Ref: PEL 84 /2025-26
Date: January 29, 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,

Subject: Transcript of the conference call on financial results for the quarter and nine months ended on December 31, 2025.

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call discussing the financial results for the quarter and nine months ended on December 31, 2025. This call took place at 11:00 hours IST on Friday, 23rd January 2026.

The above information will be made available on the website of the Company.

This is for your information and records.

Thanks & Regards,

For **Premier Energies Limited**

Ravella Sreenivasa Rao
Digitally signed by Ravella Sreenivasa Rao
Date: 2026.01.29 15:47:11 +05'30'

Ravella Sreenivasa Rao
Company Secretary & Compliance officer

“Premier Energies Limited

Q3 FY26 Earnings Conference Call”

January 23, 2026

MANAGEMENT: **MR. CHIRANJEEV SINGH SALUJA – MANAGING DIRECTOR – PREMIER ENERGIES LIMITED**
MR. SUDHIR MOOLA – CHIEF STRATEGY OFFICER AND WHOLE-TIME DIRECTOR – PREMIER ENERGIES LIMITED
MR. NAND KISHORE KHANDELWAL – GROUP CHIEF FINANCIAL OFFICER – PREMIER ENERGIES LIMITED
MR. VINAY RUSTAGI – CHIEF BUSINESS OFFICER – PREMIER ENERGIES LIMITED

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Premier Energy's Q3 FY26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Kumar from ICICI Securities Limited. Thank you and over to you, sir.

Mohit Kumar: Thank you, Huda. Good morning. On behalf of ICICI Securities, I welcome you all to the Q3 FY26 Earnings Call of Premier Energies. Today, we have with us from the management, Mr. Chiranjeev Singh Saluja, Managing Director, Mr. Nand Kishore Khandelwal, Chief Financial Officer, Mr. Vinay Rustagi, Chief Business Officer and Mr. Sudhir Moola, Chief Strategy Officer and Whole-Time Director. We'll begin with the opening remarks from the management, which will be followed by Q&A. Thank you and over to you, sir.

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

Mohit Kumar: Yes, sir. Please.

Chiranjeev Saluja: All right. Good morning, everyone and thank you for joining us today for our Q3 FY26 Earnings Call. I am Chiranjeev Saluja, Managing Director of Premier Energies and I am joined today by my colleagues.

I am pleased to say that the company has reported another set of record revenue and profit numbers. Our lines are running consistently at best in industry utilization levels, and the order book remains healthy, giving us both top line and bottom line visibility. Let me talk about some key highlights of this quarter.

We have completed a brownfield expansion, increasing our cell and module capacity by 400 megawatt and 350 megawatt, respectively. This expansion has been achieved with relatively low capex and shows our team's strong engineering capabilities. Our 1.2 gigawatt G12R TOPCon cell line has ramped up in relatively short time, currently operating at 80% utilization and expected to reach full utilization by February 2026.

Similarly, we are working on improving efficiency from current levels of 25.2% to 25.8% by the end of this year using latest process technologies and know-how. This experience will extremely be useful in launching operations of our new 7 gigawatt TOPCon cell line. We are now excited and focused on commissioning and ramping up of our new cell and module lines progressively over the next four quarters.

Our 5.6 gigawatt module line is set for completion in March 2026, 4.8 gigawatt cell line in June 2026, followed by 2.2 gigawatt of cell line in September 2026. These capacities would make us India's largest and most integrated cell and module manufacturer with total capacity of 10.6 gigawatt and 11.1 gigawatt, respectively. This would mark an inflection point in our growth journey.

I am also pleased to share that work has also commenced on construction of our 10 gigawatt ingot wafer line in Naidupeta, Andhra Pradesh. Our transformer acquisition was completed in December 2025. Transcon is performing very well as seen in the YTD numbers, with total capacity expected to increase to 16.75 GVA by July 2026, and change in product mix towards more lucrative MVHV and EHV segments.

This business is expected to become a key growth contributor for us. Our KSolare acquisition is also planned to be closed in the next one month. Now I would want to briefly talk about two major themes of the interest to the investing community.

First, the solar industry has achieved tremendous scale, growing at more than 50% annually over the last two years. India is now the third largest solar market in the world. This growth in demand is expected to continue, notwithstanding issues like unsigned PPAs and transmission delays.

The reality is that we have a very large pipeline of signed PPAs, providing us strong demand visibilities over the next three years. The PM-Surya Ghar rooftop solar market is seeing huge growth, with a record 2.7 million homes solarized in the last 18 months, and further 7.3 million installations expected over the next 24 months. Other market segments, like the KUSUM scheme and open access market, are also showing sustained increase in installations.

Secondly, the cost environment is becoming more volatile, with some input costs rising sharply over the last few quarters. We are able to manage this risk effectively through various measures like hedging, advanced planning, strong supplier relationships, and passing incremental costs to customers. Going forward, we are confident that we will be able to compensate for any cost increases with our increasing scale and operating efficiencies.

To conclude, we have a very exciting growth opportunity with growing demand, continued support for Make in India policy, and our focused business strategy. Thank you. 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 is from the line of Nidhi Shah from ICICI Securities. Please go ahead.

Nidhi Shah: Good morning. Thank you so much for taking my question. My first question is on depreciation. This quarter, we have seen that depreciation has halved by a Y-o-Y, and it was only last year in the same quarter that we revised our depreciation policy. So what can this decrease be attributed to?

Chiranjeev Saluja: So, Nidhi, good morning. And your question is on depreciation. It generates a lot of uncertainty. It generally depends on, you know, the industry policy where we depreciate our equipment over five years. In our case, we have taken an accelerated depreciation on our Mono PERC lines. As we speak today, our Mono PERC lines are fully depreciated. And you will see further depreciation numbers come up once the new lines get commissioned. I would like also, Vinay, to share some views on the depreciation and the cost numbers.

Vinay Rustagi: Yes, sure. Hi, Nidhi. So I think basically what has happened is that we did see an increase in depreciation over the last three quarters because of accelerated depreciation on our old cell and module lines.

Now that came to an end in the last quarter. So what you're seeing in this quarter is only the depreciation on our new lines, which got operational in the middle of last year. So going forward, you will see a more, I would say, a sustainable and consistent depreciation trend in line with our new assets coming online this year. And the variability will be very less going forward.

Nidhi Shah: And just to clarify, the new lines, they are being depreciated on a five-year basis with industry standards. Will that also be accelerated?

Vinay Rustagi: Yes. So the industry standard is basically depreciating all these assets within five years, which is what we follow. Having said that, we do continue to monitor the market and the technology trends. And if we feel that because of any of these reasons, there is an earlier phase-out expected, we then tend to undertake accelerated depreciation to transition us to the new technologies.

Nidhi Shah: My next question will be on what is the progress on the capacity addition on the aluminum-frames side? Where are we on that? And what is the capex that was undertaken in the first nine months of this year?

Chiranjeev Saluja: So on the aluminum front, the land is already acquired, Nidhi, and the equipment order has been placed. The total capex on aluminum is going to be INR260 crores, and we expect commissioning by December 2026.

Nidhi Shah: And what is the total capex that you undertook in the first nine months across all?

Chiranjeev Saluja: So the total capex that you've undertaken in the past nine months you're talking about?

Vinay Rustagi: Yes.

Chiranjeev Saluja: Yes. So that is... Yes, please go ahead.

Vinay Rustagi: Yes. So the total capex was about INR750 crores. That is in relation to our new cell and module lines which are coming up in Sitarampur and Naidupeta. In addition to that, we have also paid, like we have announced, INR250 crores to Transcon for the first tranche of our acquisition.

Nidhi Shah: All right. Those were my questions. Thank you so much.

Moderator: The next question is on the line of Raman KV from Sequent Investments. Please go ahead.

Raman K.V.: Yes. Good morning, sir. Congratulations on a good set of numbers. So my question is with respect to Transcon. We have an order book of INR190 crores in Transcon. And what will be the execution cycle? One is that and post the capacity expansion to 16.75 GVA by July 2026. At optimum utilization, how much revenue can we do from this Transcon?

Vinay Rustagi: Yes. Hi. So you know the typical manufacturing and order turnaround time for transformers is about four to five months for the low voltage and inverter duty transformers. And basically, you

can see that from the total order book, we see the total –order book at five months of expected annual sales of the company. In addition, you know, going forward, the company is now venturing into the larger higher value-added transformers, so there the execution cycle will be slightly longer. But overall, the transformer business execution and progress is very, very strong. And we are hoping that the company will touch a top line of over INR1000 crores in the next two to two and a half years.

Raman K.V.: INR1,000 crores top line from only Transformers, right?

Vinay Rustagi: Yes, that's right. Transformers only. Yes.

Raman K.V.: Like with the current capacity or this is including the additional capacity?

Vinay Rustagi: With the current and the proposed capacity. See what happens is the larger transformers, there is a reasonably, I would say, six to 18 month time period for certifications and winning new orders and deliveries of those orders for the customers. So, the ramp up of the new lines will happen over a period of about two to three years. And that is why I'm saying that the top line will grow to about INR1000 crores rupees plus by FY '28.

Raman K.V.: Understood, sir. So just a follow up on this, as you mentioned that we are venturing into larger heavy duty and high value-added segment in the transformers, do we have necessary approvals?

Vinay Rustagi: By approvals, you mean, so, all the expansion works...

Raman K.V.: Customer approvals.

Chiranjeev Saluja: You mean certifications? Yes. You mean certifications? Yes. Yes, that is work in progress. Yes.

Raman K.V.: And do you have a timeline by when you will receive the necessary certifications?

Chiranjeev Saluja: So, by July 26, we're expecting the plant to be commissioned. It will take about six months post July '26 for us to get certifications in a progressive manner.

Raman K.V.: Understood, sir. And so I just want to understand this 10 gigawatt Ingot wafer line, what's the total capex spent on this? And by when are you expecting it to be commissioned?

Vinay Rustagi: Yes, so for the 10-gigawatt Ingot wafers, the total expected capex is around INR5900 crores. you know, we are still waiting for the final government announcement for ALMM three, as you probably know. What we have announced so far is the first phase of 5 gigawatt implementation expected to be completed by December next year.

For the second 5-gigawatt phase, we would expect that to be completed in December 28. But like I said, we are still waiting for the final announcement and may tweak our plans to suit the market growth.

Chiranjeev Saluja: Yes. And just to add, in the meantime, the land is acquired, the designing work is started and the building construction work also has started.

Raman K.V.: Understood, sir. And so, my final question is with respect to are we venturing into any BESS project? Or like doing capex related to BESS project?

Chiranjeev Saluja: Yes, so we have already announced that on BESS, we are setting up a cell to pack in a containerized solution line. The land for this also has been acquired and the factory construction started. We have not announced getting into BESS cell manufacturing as of today.

We would want to wait for more clarity from Government of India. They have come up with guidelines on localization. Once we get clarity on that, then we would look at further backward integration.

Raman K.V.: And what sort of total capex spend -- will be spending on this and what will be the capacity?

Chiranjeev Saluja: So, it's INR280 crores and the capacity is going to be 6 gigawatt hours per phase.

Raman K.V.: So, this is just an assembly line, right?

Chiranjeev Saluja: It is a cell to pack and containerized solution assembly and the final solution kind of line that we give containerized solutions to our customers. As I said, that core manufacturing of cell is something we want to go slow on until we get clarity on ALMM kind of protection from government of India. As of today, it doesn't make sense for us to invest on backward integration because the market is still now open to China.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead. Sir, are you there? As there is no response, I'm taking the next question from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Yes. Hi, sir. Thank you for opportunity. Can you give a detail related to the order book of your own? You know, the model and cell bifurcation is there. How is the in the model DCR order book or non-DCR if you can give some color on that?

Chiranjeev Saluja: Yes. Hi. Good morning. So, our order book as we had shared is as we speak about 9.4 gigawatts and it is a total order value of INR13,723 crores, which is going into deliveries up to FY '28. Now, we have given the breakup on revenue-wise that the order book of cells is about INR6,800-odd crores and modules is about close to INR7,000 crores. Now, we would also like to clarify here that cell is DCR.

But when we say module, it is a mix of DCR and non-DCR both. So we evaluate and we consistently monitor how many cells need to be sold and how many need to go into our own production. So our module mix is DCR, non-DCR put together.

And also like to clarify that, the nature of this business is such that every quarter, you have an order book and you have customers whom you are selling to and there is a mix of DCR and non-DCR of sales which happen every quarter. Now, it is very difficult to estimate accurately what your DCR or non-DCR sale would be in a given quarter because it depends on various factors like customer offtake, customer site readiness.

And that is the reason that you would see a very minimal tolerance of about 4% to 5% in the overall revenue assumption versus achieved is because if I have slightly higher non-DCR sale in a particular quarter, then my revenue would slightly come down and so would be EBITDA numbers.

Now, what market needs to understand, or investors need to understand is that they should be looked upon on a yearly basis and not on a quarter-on-quarter basis because this is the nature of the business and it is impossible to predict what would be your product mix at a 100% accurate level. So, I think, am I clear to your question or any other follow up questions?

Praveen Sahay: No, it's fine sir. Just on another question that's on the cell cost, if you can give us some color on own manufactured cell, how is the costing and versus outside you are procuring?

Chiranjeev Saluja: No, so when we procure cells from China, it's a totally different thing. It's not made in India. So, difficult to compare a China product and a domestically manufactured cell and we, I mean, for confidentiality reasons, we cannot disclose our costing for cell manufacturing.

Praveen Sahay: Okay. And lastly, sir, if you can share the capex for a entire, like a '26, how much is the total capex and '27, how much is the plan for? Sum together of everything, you know, cell, model, ingot, even the BESS?

Vinay Rustagi: Yes. So, for the coming, for the current calendar year, total capex is about INR3,000 crores. Part of this is for the new cell line for coming in Naidupeta and Sitarampur. In addition to that, we will also incur remaining capex for Transcon and the KSolare acquisitions plus about INR280 crores each for the BESS product and the aluminum product.

Moderator: Thank you. The next question is from the line of Subramaniam Yadav from SBI Life Insurance. Please go ahead.

Subramaniam Yadav: Thank you, sir, for taking my question. I just wanted to understand why our module utilization is a flattish Q-o-Q. Is there any delay from the client side or how is the order book composition? Maybe near-term, medium-term and long-term, if you can give some flavor on that?

Chiranjeev Saluja: Sorry, Mr. Subramaniam, your voice is not very clear. Could you repeat the question again, please?

Subramaniam Yadav: Yes. Okay. So, just wanted to understand the color on the order book. How is the execution period in the order book? Maybe if you can say how much in medium-term and then near-term or maybe long-term kind of a breakup. Because what we are seeing is module utilization is lower this quarter. Maybe it's a flattish, if you can say, Q-on-Q. So, is there a delay from the client side for the execution or is there any other issue in that?

Chiranjeev Saluja: Sure. So, let me first address your question on the utilization. On module utilization, we have consistently been between 75% to 80%. And on cell, we have consistently been about close to 90%, except for when our 1.2 gigawatts TCon cell line got commissioned. Now, these are best in class numbers in industry. When you compare on utilization, we are already at peak of utilization.

And it's not possible to produce this up in the expand. And as I said, our next four quarters is going to be the exception point. Now, coming to the order book. If you look at the order book, all the order books which we disclose are all signed, confirmed with advances received. These are not framework order book or pipeline which we disclose. These are order books which are signed up to FY 2028.

We are not seeing any delay from off-takers in terms of supplies. It's just that the mix sometimes gets delayed by about one or two weeks. And if that happens in the last month of the quarter, then that would reflect in that particular quarter but come back in the next quarter. So, that depends on customer off-take in terms of their site readiness, their payment receivables from the government department they sell to. So, there are a lot of factors which play out.

Subramaniam Yadav: Okay, understood, sir. Sir, also just a clarity on the inventory. Maybe at the end of Q2, we had some inventory due to the GST-related issue. So, we said some inventory was piled up. So, is that completely liquidated now or how is the situation?

Chiranjeev Saluja: Yes, so the inventory which was carried forward in September 30th has been fully liquidated. And as I said earlier, that is not showing in the revenue number this quarter because this quarter we had slightly higher non-DCR sales compared to DCR sales. And that was because of various issues with the customers in terms of their receivables and their delay in pickup which has now become very positive.

In this last quarter, we have an unprecedented demand for DCR as against non-DCR. So, this keeps changing quarter-on-quarter. So, what happens is that a tolerance of about 4% to 5% because of the DCR, non-DCR mix is something which we have to live with, and it is the nature of the business.

Subramaniam Yadav: Understood, sir. Thank you, sir. Thank you very much.

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

Nitin Arora: Hi, sir. Thanks for taking my question. First thing on your slide on the silver, what you put in your presentation, can you dwell a little bit because as you stated that lot of increase in the commodity prices, you know, the street was also expecting a big decline in gross margins for cell companies in this quarter which we didn't see so far, you know, whosoever has reported.

Do you see this gross margin pressure coming up because the chart what you have shown is showing a very sharp reduction in silver, number one. Number two, what is our hedging policy because when I look at your other income, Y-on-Y, it's down but similar kind of an income I'm seeing in your other comprehensive income which is a very big number. So, is it because of the hedging policy? If you can take first question on these two aspects.

Chiranjeev Saluja: Yes. Thank you, Nitin. So, on the hedging policy, yes, we have in this quarter adopted a hedging policy and you will not see any hedging income coming. It is only going to be in other comprehensive income. Once it's realized it will go and sit in our COGS, right? Now, if you look

at our last quarter other income, it was forex hedge and interest earned on fixed deposits, those funds which were sitting with us in our bank account.

Now, most of the capex funds have been utilized and hence you see the other income. The silver hedging which is the unreliable gain as we speak today is sitting in the other comprehensive income and as and when we realize it, it will come and sit in the COGS.

Nitin Arora: Yes, I got it. And how do you see gross margin? Do you see any impact would be coming in, in your gross margin or you think because the contribution to the Mono PERC and TOPCon is pretty less and you are hedged? Because we have seen few Chinese companies whose reported, their other income is higher than their EBITDA because of hedging. I am talking about LONGi and all in this quarter. So, can you throw some light on your trajectory for the gross margin because of this?

Chiranjeev Saluja: Yes. So, as you have seen in our results which we have declared yesterday, there has not been any reduction in other income as was estimated due to silver. And this is because we have a very strong hedging policy and we have almost six months of silver which is hedged.

Then if you look at also an industry leader for the last years in this industry and close to 15 years in cell manufacturing, we have shown on our investor presentation that as technology moved from multicrystalline to TOPCon and the wafer size has increased from 125 millimeter to 182 by 210, the consumption of silver has dropped by 68% in five years. And with the advanced technology process adoption, which our team is doing in our plants, we expect a further reduction of 30%.

Then we are in advanced stages with our suppliers of silver paste who are almost ready with copper instead of silver, and we are expecting that to be coming up soon, maybe in the next few quarters. If you look at our operational efficiency because of scale, what we will be getting into with the 7 gigawatts cell line without any erosion on margin.

Nitin Arora: Got it. Sir, just on the other aspect of demand because when we look at your order book and your cell capacity, it looks like that you almost sold more than half of your cell capacity which you are coming up. Going by your -- and the way you explained that in any quarter non-DCR could be lower and DCR could be higher.

But going forward, how we should build in now the order intake because you must be now planning to take orders for FY '28 second half or let's say nine months because if we look at the math and you can correct me, you are already now sold out for the next 15 months.

Can you throw some light segment-wise, how is the inquiry pipeline? Because what we hear from the street and a lot of people that there will be a big slowdown that will happen, but when we look at all the renewable companies, every quarter order intake has been pretty steady. Can you throw some light segment-wise, how is the inquiry pipeline across IPPs, KUSUM? There is KUSUM C now also which is becoming very big. If you can take that aspect.

Chiranjeev Saluja: Sure. So let me first clarify to you that our cell capacities are not 50% sold out, they are almost 90% sold out. We are at 3.2 gigawatt, and we have done a 400 megawatt expansion which is 3.6

gigawatt as we speak today. And even if you calculate at 90%, it's about a 3 gigawatt of production, 3 to 3.2 gigawatt.

And then, 7 GW are coming up in June and September, you would just get about one quarter of revenue. If you calculate that and you look at our INR6,800 crores of our cell order book, we are almost sold out. We do not have much capacity to sell and that is the reason why we took up this 400 megawatt of debottlenecking at lowest ever capex of INR101 crores which was a major achievement by our team to get this expansion up and running. So that is on the order book.

The second point of view is that there is a demand. We can very easily sign up orders for the next five years or sell orders from existing module manufacturers. But we do not have any reason to do that because if we do not get substantial advance and the order is not a final like a committed order book, it would again not come into our order book because it would be a framework agreement. And that is the reason why we are not going very aggressively, although the demand we can sell our cell capacities for the next three years.

Now, if you look at capacities coming up in India, if you look at certain reports which had come even as early as January '25, I remember seeing a report from Kotak which said that they estimated FY '26, 54 gigawatt of cell capacity would be up and running in India. But as we speak today, we are way below 30 gigawatt.

And when you look at utilization, we are way below actual production of 22 or 23 gigawatt. Now, we have been telling consistently that cell business is high technology, difficult to run, strong expertise needed in this manufacturing process. It is not as simple as setting up a cell line and running it. It takes time.

And this has been proven in the last 14 months that not as much capacity has come up as was predicted. So, we feel that, you know, I will leave it to Vinay to talk about the demand and the supply side. I think Vinay, maybe you would like to add.

Vinay Rustagi: Sure. So, hi, Nitin. So, I think, we've been at pains to basically explain and elaborate that the demand environment continues to be very strong. We see great momentum in every single segment in the market. And we are seeing that in our discussion pipeline as well. In fact, the discussion pipeline is at the highest number of all times. And we are seeing -- and there's a very good healthy mix across IPPs, EPCs, both utility scale as well as the corporate market and the KUSUM market. So, there is a very healthy pipeline.

And the only reason we are not able to take more orders is because one, obviously, we are kind of heavily sold out over the next particularly 6 to 12 months. And we don't have capacities matching some of the project requirements. But in general, we want to kind of, again, take the pains to reiterate that the demand environment remains very strong in the sector.

Nitin Arora: Sure. Just lastly, from my side…

Moderator: Sorry to interrupt, Mr. Arora…

Nitin Arora: Sorry, I'll come back in the queue.

Moderator: But can you re-join the queue.

Nitin Arora: Sure, I will. Thank you.

Moderator: Thank you. The next question is from the line of Bharani from Avendus Spark. Please go ahead.

Bharani: Good morning. Am I audible?

Chiranjeev Saluja: Yes, Bharani. Hi.

Bharani: Yes, good morning. So, can you throw some light on how much in what did we sell this quarter in modules and cells?

Vinay Rustagi: So, yes, we don't release the actual sales number or the mix between cell and module. But you've seen the production numbers. Production has been quite steady on the module side and has increased by about 86 megawatts for the cell business.

Bharani: Okay. How much would be the realization on cells for us right now?

Vinay Rustagi: So, realization for the cell business is pretty steady in line with the previous few quarters. The market prices are hovering at around $0.14 to $0.145, depending on what size and activity timeline.

Bharani: And how about our module realization, both DCR and non-DCR?

Vinay Rustagi: So, you know, for the module prices, the prices are very, very volatile, given that the cost environment, there are so many changes going on. So, we saw, I would say about, over the last 6 to 9 months, there was a compression in the NDCR market because of strong competition.

But then over the last one or two months, prices have started going up as, you know, we need to pass on our increased cost to the customers. So, the non-DCR market prices are back to about, I would say, $0.16.5 to $0.17, you know, which is an increase of almost $0.02 in the last one month alone. And the prices are at about $0.23 to $0.24.

Bharani: Okay, your voice was breaking. I will take it offline. My last question is on the composition of selling cost in your BOM for module. And how much has it increased because of the silver price increase? And how are we passing it on? What percentage of our order book is, like, on a pass-through mechanism?

Chiranjeev Saluja: So, if you look at our order book, close to about half, and if you look at the non-DCR business, since it is sold from China, everything is pass-through. There is no effect of silver contribution on our non-DCR. On DCR orders, as I shared with Nitin, who asked the last question, that, you know, we are working on reduction of silver consumption. We have also shown that in our PPT, on the investor PPT, that what has been reduction of silver over the last five years, and what is the plan going forward?

Bharani: Your voice was breaking. If I summarize, you are telling your non-DCR is on a full pass-through basis, and the DCR, you are working on reduction of silver consumption.

Chiranjeev Saluja: That is right. Reduction. And consumption and also hedging. Hedging of silver.

Bharani: Right, but how much, you know, would be the percentage cost in BOM for, say, manufacturing a module right now? And how much was it, say, maybe six months back?

Vinay Rustagi: So, giving you broad history data, so the total silver cost over the last one year, on a per-watt basis, has gone up from about 1 cent to about 2.5 to 2.7 cents. So, basically, there is a net increase of about 1.5 to $1.7 cents on a per-watt basis. Having said that, there is no impact on our current business, because for our current operations, and I would say up to about six months from now, we already have either sufficient stock in place or we have a hedging process in place.

So, there is no impact on the business over the short term. And I think going beyond that, we are basically hoping to compensate some of the cost increase by changes in the BOM approach, as Chiranjeev outlined earlier, more effective hedging, more, I would say, detailed negotiations with the suppliers, as well as passing on some of the cost increase to our customers. So, overall, net, I would say, there is very little impact because of the silver cost increase on our margins.

Moderator: The next question is from the line of Kunal Shah from DAM Capital.

Kunal Shah: One on the order book of Rs 137 billion now, how much of this would be converted to revenues during F27? And simple question here is factoring in all the commodity inflation or whatever is going on, how would the spreads look like on the execution of this order book versus the current spreads?

Vinay Rustagi: So, Kunal, hi, this is Vinay. So, you know, we can't give exact numbers, but I would say about 70% to 75% of our total order book is due for execution over the next 12 months. And sorry, your second question was?

Kunal Shah: Second was in terms of execution of this order book, let's say factoring in all the commodity inflation, how would the spreads look like on the execution of this book versus the current spreads?

Vinay Rustagi: Yes, so look, I mean, in terms of the increase in various commodity prices, silver is the by far the biggest and the most notable increase. You know, if you look at other commodities, the major consumption or expense comes from glass where there is no impact. On aluminum frames there is no material impact. I mean, there are some monthly variations, but if I look at the overall cost trend over the last six months or even 12 months, there is no major impact from any of these commodity price increases.

And whatever any residual impact is from any other cost increases, I would say is very minimal and is easily compensated by improvement in our scale and efficiency of the overall business. So, to answer your question, I mean, net-net, we expect very minimal, if any, impact on profitability because of increases in any of these material costs.

Kunal Shah: Understood. This is helpful. Secondly, on the efficiencies that you briefly mentioned about increasing from 25.2 to 25.8. Now, these levels are unheard of. And are we aiming to sort of implement and execute this over the entire TOPCon line? So let's say 7 plus 1.2 gigs. And also,

do you see this becoming a big competitive edge vis-a-vis peers? And are we attempting to improve this through our own in-house R&D team or there is some tie-up? So if you could just sort of highlight more on that.

Chiranjeev Saluja: So the efficiency levels we are talking about are unheard of in India, but in China, these are, you know, pretty normal that they're talking about these kind of efficiencies. And Premier as a company has always maintained leadership position in all areas of cell manufacturing, be it execution, be it capex cost at which we set up our cell lines and efficiency levels, which we achieve. And also the ramp-up time, which we have been continuously improving.

And we will be deploying all these, you know, high-end technology process adoption on our total 8.2 gigawatt TOPCon cell line. So it's already getting adopted in the 1.2 gigawatt. And of course, it will be replicated in the 7 gigawatt TOPCon cell line.

Kunal Shah: And this is all through our in-house R&D team, right?

Chiranjeev Saluja: Yes, it's all through our in-house R&D team.

Kunal Shah: Understood. And lastly, if I may, when it comes to the order book building during the F27 as a year, in your estimates of estimates, what would be the demand size for where, you know, the domestic cells would be required? And what are the key segments driving the growth? I think you briefly mentioned on the segments, but if you could just quantify the demand size that you are looking at during F27, which will become order inflows for us?

Vinay Rustagi: So, yes, hi. So for F27, the demand for the DCR market is basically expected to come from the residential rooftop solar scheme, where we expect installations of about 10 gigawatt. KUSUM scheme, where on a conservative, we would estimate installations of about between 5 to 7 gigawatt. And the open access and the private rooftop market.

Now open access, if you see what has happened in the last one year, we see a record capacity addition of about 11 gigawatts in AC terms. So that equates to about 16 gigawatts of DC demand. So across all these three markets, we would expect the demand to be about 30 gigawatts plus for the DCR market in F27.

Kunal Shah: Understood. Versus which the current capacity is roughly 24 gigawatts as per your presentation, right?

Vinay Rustagi: Yes, but if you, yes, that is the current capacity, but I think the more relevant number is the actual production number. And the current run rate of production, as I'm sure you're monitoring, is only about 20 to 21 gigawatt in annualized terms.

Moderator: The next question is from the line of Aashish from InvesQ PMS.

Aashish: Yes, my question, sir, mostly related to the industry demand supply, which you just addressed. Sir, is it possible to further take it, maybe, because most of the players would have already announced a lot of capacities. So how much do you expect to commission based on your experience?

Because as you said in the initial remarks that the actual capacities that come on the ground are pretty low versus what the market expects. So is it possible to take it forward maybe till FY28 kind of scenario versus the demand also? Because you said that the demand is around 30, I think So how does that pan out?

Vinay Rustagi: Yes. Hi, Aashish. So in terms of the supply, look, I think there have been total announcements by something like 45 to 50 companies. If I add up all the nameplate announcements, they add up to something like 200 gigawatts. But the fact of the matter is that there is a very strong discipline being exercised by both equity investors as well as lenders. As I'm sure you've seen, even the government advisory not to fund to the banks and the financial institutions to not fund any overcapacity in the sector.

Chiranjeev already mentioned that last year there was an expectation that by the end of FY26 there would be operational capacity of 54 gigawatts, which the reality is that it will be somewhere between 27 to 30 gigawatts. So taking the reality, which is the financial discipline exercised by the investors plus the time that it takes to execute these capacities and then finally ramp up production, the actual number we believe will be far, far short of all these nameplate announcements.

In fact, we already see on the ground that some people have been calling off their investment plans, and some people are even looking to exit the sector or trying to find a bigger investor for acquisition. So it is difficult to say as to what the exact number will be, but we expect the number to be not very north of the expected demand.

On the demand side, we are saying that FY26 should end with a total market demand, including the DCR and the non-DCR components of more than 50 gigawatts annualized. And by FY28 we would expect that demand to grow to about 60 to 65 gigawatts.

So that is the overall demand supply, but I think I want to also add a little bit of context into the cell nameplate capacities. One, even if some of the capacities come up, the actual production number is expected to lag quite significantly because of the time that it takes for all the new lines to ramp up, stabilize, and achieve the right efficiencies.

Second, there is as much as 13 gigawatts of all the Mono PERC capacity, which will need to be eventually taken out over the next 1 to 2 years or be upgraded to TOPCon. And we believe that there will be moderation in that capacity.

And finally, we have always maintained that with the implementation of ALMM-2, all the focus of the market and the profit pool is basically shifting from the module to the cell business. And with the implementation of ALMM-3, the same effect will basically move from cell to the upstream ingot and wafer business.

So overall, our assessment is that the cell market is expected to be in much more demand-supply balance than projected by many of the analysts. And the focus of the business in terms of scale, investment, and profitability will in any case shift towards ingots and wafers over the next 3 years.

Aashish: Right. So I think you mentioned the production numbers also. What is the supply in the market? If you could repeat that, FY '26 you said some numbers as to what the supply is likely to be on the cell side?

Vinay Rustagi: Yes, so in the current year...

Aashish: '26 and '27, maybe, what do you think?

Vinay Rustagi: So in the current year – the current run rate of production are about 1600 megawatts which equates to about 20 gigawatts of production for the full year. And for next year, it remains to be seen which lines actually come up. Obviously, our lines are due for completion between June and September.

But bear in mind that all new lines do take from 6 months to as long as 18 months to fully stabilize and start running. So the expected production volume will really depend on the timeline of many of these new lines which are expected to be commissioned in the next year.

Aashish: But roughly, you don't see FY '27 where there will be still short supply versus the demand. That's what would be the assumption?

Vinay Rustagi: That's correct. Like I said earlier, the total demand in the year is expected to increase to about 30 gigawatts plus, which compares with something like 15 to 18 gigawatts this year. Because bulk of the increase is basically going to come from one increase in the residential rooftop installation and second, implementation of ALMM-2 for private rooftop and open access markets. So with the increase in demand, we don't expect any likelihood of oversupply given the expected pace of capacity addition and ramp up in the coming year.

Aashish: Sure. Thank you so much.

Vinay Rustagi: Thank you.

Moderator: Thank you. The next question is from the line of Chandan from Rajgadhia Industries Private Limited. Please go ahead.

Chandan: Yes, hi. My question is, last quarter we discussed about the potential of the next quarter for Q3 in which we discussed about three things. One is that GST change. Because of that, some orders got pulled and were supposed to be delivered in Q3. Similarly, we talked about rain. Due to rain, the inventory piled up and that was supposed to be liquidated in Q3?

And then order book, obviously, order book was substantially grown in the last quarter. But what we see in this quarter, revenue jump of 5%, which I don't see is substantial growth considering those three parameters, three reasons, which was mentioned in the last quarter. We can get some thoughts around that. That would be really helpful?

Chiranjeev Saluja: Yes. So, Mr. Chandan, the material or the inventory which was carried forward from last quarter to this quarter has been dispatched, sold to the respective customers. Now, to answer your question on revenue, I would like to make it a little bit more clearer that when we sell a non-

DCR module to a customer, when you look at the prevailing pricing levels, it is approximately around INR1.4 crores to INR1.5 crores per megawatt at which we sell these modules.

When we sell a DCR module, the pricing is around INR2.2 crores to INR2.3 crores per megawatt. Now, in this quarter from October to December, my non-DCR sales have gone up because my customer sites were ready. And my DCR sales had a slight dip because most of my customers had realizations to recover or to get from the projects they had supplied DCR modules into various programs.

Now, this mix, if it moved by, let's say 3% or 4%, this is what you're seeing in the revenue numbers. But there is no impact on margins because the DCR orders which we executed in this quarter were contracts which were signed much earlier and had higher margins.

So, every quarter, this is the nature of the business that if you have slightly higher non-DCR business, your revenue will not really show up, but your margins are protected. But if you are a higher DCR business, then your revenues will go up. So, that is the reason that you're seeing that addition.

Vinay Rustagi: I think, just quickly on your point about the order book, like we've been saying, a lot of our production over the next year is already sold out. Changes in the order book do tend to be lumpy. So, it is very natural to see big orders in one quarter followed by slight decrease in the next quarter. But our discussion pipeline remains very strong and we will continue to see good order inflow in line with the growth of the business.

Chandan: That's it. Thank you very much.

Moderator: Thank you. The next question is from the line of Sabri from Emkay Global. Please go ahead.

Sabri: Good morning. I have just one question. Can you show some color on the aluminium frame market in India in terms of what is the demand, domestic production and imports currently?

Chiranjeev Saluja: So, the challenge on the Aluminium Industry in India is that we've got enough aluminium manufacturing, but the challenge is on the anodizing side. And there is not enough anodizing facilities available in India for supplying aluminium frames. And as of now, there are enough and more aluminium profile manufacturers, but because of anodizing, there is a lot of demand from China in spite of the duty which has been imposed by the Government of India.

Sabri: What should be the domestic production versus imports currently in gigawatt terms?

Chiranjeev Saluja: So, it's phenomenally high. If you talk about aluminium profile manufacturing in India and demand in India, let's say 50 gigawatts, the manufacturing is much, much more than that. The problem is in the anodizing. So, in the anodizing, there is not enough capacity.

Sabri: Anodizing will be how much then? Anodizing capacity in India?

Chiranjeev Saluja: Yes, that would be maybe 20% of India's demand.

Sabri: Okay, and remaining everything is imported from China?

Chiranjeev Saluja: Yes, as we speak. But a lot of players, including us, have announced highly automated aluminium profile and anodizing plants. And we expect in the next 18 to 24 months, India will be self-sufficient on anodizing to cater to the demand of the domestic industry.

Sabri: So, 50 gigawatts of module demand will be largely satisfied from domestic sources in the next 2 years. That's what you are saying, right?

Chiranjeev Saluja: Yes, yes.

Sabri: Okay, thank you so much and all the best.

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

Prakhar: Good morning, sir. One question. So, when you mentioned, let's say, as we know through our order book that we are already more than 90% booked in terms of cell capacity. Now, when I see the demand drivers in, let's say, FY '27, Residential Rooftop, KUSUM, etc., I believe these are more distribution-led businesses where you sell over the counter. So, are we selling our cells to some of the OEMs, etc., or maybe some of the other companies who will then sell in the residential or KUSUM market?

Chiranjeev Saluja: Yes. So, the cells which we sell to are to domestic module manufacturers who would buy these cells from us and make modules which would go into residential PM-Surya Ghar or also into KUSUM schemes. And the order book which we show, we do not take into account our own retail sales, which is close to about half a gigawatt every year.

It's about INR1,000 crores of revenue, which we do not take in our order book because this is a retail market. And so, the order book which we get every quarter, a lot of the orders are also spot orders or, you know, orders with a short-term delivery period.

Prakhar: So, my question linked to this is that, given our distribution network is so strong, why can't we directly sell our own DCR modules in this market, given great demand in KUSUM residential rooftop?

Chiranjeev Saluja: So, the residential rooftop program depends a lot on the retail network which you have. We work with, we sell to certain module manufacturers who are very strong brands in the retail segment. We also do OEM for certain customers of ours.

So, you have companies which are in the retail segment selling not just solar panels, but selling electrical appliances, cables, home solutions. So, these are, kind of – I mean, they have a very, very large network. And that is why we also support those markets through these, channel sales partners.

Prakhar: Okay. And so, the second question, very quick one. When we say 7 gigawatt capacity addition, what type of line is it, G12R or G12, just to understand what would be the effective output available for us, given right now the demand mostly would be maybe M10 or gradually it will be G12R? So, what is the effective capacity of the 7 gigawatt?

Chiranjeev Saluja: So, we at Premier were the first ones. And as we speak today, there are only two companies in India which are manufacturing G12R cells, and that is Adani and us. We were, early movers to G12R. If you look at China, almost 80% to 90% of China market has moved to G12R. And making M10 is not economical today. And all players which are into cell manufacturing, all new lines will come up with G12R or G12. And the existing players would have to, in any case, upgrade to G12R, which would mean a dip in production levels.

And again, getting the line back into peak efficiency of about four to six months. And I think most of the customers are booked on orders of DCR and at the moment they do not have the time to upgrade, but gradually they would have to. And our 7 gigawatt line is a G12R line and even the TOPCon which is operational is G12R.

Vinay Rustagi: I was just saying that currently, basically the rooftop market and the KUSUM market is not -- does not make too much distinction between G12R or M10. But from next year onwards or this year onwards, when ALMM2 is set in place, there's a large institutional market which will start procuring DCR modules, so that is the open access and the private rooftop market. And there we expect most customers to prefer G12R over M10.

Prakhar: And this effectively will be 90%, 95% of the 7 gigawatt would be available for sale?

Vinay Rustagi: That's right, yes.

Prakhar: Understood. Those are my questions. Thank you so much.

Moderator: Thank you. The next question is from the line of Amit Mahawar from UBS. Please go ahead.

Amit Mahawar: Yes, sir, congratulations on stable results. Just one question and you have touched upon this in the previous question.

Moderator: Sir, you're sounding a little distant. Mr. Amit, can you please sound a little louder?

Amit Mahawar: Is it okay now?

Moderator: Better now. Please continue.

Amit Mahawar: Yes. Sir, see, we have a very, very quicker transition to new technologies in a very short span. But a lot of companies take time to ramp up cell. A large part of industry is still planning subscale capacity on cell. And then you have China anti-involution, which is jacking up the price for the end plants, manufacturing.

Do you think -- so, what is the level below which the industry profitability, maybe in gross margins and EBITDA margins indicator, you think beyond 28-29 it is unviable for people? Because we can very clearly see accelerated, you know, phasing off of manufacturing plants had to be done. And we saw that in China also. So, that's the first question, sir?

Chiranjeev Saluja: Yes. So, let's address this question in two kinds of logics. One is, yes, China has close to about 1,500 gigawatts of capacity, which is almost three times world demand. And a lot of plants in

China will close down. Then let's talk about affordability. If you're talking about affordability solar is the cheapest source of energy today.

And if the prices are now coming up because of the anti-involution policy in China and this is passed through to customers, these were the prices which were prevailing in the market just about six to eight months back. It's just that the prices dropped. So, there was a two or three quarters of opportunity which customers had where prices dropped, and China would not continue to bleed.

So, even if prices come back and they're passed on to customers and even if model prices go back to, let's say, $0.17 or $0.18 per watt from 14 or 15 they were in about a month or two ago, these prices were prevailing in the market just six to eight months ago. So, we don't see a major issue there. And I think Vinay wants to add something.

Vinay Rustagi: Yes. Hi, Amit. I think if you look at Slide number 18 in our presentation, we have basically said how we compare against many of the newer players who are entering the segment. The fundamentals of the sector are such that it basically lends itself to companies with great scale, backward integration and using the latest technology.

And bear in mind we are expected to transition from TOPCon to some of the newer technologies over a period of about 2028 to 2029 and we are also likely to see the rollout of ALMM3 in the same kind of time frame. So any of the newer players with smaller capacities, high debt levels, maybe not the same level of technical competence in terms of running and operationalizing their lines.

They are likely in our view to basically struggle with having to undertake new technology upgrades and having to backward integrate. So, it is possible that many of these companies will basically struggle to sustain the business and compete with the benefit of scale and technology with some of the larger players such as ourselves. So, I do believe that we will have a strong competitive advantage against many players, many of the newer players entering the segment.

Amit Mahawar: Yes, thanks. And second and quick question is the cost of complying or transitioning to G12R because this was not the case we realized in the last one year, but it was very, very specific in the last couple of months. A lot of players will have to switch and then we have further policy coming from the government. What is the case that beyond 27, 28, the industry demand supply from sell point of view is very, very favorable vis-a-vis what we see today. How would you -- would you assign a higher probability to that, that beyond 27, 28, the industry demand supply dynamics is very, very favorable than it is perceived today? That's it. Thank you.

Vinay Rustagi: Yes, hi, Amit. I think that's a very qualitative discussion. It's always very difficult to see how the market would be in two or three years' time. But I think a lot of the industry concerns about overcapacity are overdone because of the factors we discussed earlier in terms of the financial discipline and time taken, technical expertise required to execute these plans.

But we don't have to just look at the cell capacities alone. I think we have to look at the fact that the technology landscape is evolving and changing and the focus of the business is going to shift towards backward integration with the rollout of ALMM3. So, I think given that and if you look

at how many companies will be able to also successfully integrate backwards in this short space of time, we do believe that it will be only about, I would say, six to eight players who will be successful in doing so and they will be basically accounting for bulk of the market.

Chiranjeev Saluja: And just to add on the G12R, it's not the cost of upgrade, it's the time which it takes to upgrade and then stabilize the lines, which is more expensive.

Amit Mahawar: Got it, sir. Thank you, very much and good luck.

Moderator: Thank you. The next question is from the line of Puneet from HSBC. Please go ahead.

Puneet: Yes. Thank you so much for the opportunity. My first question is on your non-DCR cells where you said everything is a pass-through. So, how do you think about margins? Is it more in percentage terms or dollar per watt peak?

Vinay Rustagi: Yes, I think -- hi, Puneet. So, for the non-DCR market we obviously look at what is the EBITDA for the business taking into account basically a BOM and other conversion costs. And overall despite the competition and the overcapacity in the non-DCR space, we are able to -- we have been able to maintain a margin at a very attractive levels and also pass on the increased costs to our customers.

Puneet: So, what I'm trying to understand.

Chiranjeev Saluja: I think your question is…

Puneet: On your order book.

Chiranjeev Saluja: So, I think the realization what we get is on a dollar per watt. It is not on percentage because it is a pass-through and the cell is fully funded by the off-take loan.

Puneet: Right. So, will it be fair to assume that you will -- might also be enjoying the rupee depreciation benefit here?

Chiranjeev Saluja: Yes. Sometimes, yes, depending on at what contract terms we have with the customer. If the customer is signed up for INR per watt peak order, then we would not, but if the dollar we will.

Puneet: Okay. And you also mentioned that you are seeing profit pools move from non-DCR cells to DCR cells. Has it already started happening and what would your margins have been earlier on the non-DCR side versus now?

Chiranjeev Saluja: No. So, non-DCR cell is just a bought-out item for us. I didn't get your question. Could you repeat that?

Puneet: No. You said the profit pool will start moving from the non-DCR modules to DCR modules on the cell side?

Chiranjeev Saluja: As ALMM fully implemented, you would see that by FY28 India market, I think 100% would be DCR. It starts off in 2026 June, but then it is a gradual phased implementation. The C&I gets

implemented immediately and the IPP projects will come in after the earlier projects which were grandfathered are executed.

Puneet: Are you already seeing some bit of compression in margins on the non-DCR side or has this yet to happen?

Chiranjeev Saluja: No. Maybe last quarter we had seen a slight compression, but it's now kind of started increasing. Prices have started increasing.

Puneet: Okay. And lastly, on your cell lines you talked about June and September. When should we assume that those lines will stabilize?

Chiranjeev Saluja: So, if you look at the historical track record which Premier has, we have been able to ramp up lines between four to six months. And in the TOPCon line, if you see, we are already at about 80% as we speak and by next month we will be 100% of what we can achieve. In terms of plant utilization, it will be about 90%, but that's the peak at which we have been achieving every quarter. For our new cell lines, we expect the same thing that we will be able to achieve in about four to six months.

Puneet: So, full utilization for the June line should happen by December for sure?

Chiranjeev Saluja: Yes.

Puneet: Okay, great. That's all from my side. Thank you so much and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Shashank Jha from [inaudible 0:71:37] Capital. Please go ahead.

Shashank Jha: Yes, sir. I have two questions. First one is regarding the effective capacity utilization like when you say you will have 10 gigawatts of cell capacity, so how much will we actually be able to produce out of it?

Chiranjeev Saluja: So, we have always been very transparent with the market on effective capacity. In fact, if you look at our TOPCon cell line, which we have said is 1.2 gigawatts. We had our ALMM inspection which got completed yesterday and as per ALMM, our capacity is 1.35 gigawatts, but we always talk about effective capacity.

Shashank Jha: So, like when you say 10 gigawatts expansion, so what will be the actual usable throughput?

Chiranjeev Saluja: The actual usable would be 90% of 10, that is 9 gigawatts.

Shashank Jha: And you are talking about G1-2R cells?

Chiranjeev Saluja: We are talking about G12-R.

Shashank Jha: Okay, okay. Got it, got it.

Chiranjeev Saluja: Yes, if I actually take it as a G12, then it will be even higher. But then we also want to be conservative in an announcement that it is a 10 gigawatt line based on G12-R, not on G12.

Shashank Jha: It will be like when you said 10 gigawatts, it will be the capacity and 9 gigawatts will be the actual production, right?

Chiranjeev Saluja: Right. After it is ramped up.

Shashank Jha: One last question, sir. When you expanded 10 gigawatts to cell, you may have done some demand forecasting that by FY '29, FY '30, this will be the usage for cell. So, from where you get the idea that I have to make my cell capacity to 10 gigawatts? What was the rationale behind it, doing this capex? I just want to understand that, sir.

Vinay Rustagi: Yes, so I think that depends on the overall assessment of demand supply, given the bottom-up analysis of the market. We follow all the government policy announcements, the technology developments, and cost of production trends, etcetera, very closely.

And obviously, we also follow the track of the competitive landscape in terms of different players, their execution status, funding status, etcetera, very closely. So, like we have said, we believe that it takes much longer time for companies to actually deliver on their announcement in terms of implementation of their lines, and then to finally start production from these lines.

So, given our view was that the demand supply landscape is expected to remain favorable, we saw an opportunity, and that is why we decided to accelerate the implementation of a 7 gigawatt cell line, because we feel that we have an opportunity to be able to sell these cells at attractive prices.

Shashank Jha: Okay, got it. Any plan on moving to electrolysers?

Vinay Rustagi: I mean, yes. I mean, I think we have to see how the fundamentals of the green hydrogen market develop. There is obviously a lot of promise. The government of India has a target of 5 million tons of green hydrogen capacity. But I think the truth is that the technical and economic viability of green hydrogen business is expected to take another 3 to 4 years.

That is why you see the actual implementation on the ground to be very, very slow. We are tracking this market closely. It remains of interest, and we have announced our plans based on our expectation of the market takeoff.

Shashank Jha: Sir, one last question regarding green hydrogen. So, one green hydrogen translates to 1 gigawatt, I think translates to like 1 million metric tons translates to five green ammonia. And 5 million metric tons translates to something around, I just wanted to confirm, 20 megawatt of AC power, right? 5 megawatt -- gigawatt.

Vinay Rustagi: That's correct, yes.

Shashank Jha: So, sir, how much DC module will it take? I think it will take around 70% of the module, okay? So can you give the number for 1 million metric ton green hydrogen, how much DC solar module do you need?

Vinay Rustagi: Yes. So it is very difficult to give a precise number because ultimately it would depend on the kind of renewable project configuration, whether it is solar plus storage or solar plus wind plus storage, etcetera. But I think based on broad industry trends, we expect about 15-20 gigawatts of solar module demand for every million tons of hydrogen capacity. So, if the government target is 5 million tons, the total solar module demand could be about 100 gigawatts.

Shashank Jha: That's great, sir. Yes.

Vinay Rustagi: Thank you.

Moderator: Thank you. The next question is from the line of Dhruv from HDFC AMC. Please go ahead.

Dhruv: Yes, sir. Thank you so much. Sir, one clarification. You mentioned that a lot of pricing is also on dollar basis. So, is it different for cell and module or similar? And if you can share what proportion of, say for example, the order book is dollar-based pricing and how much is INR-based?

Chiranjeev Saluja: So about majority, about 80%-85% of our order book is dollar-based. There are very few orders which we take on rupee-based. Those are mostly short-term orders. Cell and module both, be it DCR, non-DCR or be it cells, is all dollar based.

Dhruv: Okay, interesting. And sir, secondly, in the comments you mentioned that we are seeing some price increases in modules. The industry is taking some price increase probably because of the inflation. But if I am not wrong, probably I have not heard that not much of talk is happening on the cell price increase for the DCR market.

So, just curious why, I mean, there is a lot of inflation. Although you are hedging, probably you will replace with copper, but that also will add to some element of the cost. So, why is the industry probably not trying, given the demand supply is favorable, why the industry is not aiming for a price increase in the DCR cells?

Chiranjeev Saluja: So, Dhruv, it would depend on the contracts which we have signed. So, let's say I have signed a contract with a customer where there is a…

Dhruv: No, probably for the new contracts, for the new contracts, I am saying, for incremental contracts.

Chiranjeev Saluja: Yes. So, again, for the incremental contracts for the DCR price, we are seeing prices to be fairly stable. In fact, you know, as per market estimates, there was a talk that DCR prices would fall to as low as INR13, but we have not seen this drop. We are still seeing price elevation over INR13.

Dhruv: I am just trying to understand, given the cost inflation, meaningful cost inflation, silver, although you hedge, but still the incremental, assuming the spot remains, the incremental hedge will also

come at a higher value. So, there is an inflation. So, I am just trying to understand, as industry, as a player, why aren't you trying to push for that cost increase?

Chiranjeev Saluja: Yes, as we told, we have been doing this for 6 months, and the supply is beyond 6 months when they come up, and depending on the silver prices as they progress, we would maybe push for a cost increase once that really comes in.

Dhruv: Sure, got it. Perfect. Thank you, sir and all the best. Thanks.

Moderator: Thank you. The next question is from the line of Roshabh Sanghvi from Oaklane. Please go ahead.

Roshabh Sanghvi: Hi, thank you for taking my question. I know you mentioned the contribution of silver in a previous answer. I just wanted to know exactly, as a percentage of the total cost of a cell, how much is silver, and how has that been trending the last 6 months?

Vinay Rustagi: So, hi, Roshabh. You know, I am not able to give you a percentage number, but like I said earlier, the cost of silver, the share of silver has basically gone up from about INR0.01 a watt to about INR0.025 a watt. And we would expect that number to actually start going down with the proposal for reducing silver consumption.

Roshabh Sanghvi: Got it. And I know you mentioned that a lot of the costs that we incur are passed through, especially for cost escalation, but can you help us understand how the cost of the imported cell has actually gone up, regardless of whether it passed through or not?

Chiranjeev Saluja: You mean the quantum of increase?

Roshabh Sanghvi: Sorry?

Chiranjeev Saluja: Rishabh, you mean the increase in the non-DCR cell prices?

Roshabh Sanghvi: Increase in the imported cell prices.

Chiranjeev Saluja: So, it has gone up from levels of about sub INR0.04 to about INR0.06 now, as we speak.

Mohit Kumar: Okay, got it. So, I am assuming that the entire thing is just from the silver, what you are saying, from 1 to 2.5.

Chiranjeev Saluja: Yes.

Roshabh Sanghvi: Got it. Okay. Thank you so much.

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

Nitin Arora: Sorry, my questions have been answered. Thank you. Thanks.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good afternoon, sir. Thank you so much for the opportunity. So, I think we have seen limited tariff impact from ALM to almost 0.1 per kilowatt hour for [CapTO as well as Open access]. However, I think we have 61 gigawatt solar and 20 gigawatt hybrid projects under development. And what proportion of this pipeline is subject to ALM 2 and 3? And how we are going to absorb part of ALM-related cost increase pressure, which impact margins? These are my first questions.

Vinay Rustagi: Bala, hi. I am not sure I followed the full question correctly. But I think the question I understood was about basically the split of the pipeline in terms of ALMM-1 and ALMM-2. Is that correct?

Balasubramanian: Yes, sir. Between 61 gigawatt solar and 20 gigawatt hybrid projects, which are under development, that one also.

Vinay Rustagi: Yes. See, I think if you look at the timeline for various auctions, a bulk of these auctions were completed in FY '24 and FY '25. And there has been a massive slowdown in auctions over the last year, basically since the time that ALMM-2 has become effective. So, I would expect as much as, you know, I am taking a very broad guess, but as much as 90% plus of the current pipeline would be ALMM-1.

Balasubramanian: Okay, sir. And, sir, how we are exposed to changes in domestic content requirement, especially for mandatory 50% for VGO projects, and how this will impact our cost structure?

Vinay Rustagi: So, I think the movement to DCR and ALMM-2 is very, very beneficial because we have a fully integrated business and we have our cell lines running at optimal capacity utilization. So, this is only going to provide a further impetus to our business in terms of sales as well as margins.

Balasubramanian: Okay, sir. May I ask you one small question?

Vinay Rustagi: Please.

Balasubramanian: Yes, sir. Sir, I think, like, bigger panel companies are, like, targeting to occur small solar cell companies. How this industry is consolidating? I think Goldi Solar is acquiring a small cell company based out of Andhra Pradesh. How the industry is shaping up in terms of consolidation?

Vinay Rustagi: So, I think, you know, this is something which is expected to play out over the next 2 years as more and more companies get into the sector. We feel that many companies will find that actual execution and operations is far more challenging, and particularly with complexities around technology, scale, backward integration, etcetera. So, we will see more consolidation opportunities over a period of time.

Moderator: Thank you. The next question is from the line of Deepak from Svan Investments. Please go ahead.

Deepak: Yes. Hi. Good afternoon, sir. So, just wanted to check it out in terms of the spread in the dollar terms, given the hike in the raw material. How do we see this spread in dollar terms? Whether this would be sustained in DCR and non-DCR both? If we can share your perspective, especially after the six months when our hedging for the silver is going to get over?

Vinay Rustagi: Hi. So, our margin in dollar terms, we have been at pains to elaborate, that does remain unchanged. Because we've discussed the silver price cost increase, we've discussed increases or changes in other commodities. So, basically, we are trying to maintain our margins and pass on the cost of increase, any increases in cost to our customers for new orders wherever possible. And the intent is to maintain the profitability and overall margins.

Deepak: Okay. So, spread in the dollar term is going to be maintained even in the DCR and non-DCR both?

Vinay Rustagi: Yes, it is dollar term pricing as we have said in both. And even for the current order book beyond six months also, that will be maintained?

Chiranjeev Saluja: Yes. So, you know, this is too much of speculation. It depends what the silver price is then and, you know, our negotiations with our customers. As far as we are concerned, our goal is to protect the margins and pass on any increase which comes in post our own internal processes to reduce silver consumption.

Moderator: Ladies and gentlemen, we will take that as our last question for today. I now hand the conference over to the management for closing comments.

Vinay Rustagi: Thank you. So, thank you everyone for staying in the call and giving us your time. We touched a lot of ground in terms of the industry landscape and the company's business. I just want to close with some quick remarks about the demand landscape because I know that there is a lot of concern in this particular area.

You know, we have seen unprecedented growth in solar capacity installations over the last two years beating all industry estimates. And that basically vindicates, you know, our belief in the attractive fundamentals of this technology.

We believe that growth and demand, you know, growth will surprise us on the upside. Now with the new capacities coming up and the increase in scale of our operations, particularly over the next two to four quarters, we are poised for a tremendous growth in our business, marking an inflection point in the company's journey.

And combined with proposed forays into storage inverters and transformers, we are set to see an exciting growth journey with combined benefits of scale and diversification. I want to thank all our investors and the analyst community for your continued support and 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. Thank you.