“SPML Infra Limited

Q2 FY27 Earnings Conference Call

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MANAGEMENT: **MR. MANOJ DIGGA – EXECUTIVE DIRECTOR (FINANCIAL & COMMERCIAL) – SPML INFRA LIMITED**
MR. MALAY KANTI CHAKRABORTI – EXECUTIVE VICE PRESIDENT (PROJECTS) – SPML INFRA LIMITED
KAPIL JOSHI -- INVESTOR RELATIONS – SPML INFRA LIMITED
MS. KOMAL AGARWAL -- INVESTOR RELATIONS – SPML INFRA LIMITED
MR. ARUN AGARWAL – CHIEF FINANCIAL OFFICER – SPML INFRA LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to SPML Infra Limited Q2 FY27 Earnings Conference Call hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Rohan Baranwal: Hello, and good afternoon, everyone. On behalf of Arihant Capital Markets Limited, I welcome you all, and thank you for joining the Q2 and H1 FY27 Earnings Conference Call of SPML Infra Limited.

Joining us today from the management team are Mr. Manoj Digga, the Executive Director of Financial and Commercial; Mr. Malay Kanti Chakraborti, Executive Vice President of Projects; Mr. Arun Agarwal, sir, who has been promoted to the position of Chief Financial Officer. Congratulations to him on the new role; and Mr. Kapil Joshi and Ms. Komal Agarwal from the Investor Relations team.

We'll start with our opening remarks from the management on the quarter's performance and business outlook, followed by a question-and-answer session. Without any further delay, I'll hand over the call to the management for their opening remarks. Over to you, sir.

Arun Agarwal: Yes. Good afternoon, everyone, and thank you for joining us the SPML Infra's Q2 and H1 FY27 Earnings Conference Call. We sincerely appreciate your continued trust and interest in our company. India's infrastructure requirements continue to grow across vital sectors, including water, power, transmission and energy storage, creating long-term opportunities for companies having strong execution capabilities and SPML Infra, rich legacy of more than 40 years and over 700 completed projects is well positioned to capitalize on these emerging opportunities.

Now a brief on the industry environment. Water remains one of the India's most critical infrastructure priorities. Water infrastructure continues to be a key growth driver for us. The government's interlinking of rivers program is a significant long-term opportunity of the 30 identified link projects, the Ken-Betwa Link project at INR44,605 crores is the first under implementation targeted for completion by 2030.

As more links progress, we expect a sustained pipeline of dam, canal and water conveyance projects. In irrigation, the Pradhan Mantri Krishi Sinchayee Yojana carried an outlay of INR93,068 crores for 2021-'26 with INR6,587 crores allocated in the Union Budget 2026-'27, while the new command area development and Water Management subscheme with an outlay of INR1,600 crores is driving the shift to modern pipe irrigation networks.

In addition, the modified Parbati-Kalisindh-Chambal PKC Link project integration with the Eastern Rajasthan Canal project has been identified as one of the priority links project under the National Perspective plan. Estimated at INR72,000 crores with the center bearing 90% of the

cost, the project creates a significant pipeline of dam, barrage and canal works across Rajasthan and Madhya Pradesh.

Planned government investments of around INR17 lakh crores across Jal Jeevan Mission, AMRUT 2.0, Namami Gange, river linking and other water scheme is expected to drive a strong pipeline of water and wastewater projects in the coming years. For SPML, this opportunity is supported not just by scale of these programs, but also by our disciplined approach to bidding -- we remain selective pursuing projects where we have adequate visibility on funding and a reasonable likelihood of timely payments.

This ensures that order book growth translates into execution, revenue and cash flows. Moving to the power sector. India is entering a multiyear investment cycle across the value chain. Rising demand and rapid renewable additions are driving the need for stronger transmission, distribution and green energy corridors. The National Electricity Plan envisages around Rs. 9.15 lakh crore of transmission investment by 2032, expanding the network to 6.48 lakh circuit kilometers.

In distribution, the revamped distribution sector scheme carries an outlay of INR3.04 lakh crores focused on loss reduction and smart metering. In addition, Green Energy Corridor Phase 3 approved in September '26 has INR1.36 lakh crores to enable evacuation of up to 135 gigawatt of renewable energy by FY33.

The third high potential sector is battery energy storage system, that is BESS. As renewable energy penetration increases, storage will become critical for managing intermittency and ensuring grid stability for reliable power supply.

And India's storage requirements are expected to rise significantly up to FY32. Our BESS manufacturing facility in Pune is ready to produce with Phase 1, and we are working towards 5 gigawatt hour of capacity by FY28. Our collaboration with Energy Vault has positioned us to participate across the value chain from battery pack manufacturing to system integration and project execution.

Together, these segments present a strong long-term opportunity for SPML with our focus remain on selective bidding, disciplined execution and sustainable cash generation.

We have integrated advanced technology in building our business to meet the demand rather than operating purely as an EPC player. We have brought together our own battery technology, domestic manufacturing and system integration capabilities. Alongside EPC projects, we are developing an OEM business that supplies battery packs with shorter turnaround times -- as storage is increasingly mandated for new renewable projects, this allows us to serve customers directly and build a balanced and predictable revenue mix.

We would also like to highlight a core principle of our order selection across all our business lines, whether water, power or BESS, we bid for contracts that carry a price variation clause. Infrastructure projects executed over multiyear execution cycles during which commodity prices, component costs and exchange rates can move significantly. We are conscious not to

absorb this risk on fixed price terms. So if a contract does not adequate protection against input cost escalation, we simply avoid bidding such projects.

This discipline may mean forgoing some opportunities, but it ensures that every order we had is one we can execute profitably. Our core strength lies in taking on complex technically demanding projects. These are projects where competition is limited, specialized execution capability is essential and both visibility and margins are higher. We will continue to build on this.

Our recent orders reflect this focus, the NTPC Barauni project, one of the largest BESS orders in India. The Indore Water Supply Project is a larger urban water supply project where we are constructing a 1,650 MLD intake well-cum-sump and pump house along with 480-meter approach bridge. It is one of the largest such facilities in Asia. The Konar Irrigation Project is a unique assignment that combines large area of micro irrigation and modification of the existing canal system. The recently awarded 765 kV substation extension project is the extra high voltage segment, where only a handful of EPC players have the capability to execute. Order of this caliber set us apart from other EPC players. They also strengthen our prequalification credentials for larger and more complex opportunities lying ahead.

Now what we delivered this quarter.

In the second half of this financial year, we expect good number of opportunities to come up in irrigation, sanitation and desalination. Our approach will remain selective. We will focus on quality orders from financially strong states, which will help us rebuild and strengthen our water order book. On the Jal Jeevan Mission, there has been an encouraging development. The government has been progressively clearing pending payments of JJM projects. We would also like to clarify that SPML has no direct exposure to these projects.

More importantly, with these dues being resolved, new orders are now being awarded under JJM 2.0 with full funding clarity. We see this as a good opportunity, and we are actively targeting select high-quality projects under the scheme.

Our INR1,128 crores BESS order from NTPC is progressing well. We have received design and drawing approvals, which is an important milestone. With this in place, we expect revenue from the project to start flowing in the second half of this financial year.

Beyond NTPC, we are actively bidding for BESS tenders from both PSUs and non-PSUs. The tendering activity in this space remains strong, and we are hopeful of adding more orders during the current financial year. Our proprietary 104.4 kWh battery packs has cleared key international certifications and testing. This is a significant step towards commercial deployment. In a market where safety and reliability matters so much, being able to offer a pack design and bid in India is a real advantage.

Recently, in the power sector, we have been awarded a INR186 crores contract by Power Grid Corporation of India for the extension of Bhadla-III and Ramgarh Substation in Rajasthan. This latest order marks our entry into 765 kV extra high-voltage transmission segment, further

strengthening our presence in the power transmission space. We are expecting similar orders in the current financial year to strengthen and our T&D and substation segment.

As of September 26, our order book stands at approximately INR5,056 crores, which gives us strong visibility on revenue going forward. More importantly, the quality of order book continues to improve significantly. Only around INR1,161 crores of orders are related to legacy projects, while the balance consists predominantly of the projects carrying expected operating margins of 10% or higher.

On order inflows, we remain on track with our guidance of INR5,000 crores for this financial year. The water segment went through a phase of consolidation in H1, but tenders have now started picking up. With our expected execution track record, a healthy bid pipeline and a selective bidding approach, we are well positioned to secure quality orders as these opportunities come up in H2.

During the quarter, SPML Infra has also recognized at the Construction World Global Awards 2026, receiving the award for Fastest Growing Construction Company in the Prime segment. This recognition reflects our growth contribution to infrastructure development and execution capabilities across India.

Alongside our operational progress, we continue to focus on resolving legacy matters and realizing value from outstanding claims.

Now coming to financial performance. For Q2 FY27, stand-alone revenue was INR238.7 crores, which is up 20% on year. EBITDA is up by 33% year-on-year basis at INR26.3 crores with a margin of 11%, which has improved from 10% on year-on-year basis. Profit after tax was INR22.2 crores, up 46% year-on-year basis with a PAT margin of 9.3%. For the first half, revenue was INR505 crores, up 45% on a year-on-year basis. EBITDA stand at INR55 crores, up 33% year-on-year basis and PAT is up 64% at INR45 crores. On the balance sheet, net worth stood at INR1,185 crores as of September 2026.

The highlight of this half is cash. In H1 FY27, we generated INR82.4 crores of operating cash flow compared with an outflow of INR44.1 crores in H1 FY26. Our cash and cash equivalent rose 88% to INR119 crores as of 30 September 2026 from INR63 crores at the end of the March. This turnaround has meaningfully strengthened our liquidity. It also reflects the discipline in our selection criteria. We prioritized fully funded project in cash-rich states, and that is now showing up clearly in our cash flows.

H1 FY27 marks an important milestone in SPML Infra's transformation journey as the growth achieved under SPML 2.0 is now translating stronger profitability, positive operating cash flow and increasingly resilient balance sheet.

Net worth increased to INR1,185 crores supported by profit accretion and warrant conversion of the legacy obligation of approximately INR700 crores, the company has repaid INR330 crores with the remaining INR370 crores fully backed up by an arbitration award of approximately INR655 crores with accumulating interest. The company also holds arbitration claims of approximately INR3,827 crores.

On the arbitration front, 2 high-value matters comprising of around INR100 crores are at a very advanced stage, bringing us significantly closer to realizing the award. Turning this award into cash remains a priority, and it will directly strengthen our balance sheet.

Thank you all for your time and continued support. We will now be happy to take your questions. Thank you.

Moderator: The first question is from the line of Arpan Gandhi from AJ Capital.

Arpan Gandhi: So my first question is BESS bidding activity has been strong. So why have we not secured any new orders since the NTPC one?

Manoj Digga: This tendering has indeed been strong, and we are actively bidding for PSU and non-PSU tender that meet our selection criteria. We expect one more conversion during the current financial year. Alongside EPC tenders, we are equally focused on the OEM orders from other EPC developers, where turnaround times are much shorter. With our 5-gigawatt battery pack plant, our strategic focus in BESS is increasingly as an OEM player.

So there are tenders which are coming, and we are continuously bidding in that. So we are hopeful one more order to be converted into this financial year.

Arpan Gandhi: Okay. My next question is, when do you expect commercial production to start?

Manoj Digga: As Arun has told, our BESS manufacturing facility is operational with Phase 1 in place, and we are working towards 5 GWh capacity by H1 financial year '28. On the NTPC order, we have received design and drawing approval revenue is expected to start flowing from H2 of the current financial year, and we are expecting around INR300 crores of revenue from the project in the financial year '27.

Arpan Gandhi: Okay. And my last question is, since BESS is largely a commodity, so how will the company demonstrate its moat given the plant is still scaling up and new BESS orders are awaited?

Manoj Digga: Thank you for the question, we agree that cells are a commodity, but a complete BESS solution is not. Our differentiation lies in our own 104.4 kWh battery pack design, which has clearly international certification and domestic manufacturing at Pune and the ability to integrate the execute the full project supported by our partnership with Energy Vault.

Successful execution of the NTPC order will demonstrate this capability and set apart from other EPC players as there are lot of players are there in the BESS. But we have our manufacturing facility, we have Energy Vault tie-up, and we have the international certification in place, we are in the leading player into the BESS front. And that benefit you will find in long term in our company.

Moderator: The next question is from Harshal Sharma from ACE Advisors.

Harshal Sharma: So my first question was, based on the H1 results, you appear on track to exceed your guidance of 25% growth in revenue and profit. Do you plan to revise it?

Manoj Digga: Our focus remains on the projects with assured funding and on timely execution of the experienced team and timely execution by our experienced team. We have achieved milestone of schedule in most of our projects and have been recognized by the customer for this, which is not common in the EPC business. Our guidance of at least 25% growth remain unchanged for now, and we will keep you updated in our quarterly calls. However, the H2 will be better compared to H1 because the monsoon monthly constrained site activity in H1.

We expect this year to follow the same trend with H2 contribution more than H1 on both revenue and profitability cumulatively, which will overall improve our guidance on both top line and bottom line. So, if the trend will continue, we will overperform our guidance, into both top line and bottom line and which is there. But for the time being, we are continuing with 25%.

Harshal Sharma: Okay. And sir, operating cash flow was positive this quarter, but it has fluctuated in the past. How sustainable is it?

Manoj Digga: H1 operating cash flow was INR82.4 crores compared with an outflow of INR44.1 crores in H1 financial year '26. Arun has told that this is the milestone change in the current financial year. This reflects a structural change in how we select projects. When the project is fully funded and the major design and drawing approvals are in place, cash flow remains healthy throughout execution. As our order book increasingly consists of such projects, we expect positive operating cash flow to be sustained in the future.

Harshal Sharma: Okay. Commodity prices have risen across the board. How is this affecting your profitability?

Manoj Digga: Pardon, can you come again?

Harshal Sharma: I was seeing that commodity prices have risen across the board. How is this affecting your profitability?

Manoj Digga: Interesting analysis. This is an area where our project selection discipline work in our favor. We do not bid for projects without a price variation clause as we have strategically decided not to take risk on factors outside our control, such as commodity price and foreign exchange. Execution is where our experienced team can take any aggressive call as the same is in our control. As a result, our margins remain well protected against commodity and forex fluctuation.

The same approach applies to our BESS business. Our BESS contract includes price variation provision, which is not the case for other players in the segment. So while we are aware of the margin pressure others are facing, the recent price movement has not had a material impact on the profitability of the BESS project, and we have not seen any major disruption on our margin on this account. We'll continue to apply this discipline in all our tenders, whether it is power, water or BESS.

Moderator: The next question is from Aditya Gupta from Finstock Advisors.

Aditya Gupta: Yes. Sir, so I have a specific question with respect to the power sector. I just wanted to know how is the outlook there? Are we getting any new deals in the power segment? Any new orders in this quarter?

Manoj Digga: In power, we were awarded 764 kV by Power Grid, which is the largest order of that sort of size is the new order which we have obtained into this quarter. We are also expecting the similar type of order into the current quarter. And if you see in the power, there are 2 segments. One is the substation, which is growing very fast.

Almost all the plants are started upgrading their service station or they are installing the new service station. So we are actively involved in that. So that's a good business, which is coming in the PSU and non-PSU sector, both.

Second is on the BESS, where there is a sizable business opportunity. As Arun has told in the opening remarks, there is a huge, huge opportunity both into the power substation as well as the BESS and we are participating in all the active tenders. As we told, we are very selective. We are not in the rush to the project on a fixed cost.

We are not in a rush to pursue projects where we do not have clarity on the fund flow. We are also not keen to pursue projects unless the profit margin is atleast 10%. So, we are very selective in our bidding but there are so much opportunities coming into all these sectors. We are expecting some more orders into the current quarter and going forward.

Aditya Gupta: Right, sir. And could you also give a color on the guidance over the next 3, 4 years?

Manoj Digga: As we told in the beginning that the growth we are expecting in next few more years on the 25%, both on the top line and bottom line, but we will keep on updating every year based on the order book which we received and the order pipeline, which is going to come. This year, we are going to cross our guidance.

Moderator: The next question is from Harshal Sharma from ACE Advisors.

Harshal Sharma: Sir, I had one last question. Sir, any updates on the arbitration awards?

Manoj Digga: Arbitration award is a continuous process. This year, as we have told in the opening remarks, roughly around INR100 crores of arbitration awards, which are at very, very advanced stage. We are in the process of getting the settlement which we are expecting soon. Once that will come, that will give a tremendous reduction on our debt and improve our liquidity.

Moderator: The next question is from Mr. Vivek Baid as an individual investor.

Vivek Baid: I wanted to know that our target for 2030 was 10 gigawatt per hour capacity. Beyond that, will we be growing into this road map only that 12.5 gigawatt hours, 15 gigawatt hours? Or will we expand into some other business?

Manoj Digga: No, the 3 sectors water, BESS and power has a huge, huge opportunity. And all these sectors are having the clear visibility of next 5 to 7 years. So at the moment, we will like to remain focused into our sectors. BESS, we will keep on growing the manufacturing capacity. At the moment, we are 2.5 GWh. We are making a 5 gigawatt. We are setting up a 600 container facility, all will start into the next financial year.

Thereafter, we may -- based on the BESS order book and based on the market condition, we may expand it to 5 to 10 gigawatt. At that time, we will discuss and we may increase the container manufacturing facility. But at the moment, we try to and we want to remain focused mainly into these sectors, which has a huge potential.

Vivek Baid: And sir, my second question was, will the Pune facility be enough for this expansion to 10 gigawatt hours? Or will we be going somewhere else that more -- that will also help us in transportation cost reduction?

Manoj Digga: No, that's the reason we have taken a sizable area in Pune, roughly around 25 acres of land we have taken, which has the potential to grow to a level up to 10 gigawatt or maybe 15, 20 gigawatts that the potential that has. And so, the area in Pune is enough. Later on, we will see. But at the moment, our plan is only Pune and expanding at there only because we have the facility and we have all the infrastructure ready at that place.

Vivek Baid: I just wanted to understand this Pune only. Thank you sir.

Moderator: The next question is from Abhishek Poddar from Tusk Investments.

Abhishek Poddar: Sir, just wanted to check with you that this year, again, the expenditure data that we see for the Jal Ministry is till date, I mean, till August to September and it is around INR20,000 crores, which seems that the government will again underspend of what the budgeted expense is. So do you see that as a problem for the JJM 2.2 that we usually target?

Manoj Digga: No, we don’t see it as a concern. Water and power are both critical sectors, and the underlying demand is too strong to be held back by short-term fiscal constraints.

On water, this year’s uneven monsoon has once again shown how urgent the drinking water challenge is. Beyond drinking water, large parts of the country are still unirrigated, and expanding irrigation remains a government priority. River-linking is high on the national agenda because the country cannot keep facing floods in some regions and drought in others at the same time.

On power, demand continues to grow sharply, and the government has set very strategic targets, particularly in Battery Energy Storage, which it is committed to meeting.

So, while the government may face some liquidity pressure in the near term, however we expect a substantial flow of orders to continue across water, power and BESS sectors. We are also deliberately selective in what we bid for. With our technical qualifications, execution track record and focus on quality orders, we are confident that securing cumulatively INR 5,000 crore of orders in the current financial year will not be a challenge.

Abhishek Poddar: Got it, sir. And sir, of the current order book of INR5,000 crores, how much would be water in this? Is it close to 70%, 80%?

Manoj Digga: At the INR1,100 crores, that BESS order that we consider as a power order. So you will find roughly around 30%, 35% is the power, rest is the water.

Abhishek Poddar: 30%, 35% is power. And sir, this INR5,000 crores is excluding JV, right? This is only SPML's portion of this.

Manoj Digga: Our portion of JV is included there.

Moderator: The next question is from Ms. Shalini, as an individual investor.

Shalini: Sir, I have a few of the questions, right? So first thing, sir, I would like to know about your order inflow shortfall. So like why was Q2 inflow so like tender deferrals happened, deliberate selectivity or losses on prices, sir?

Manoj Digga: Come again?

Shalini: I just wanted to know, sir, about your Q2 inflow. It was a bit on a shortfall side. The tender deferrals happened, selectivity or losses on price. How large of the current L1 position and the bids under evaluation split by water, T&D and BESS?

Manoj Digga: You're right that tendering activity in the water sector has been uneven over the past year. That said, we see a strong pipeline building up. Several large schemes, including the Parbati–Kalisindh–Chambal (PKC) link project, Ken–Betwa, Wainganga–Nalganga and projects under the Narmada Valley Development Authority (NVDA), are expected to come up for tendering this quarter, or by March at the latest. Together, these represent a significant opportunity for water orders.

It's also worth noting that the monsoon months are typically a slower period for both order finalisation and execution, which partly explains the recent softness.

In Power T&D and BESS, tendering has been steady, and we expect some of our bids in these segments to convert. BESS in particular is seeing strong momentum, with several states and PSUs floating tenders at scale, and we expect to secure at least one more BESS order in the current financial year.

Shalini: Okay. And sir, my next question is like what is the executable of the INR5000 crores order in the current financial year?

Manoj Digga: This INR5,000 crores of balance order, which we are going to take?

Shalini: Yes, that's correct. INR5,000 crores how we are executing...

Manoj Digga: In the EPC, when we take the design and drawing project, basically 6 to 9 months is required to complete and take all the approval, like the NTPC order we have taken. And now we have completed all the design and drawing approvals. So every order will take 6 to 9 months to get the clearance of all the design and drawing and then the execution will start after that. So the new orders which we will get into this financial year, we will not get the revenue from this in this year. We will get the revenue into the next financial year only.

Shalini: And sir, how much of the order book is EPC and how much is a 10 to 20 year O&M share? And what margins does O&M earn?

Manoj Digga: O&M is normally remained with high-margin element. But the value of the O&M depends on order to order. But you can take a percentage of 95:5 in the EPC project and O&M value in each order. O&M is always profitable more compared to EPC.

Shalini: Okay. That's great, sir. And sir, how is the legacy revenue recognized might be on a gross side or the net margin side? So how is your legacy revenue recognized and at what margin?

Manoj Digga: As we told last time also, the legacy order are the order where we have mostly given on the subcontracting. So there, our margins are less, and we don't have to incur any much working capital. All the working capital is made by our contractor. So legacy order, our margin will be less but there is no chance of any loss because everything is back-to-back basis.

Legacy order will get completed into this financial year and next financial year and with the more contribution from the new orders, the margin % will keep on improving which you see the margin trend of from last 3 quarters. So, the legacy orders shall be majorly completed by this year and next year.

Shalini: Okay. And sir, related to the same, sir, like last time, so we had an order of INR1,161 crores, INR1,161 crores. So how much it is like executed or short close? And if it is remaining and what is the time line to complete this order?

Manoj Digga: Legacy order?

Shalini: Yes, sir.

Manoj Digga: Legacy order, as I told you, this and by next financial year, it should be completed everything.

Shalini: Okay. And sir, do you still have any residual BG, LD or performance exposure or any legacy project? Is the back-to-back subcontractor fails?

Manoj Digga: No, no. That's the beauty on the legacy orders because we don't have any of this thing. This legacy order will have the less margin, but no negative inflow. No negative impact is there into our balance sheet.

Shalini: Okay. And sir, are you seeing any slowdown in JJM releases or contractor payments in your state? And how does the extension of the JJM time line change the shape of tender flow?

Manoj Digga: Actually, it is reversed. Basically, the government is releasing the fund in JJM scheme in every state, the government has expedited. If you see the Maharashtra, you see the UP everywhere, the JJM funding has government has expedited and all the old use of various contractors are started getting the entire amount. And the JJM 2.0, whatever is coming, it is coming with the full clarity of the fund. So JJM will be a good opportunity going forward for all the water EPC players because all the legacy is over.

Shalini: Okay. Okay. And sir, again, how big is your ambition in transmission and suspension given the competition from larger EPC players, which ISTS Intra-State Tenders are you pre-qualified?

Manoj Digga: No, we are mainly on the substation. Substation, we have full expertise. And substation, there is a competition, but we are finding a suitable place for ourselves into that.

Moderator: The next question is from Satyam Agarwal from Shradha Projects Limited.

Satyam Agarwal: Sir, just wanted to know what is the update on the container manufacturing facility?

Manoj Digga: We have started work on our BESS container manufacturing facility, and we expect it to be completed in the first half of the next financial year. We will supply part of the containers for our NTPC order from our own plant. For all future BESS orders, we intend to source containers entirely from our in-house facility.

Satyam Agarwal: Okay. And sir, what is the bid pipeline for BESS projects currently?

Manoj Digga: The BESS pipeline is huge. The government has laid out a large programme, and tenders are coming out on a regular basis. Importantly, the government is also reviewing the pricing mechanism. Many fixed-price orders awarded across the industry have come under pressure from cost movements, and we understand authorities are evaluating ways to address this. Overall, we see BESS as a significant growth opportunity for the next five to ten years.

Satyam Agarwal: Sir, I understand the opportunity. Just wanted to know what is our bid pipeline. So how much like contracts we have already bidded for? And what is the success rate we are expecting from that?

Manoj Digga: As I told -- Arun has told in opening remarks, and I also told that one more order we are planning to convert, which we are targeting to complete into this. And parallelly, we are focusing into the OEM player because whoever is getting the BESS order, we are parallelly getting their orders again for battery pack.

And one more EPC order also we are targeting into this financial year. At the moment, there is more than INR8,000 crores of tenders, which we have participated. And we are expecting one more get converted into this financial year.

Satyam Agarwal: So what can be the order value of that contract, sir?

Manoj Digga: It will depend, which order we will win. It will depend because it's from INR500 crores to INR1,000 crores. It will depend which order we will win.

Satyam Agarwal: Okay, sir. So all these orders will be with the escalation clause that we were mentioning earlier?

Manoj Digga: Without that, we don't bid.

Satyam Agarwal: Okay. Understood. And sir, on the -- I was just looking at the C&I sector on the BESS front. So are we participating on that front also, what is your take?

Manoj Digga: On the...

Satyam Agarwal: C&I sector, sir?

Manoj Digga: No. At the moment, we are into the container sector and not into that. But going forward, our battery pack plant can do that, but we are first focus is into the container, to the solar industries, etcetera.

Satyam Agarwal: No, no, sir. I was just asking on the commercial side on the like commercial like where in the buildings and all the BESS are installed.

Manoj Digga: At the moment, we are not. You are talking about the building on the small container, which will require the requirement of the various commercial building, etcetera, or residential building that you want to say?

Satyam Agarwal: Yes, yes, sir.

Manoj Digga: Our container plant and our BESS manufacturing facility can do that.

Satyam Agarwal: Okay. So sir, your voice break in between. So just wanted to know what is -- like we are not participating currently or we are evaluating?

Manoj Digga: No, we are ready. We can do that, but we are not participating at this moment.

Satyam Agarwal: Any specific reason for that, sir?

Manoj Digga: Size because the size at the moment, size is very small. We are targeting into the larger size, which is available at this moment. There is a huge opportunity there. We want to cater first that and establish there and then we want to come this side.

Moderator: Ladies and gentlemen, as there are no further questions, I now hand the conference over to management for closing comments. Over to you, sir.

Manoj Digga: Thanks, everybody. Looking ahead, financial year 2027 is an important year for us. We are strengthening our core infrastructure business while moving the BESS platform from development to delivery. Our confidence comes from 3 things: the visibility in our order book steady demand in water and power and the progress we are making in the energy storage. Our guidance for at least 25% growth remain unchanged for now, and we will keep you updated in our quarterly calls.

However, the H2 will be better compared to H1 because the monsoon month constrained site activity in H1. We expect this year to follow the same trend with H2 contribution more than H1 on both revenue and profitability cumulative, which will overall improve our guidance on both top line and bottom line. From a financial perspective, our priorities are clear: quality order bidding, execute efficiently, control cost, generate cash and keep strengthening the balance sheet.

As we grow, we want the growth to show up in our margin and our cash flow, not just in our top line. Thank you very much.

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