calling from?

Shweta: Anand Rathi.

Vinay Rustagi: Okay, okay. Hi, Shweta. So, you know, as we said earlier, the realizations in the quarter were pretty stable for both DCR modules as well as for cells. On the N-DCR side, there was some softening as the prices have been coming off because of the oversupply in the market. So, that answers your question, hopefully.

Shweta: But on the DCR side, we are not seeing any kind of sequential decline or any pressure in terms of pricing?

Vinay Rustagi: No. So, you know, on the DCR market, we have the market is highly segmented. You know, there is across C&I, rooftop, and KUSUM segments, because, you know, each of the segments, the customer profile is very different, the nature of demand is very different. So, and also there are obviously differences because of technology in terms of mono-PERC and TOPCon.

So, just to give you an idea, for the retail market, Surya Ghar Yojana, the modules are sold at about 24 to 24.5 cents range. Whereas in the KUSUM market, because the project sizes are larger, the prices can be slightly lower at about 22 or so. And C&I market will be slightly lower still, depending on technology and timing of delivery.

Shweta: Okay. So how do you foresee this going for this year ahead? How do we build in the realizations for the year?

Vinay Rustagi: So I think for the year, like we said, Shweta, most of the order book is already in place, particularly for DCR modules as well as for cells, and those are all booked at the current prices. So there is no change that we see, I would say, even over the next 12 to 15 month kind of trajectory.

Shweta: Got it. That answers my question. Thank you.

Vinay Rustagi: Thank you.

Moderator: Thank you. The next question comes from the line of Shyam Maheshwari from Aditya Birla Mutual Fund. Please go ahead.

Shyam Maheshwari: Yes, thank you for the opportunity and congrats, team, on a good set of numbers. I just had one question from a strategic point of view, sir. So, I think yesterday there was a circular in the US, possibly importing, implementing some minimum import prices on cell and module imports into the US, and I think cell import price was somewhere close to about 22 odd cents.

So, from a strategic point of view now, sir, does it now make sense to sort of start, you know, cell manufacturing in the US or maybe module manufacturing in the US? Any thoughts there, you know, from a strategic point of view you have?

Chiranjeev Singh Saluja: So, Shyam, we already have a JV to set up cell manufacturing in the US. We have been trying to finalize the location where we want to set this up, and we are being a little slow and cautious looking at the regime there, but we are, we have concrete plans to set up cell manufacturing in the US. And with this MIP proposal which has come up, yes, it makes sense to manufacture in the US.

Shyam Maheshwari: Interesting. Interesting. And, you know, if let's say we kind of go ahead with this, by when should we kind of start expecting output from this facility?

Chiranjeev Singh Saluja: You can say by 24 to 30 months.

Shyam Maheshwari: Interesting, interesting. That's it, sir. Thank you so much.

Moderator: Thank you. The next question comes from the line of Prakhar Porwal from Ambit Capital. Please go ahead.

Prakhar Porwal: Hi. Thank you for the opportunity. First question on KUSUM, actually. KUSUM B and C, I think majority of the target had been already achieved in terms of KUSUM B and C FLS now. And KUSUM A, earlier I think it was the notion that it is not lucrative for DISCOMs and even the pickup was very slow. But as per the earlier participant's question, are you seeing the -- obviously, it reflects in number, but does that mean maybe a 10 gigawatt overall target that was earlier laid out would come through by March '27 as per what you mentioned in the earlier remarks?

Vinay Rustagi: Hi, Prakhar. So, I think the mix between A, B, and C has actually been quite flexible. You know, the government has been shifting capacities, particularly from component A and then also from B to towards C. On top of that, a lot of the states, particularly I would say, Maharashtra and Rajasthan and UP, have also done large tenders for both B and C, even outside of whatever the government targets.

So, I think on the whole, there is, like I said earlier, there is active demand in both B and C. And I don't know whether the B target of 10 lakh pumps will be achieved or not. I mean, as of today, the implementation -- the total installed number has already reached 11.5 lakh pumps as per the KUSUM portal. So, I think we are going to exceed those targets.

Prakhar Porwal: And in component A as well, because the chart that you put in presentation, that shows pickup in A, which was the 10 gigawatt overall number. Even that, because I remember Vinay in the first question you mentioned that government has directed states to meet the entire quota by maybe March '27. So, even A, you are seeing that pick up again?

Vinay Rustagi: So, I think what is happening is the projects which have been basically tendered and auctioned in the past, they're finally coming to execution. But in A, the level of subsidy given by the government is actually quite small, and hence there hasn't been much take-up in the A component overall. So, yes, I mean, there is obviously increase because, you know, historically not much has been added, but bulk of the capacity addition will still come in B and C going forward.

Prakhar Porwal: Understood. And just second and last question on the OCI that you booked, so that would be on hedging on silver and forex?

Vinay Rustagi: Sorry, the question is not very clear.

Prakhar Porwal: So, the OCI loss that you've booked in your standalone financials in the last two quarters, that has been to hedging positions on silver and forex?

Vinay Rustagi: It is basically silver and aluminium. So this is all done in the normal course of business, and it'll be unwound as and when these positions are utilized and settled.

Prakhar Porwal: Low P&L?

Vinay Rustagi: Yes. That is correct. Yes.

Prakhar Porwal: Okay. And just actually, just the last one, on exports to other geographies like Europe, etcetera. Because recently there have been some developments in Europe wherein they want to move a little x of China supply chain, so is there some maybe inbound queries from there as well, or maybe Europe is still distant in terms of export opportunities? That is the last.

Chiranjeev Singh Saluja: No, Europe actually is in a take off stage. In fact, we are in advanced stages of opening our European office and even hiring a sales team over there. Already tenders have started coming out. There's been a large auction in Italy.

Some large tenders have come out in France, and we expect more tenders to come out in Germany and other countries, which are basically precluding modules from China. So I think that market is going to open up quite substantially over the next two to three years. And we are actively looking at that market and doing a lot of work to understand the customer requirements, you know, documentation, technology, after sales, and opening an office there shortly.

Prakhar Porwal: Okay. Thank you, and all the best.

Chiranjeev Singh Saluja: Thank you.

Moderator: Thank you. The next question comes from the line of Mayur Patel from 360 ONE Capital. Please go ahead.

Mayur Patel: Most of the things are covered. So just one clarification, when you say DCR module, it's an integrated module and cell supplied in the DCR market, right?

Chiranjeev Singh Saluja: That's right. That's right.

Mayur Patel: And so, going forward, once you have 10 gigawatt of, you know, cell capacity, you'll try to consume most of it as DCR market opens up post December for the DCR integrated module, right, instead of selling more cells separately in the market?

Chiranjeev Singh Saluja: That's right. That's right.

Mayur Patel: Okay. Fine. Thank you so much.

Moderator: Thank you. The next question comes from the line of Anupam Goswami from SUD Life. Please go ahead.

Anupam Goswami: Hi, sir. Sir, as you said that there was an influx of non-DCR modules, how do we see quarter two and quarter three ramping up in terms of DCR? Were there a huge rush in pre-buy and should we see some slowness here?

Chiranjeev Singh Saluja: For DCR, we are not seeing any slowness, there is always a pre-buy. If you're talking about Q3, Q4, your question is on DCR or on non-DCR?

Anupam Goswami: On DCR, sir.

Chiranjeev Singh Saluja: DCR is on pre-buying. There is huge demand. A lot of DCR projects are getting over in March, like the KUSUM program is getting over in March and then the KUSUM 2.0 comes, the PM Surya Ghar is getting over in March and there is talk of PM Surya Ghar 2.0 coming. So there'll be a big demand in Q3, Q4 for DCR.

Anupam Goswami: Okay, sir. So now that our modules, and we'll use more our own manufactured cell, how is the spread looking in the DCR, vis-a-vis last year when there was non-DCR cell also? Overall, how do we see the margin in, you know, overall?

Chiranjeev Singh Saluja: So, the spread is similar, you know. There's not been a big change in the spread. There's no material change.

Anupam Goswami: Okay. And going forward with this mostly DCR cell, how do we see margins from here? I believe the prices is holding up, but what is the cent, if you can quantify what's the spread and?

Chiranjeev Singh Saluja: Yes. So, so what, what, what we believe is that as, you know, going forward in future, more capacity of cell lines coming in, which will take time, it takes two years to build cell lines and to ramp them up and to stabilize them, we feel that even if there is a little amount of pricing pressure, with scale and operating leverage, we will be able to protect our margins.

Anupam Goswami: Okay, sir. Got it.

Moderator: Thank you. The next question comes from the line of Kunal Shah from DAM Capital. Please go ahead.

Kunal Shah: Yes, hi, sir. Thanks for the follow-up. Sir, firstly, on the comment that you made on Europe and the demand actually looking solid from an outlook perspective, now, so, similar to a JV for manufacturing in US, can we also look for something like that in Europe in terms of manufacturing there, or we're looking more from an export perspective only?

Vinay Rustagi: So, Kunal, you know, in the, in European market, the policy regime is still kind of taking shape. Under the Net-Zero Industry Act and some of the other policies that have been announced so far, module imports from countries with FTA will receive the same status as domestically made modules. So, and as you know, India is in the final stages of signing the FTA with EU.

So, I think we are looking at the market, following all the developments very, very closely. As long as the Indian modules find an easy acceptance and the FTA is signed as expected, I think export from India is going to be the first preference. But then we are completely open to the possibility of setting up a plant at some point depending on demand growth as well as the policy environment.

Kunal Shah: Understood. This is helpful. Secondly, sir, you know, if we look at our journey, so we were amongst the first to transition the line from multi-PERC to mono-PERC and then amongst the first to sort of roll out G12R and Zero Busbar cells, right? Now, what lies ahead in terms of the tech upgradation from here on and a subsequent expansion versus the peers in terms of our technology and where we stand?

Chiranjeev Singh Saluja: So, so, Kunal, as we speak, we are, you know, making G12R, TOPCon cells, and then we've also launched the Zero Busbar cell. We are working with our R&D team taking stock of what we expect would come up in the next, you know, 5 years, 10 years. Post TOPCon, we are looking at TBC, which is the back-contact, and then we are also looking at tandem, which will take a little longer. But as a company which has been into module manufacturing for almost 30 years and cell manufacturing for over 15 years, we generally keep a tab on what's happening around the world and are in sync with that.

Kunal Shah: Understood. And, sir, one last question. What we hear in the market is the talent attraction and retention in the cell industry has been a bit challenging, especially with a lot of new companies sort of announcing their entries or are already entered. What has been our strategy to sort of offset for this aggressive attrition that we are seeing in the industry? And this is something that we are hearing, but could you also give some insights over here?

Chiranjeev Singh Saluja: See, this is, this is a problem in the industry, but then we keep continuous, continuously training people. We impart a lot of skill development in our plants. We have people whom we keep training continuously, so we are not facing this problem in a material manner. And on the other hand, we have been Great Place to Work four times in a row now, and, our ESOP scheme has been very successful. All these things have helped us to retain good talent.

Kunal Shah: Understood. This is very helpful, sir. Thanks, and all the best.

Moderator: Thank you. The next question comes from...

Chiranjeev Singh Saluja: I think on the interest, I think in the interest of time, let's take one question each because we have only 7 minutes left.

Moderator: Okay. Thank you. The next question comes from the line of Shubham Borade from ICICI Securities Limited. Please go ahead.

Shubham Borade: Hi, thanks for taking my question. And as our order book is at a record high, and as per your remarks, bulk of modules are expected to module order are for next 6-months to 9-months, while cell orders are spread over FY29. So, how much of the current order book we can execute in next, let's say, 9-months?

Chiranjeev Singh Saluja: So the total order book is 15,000, and a substantial portion of this order book, at least about 40% to 45% of this order book, would go into FY28. Hope that answers your question.

Shubham Borade: Yes, yes, it has. Thank you. Thank you. That's all from my side.

Moderator: Thank you. The next question comes from the line of Karan Gupta from Asit Mehta Investment. Please go ahead.

Karan Gupta: Yes, hi. My question on the industry side. So, as we can see a lot of chatter is coming from the government also that the transmission side or the grid side is not that much capable to transmit the renewable energy. Right? Now, when the base capacity will expand or set up, the duration time, do you see that the orders are, the run rate of orders is coming off for the renewable side, for the, module side?

Because as you can see, the ramp-up of base capacity will also take time, and government is strictly pushing towards the BESS capacity, not the standalone solar module. Saying that we are seeing some curtailment of our energy generation. So, how do you see that risk?

Vinay Rustagi: Yes, sure. So, Karan, we have tried to show in our presentation that definitely adding a lot of solar capacity does put a lot of pressure on the grid. There is a steeper and steeper duck curve as we are observing in the Indian market. But then, there are at the same time, there is also a very good demand momentum in the industry. So, and there are two, three very good mitigations in place.

One, storage technology has become viable, not because, not just because the cost of storage has fallen, but also because the arbitrage or the opportunity cost of storage has actually gone up. So, today there's an arbitrage of INR7 to INR8 between the morning and the evening peaks as against the midday hours.

That makes storage viable. And, there is already a huge pick-up in storage capacity addition. This year we are expecting almost, I would say, 20 gigawatt hours of storage capacity addition between the merchant and the non-merchant markets. And that number should more than double over the next 2 years. So, I think a lot of storage capacity is coming up.

On top of that, by FY29, you will see at least 40 gigawatt hours to 50 gigawatt hours of pump storage capacity coming onto the grid. And then you have to take into account that the distributed solar market, which is not really affected by any of these transmission constraints, and which used to be about, 15% or 20% of the total market, today is almost 40% of the total market size.

So, we are seeing much more growth coming from Surya Ghar Yojana and KUSUM schemes, even the C&I segment, because C&I segment, mostly those projects are implemented at the intra-state level where there is much less grid congestion. So, they don't typically face the same kind of challenges.

Karan Gupta: Okay. And just quick one, the margin of your merchant cells, I mean, DCR cells selling to the merchants, so, just one question on the DCR cell margin side, so how much margin you are making on the merchant cell, and yes.

Vinay Rustagi: What is merchant cell?

Karan Gupta: Cell sales in the market.

Vinay Rustagi: Yes, I mean, see, we've always...

Karan Gupta: Yes. So, my question is basically to understand if we are selling the DCR cell outside or the merchants, what is the profitability of those cells, rather than consuming in-house in terms of margins and in terms of cost saving in-house? So, the margin on DCR side, cell side if you can tell me. Hello?

Vinay Rustagi: I think the last question was about margins on cell sales, and I was just saying that, we don't release as a company, we give, we don't give out any kind of margins by product segment, so unfortunately, I'm not able to share any information on that.

Karan Gupta: Okay. Fair enough. But just a broad direction on this side, that we are making more profits or the profitability is high selling outside the cells compared to consuming in-house, right now the situation is, just trying to understand?

Vinay Rustagi: No, I won't say so. People are buying cells only because there's a lot of demand for DCR modules and they're able to, and making DCR modules remains a profitable business. So, I think there is no such thing as making cells is more profitable than making modules. And we continue to be present in both the businesses, have a more diversified presence across segments and customers.

Karan Gupta: Okay. Any percentage if you can share, how much we are selling outside and how much consuming in-house?

Vinay Rustagi: So, in general, we have said in the past that we want to maintain a business split of 50-50 for our cell production: 50% to be sold externally and 50% to be consumed internally. But that proportion is going to get more and more skewed towards domestic consumption as ALMM Phase 2 gets implemented and DCR demand picks up.

Karan Gupta: Okay. Thank you. Thank you. Fair enough.

Moderator: Thank you. The next question comes from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Can you hear me?

Moderator: Yes, you may go ahead.

Raman KV: Yes. Yes, sir. I just have one question because you work super close with the industry. Last week there was…

Moderator: The current participant's line has been disconnected.

Vinay Rustagi: I think we've come to the end of the one-hour mark, so we can take maybe one last question.

Moderator: We have the next question from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Can you hear me?

Vinay Rustagi: Yes, Raman, I can hear you.

Raman KV: Yes. Sir, I just have one question from our end. I just want to understand the industry perspective. So, last week there was an article wherein it was stated that small module and cell manufacturing players were shutting down their manufacturing capacity because it was not fungible for them, feasible for them sorry. So, I just want to understand, because you work so close with the industry, how is the industry shaping out as more and more module and cell capacity is being added, and are you witnessing any industry consolidation?

Vinay Rustagi: Hi, Raman. Definitely. So, I think, the three or four main parameters on which all the players in the industry compete on, basically, they are scale, vertical integration, and technology. So, and the shift to ALMM 2 and ALMM 3 is only going to accelerate these trends and favour companies with the largest capacities, best technologies, and proven track record, etcetera.

So, I think it is inevitable that some of these smaller manufacturers who are not vertically integrated will find the market very, very tough. Margins have almost completely, I would say, vanished at the module manufacturing end, and the entire profitability pool has shifted upstream to the cell business, and henceforth, the market will be dominated by larger players, integrated players with cell and going forward, ingot-wafer capacities. So, consolidation in our mind is inevitable in the sector.

Raman KV: Just a follow-up on this, a small doubt. Going, I mean, when it comes to module manufacturing, there was no entry barrier for any business to come, and with cell, the entry barrier is, there is a little bit of entry barrier. So going forward, will it be of more backward integration into ingot-wafer and poly silicon, which will create an entry barrier and which will make sure the margins are sustainable? Or will it be the volume, sheer volume of integrated cell and solar cell and module and ingot-wafer capacity? What will be the differentiating factor between the leaders?

Vinay Rustagi: See, the upstream manufacturing is a highly capital-intensive and technology-intensive business. So, while there is no entry barrier per se, but just the fact that you require a significant investment in cell and ingot-wafer lines, a lot of operational expertise, latest technology, that itself acts as a entry barrier.

Plus, all these businesses benefit massively from scale. Any company which has got, let's say, scale of 10 gigawatts will enjoy massive advantage in terms of cost of production, logistics, working capital, etcetera, and they will be able to basically dictate the market in terms of volume as well as pricing. So, I think there are lots of, I mean, not entry barriers per se, but there are lots of advantages favouring companies with scale, vertical integration, and technology.

Raman KV: Thank you, sir. Thank you so much.

Moderator: Thank you. In the interest of time, that was our last question. And I would now like to hand the conference over to the management for closing comments. Thank you, and over to you.

Vinay Rustagi: Yes, thank you. Thank you, everyone, for your interest. We appreciate your time and interest in Premier Energies. The business, as we said, is poised for rapid growth in the coming quarters with all the new capacities coming online. At the same time, we're also preparing ourselves for more competition.

There's a lot of work going on behind the scene in terms of more cost competitiveness, making sure that we optimize every single part of our operations, we innovate on the technology front, and we build a good portfolio, diversified portfolio of products and technologies. So with that, we believe the overall outlook for the business, both in terms of top-line and bottom-line growth, is very, very attractive. And as usual we are very grateful for all the support that we get from the financial community and we look forward to working with you. Thank you.

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