“Shakti Pumps (India) Limited
Q1 FY'26 Earnings Conference Call”

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MANAGEMENT: **MR. DINESH PATIDAR - CHAIRMAN**
MR. RAMAKRISHNA SATALURI - CEO, SHAKTI ENERGY SOLUTIONS LTD.
MR. DINESH PATEL – CHIEF FINANCIAL OFFICER
MR. RAVI PATIDAR – COMPANY SECRETARY & COMPLIANCE OFFICER

MODERATOR: **MR. ROHIT ANAND – ERNST & YOUNG LLP**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY'26 Earnings Conference Call hosted by Shakti Pumps (India) Ltd.

As a reminder, all participant lines will be in 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohit Anand from Ernst & Young LLP. Thank you and over to you, sir.

Rohit Anand: Good afternoon, everyone. Before we proceed, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our business risk that could cause future result performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the Financial Results and Developments and to answer your questions today, we have the senior management of Shakti Pumps (India) Ltd. represented by Mr. Dinesh Patidar – Chairman; Mr. Ramakrishna Sataluri – CEO, Shakti Energy Solutions Ltd.; Mr. Dinesh Patel – CFO and Mr. Ravi Patidar – CS and Compliance Officer.

We will start the call with brief overview of past quarter by Mr. Dinesh Patel. I will now hand over the call to Mr. Patel, our CFO. Over to you, sir.

Dinesh Patel: Thank you, Rohit. Good afternoon everyone and thank you for joining us today. It is my pleasure to welcome you to our Q1 FY'26 Earning Call.

We have begun the current financial year on a strong note, reflecting the strength and resilience of our diversified business model and disciplined execution. Our growth this quarter has been driven by robust performance in the solar pump segment, strong momentum in export markets and strategic investments in capacity and technology. We continue to lead the solar pump business, maintaining approximately 25% market share across key states. As of 1st August 2025, our order book stood at approximately Rs.1,350 crores, supported by steady inflows and active participation in tender across Maharashtra, Madhya Pradesh, Rajasthan, Haryana, Punjab, Uttar Pradesh and Jharkhand etc. We are now seeing decisive action from the Central Government, which is working closely with states to accelerate implementation. We believe this will unlock substantial opportunities with meaningful orders inflow and we remain confident in our ability to maintain leadership position while being selective in the orders we pursue.

On the export front, while executing marquee project globally, we continue to deliver strong results with around 25% CAGR over the past four years and having delivered successful

projects in Uganda, Bangladesh, Nepal, Haiti etc. With the growing demand for our products in USA, Middle East and Africa, we remain confident in our ability to sustain our growth in exports.

We are witnessing good traction in our emerging businesses such as solar rooftops, motors and controllers for EV segment and the retail business for solar pumps. We remain confident about the opportunity in the solar rooftop business driven by government initiative such as PM Surya Ghar : Muft Bijli Yojana. In the solar rooftop space, we have initiated business in the states of Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh.

I am happy to share that Mr. Ramakrishna Sataluri who leads this vertical will share his thoughts later on, on our progress and outlook for this business. Mr. Ramakrishna's longest and most impactful tenure was at Tata Power Solar System Limited where he served as Executive Vice President and later Chief Products & Marketing. He also chaired the Board of Directors of TP Renewal Microgrids Ltd. demonstrating his leadership in renewable energy initiatives and product innovation. With his deep understanding of business strategy and renewable energy markets, Ramakrishna sir will lead SESL in its next phase of growth focusing on innovation, operational excellence and strengthening our market position.

Let me discuss now about our EV business:

We have also witnessed good traction in the EV business where we are receiving increasing inquiries and are undergoing trials. Our efforts towards the solar pumps retail business also continue as we now have more than 100 exclusive outlets in key locations. Our products are well accepted and we are working to reduce dependency on government programs by growing our non-government business.

We are also investing in the future and for the same we are executing a CAPEX plan of Rs. 1,700 crore over the next two years. We had announced last year that we are doubling our capacity for pump and motors, solar structure and VFD and inverter. I am happy to share that our solar structure capacity has already increased from 1 lakh per annum to 2 lakh per annum and the VFD and inverter capacity has increased from 2 lakh per annum to 4 lakh per annum. We are also in the process of establishing an EV motors, controllers and chargers facility under our wholly owned subsidiary Shakti EV Mobility with an annual capacity of 2 lakh motors and 2 lakh controllers and chargers, which will require a total capex of Rs. 250 crore. In addition to this, we are also initiating the process to set up a 2.2 GW solar DCR cell and PV module plant in Pithampur, Madhya Pradesh, requiring a total capex of Rs. 1,200 crores. We successfully raised Rs. 292.6 crores through a QIP, which will partially fund our solar DCR cell and solar PV module manufacturing project. The balance CAPEX will be financed through internal accruals and debts. These investments will enhance our manufacturing capabilities, improve integration and support long-term growth.

With a strong foundation, disciplined execution and a clear strategic roadmap, we are confident in delivering around 25-30% revenue growth in FY'26 and sustaining this trajectory

over the next 3-4 years. The opportunity ahead is immense and we are taking the right steps to build a strong, diversified and future-ready business that delivers long-term value to all our stakeholders.

Now let me take you all through the financial performance for Q1 FY'26:

Revenue for the quarter stood at Rs. 623 crore, reflecting a year-on-year growth of 10% compared to Rs. 568 crore in Q1 FY'25. EBITDA came in at Rs. 144 crore, up from Rs. 136 crore in the same quarter last year, with an EBITDA margin of 23.1%. Profit after tax for the quarter was Rs. 97 crore, an increase from Rs. 93 crore in Q1 FY'25.

During the quarter, India Ratings & Research Pvt. Ltd. upgraded the company's credit rating to AA-.

Now, I would like to request Mr. Ramakrishna Sataluri Ji to share the developments and outlook for the solar rooftop business. Thank you.

Ramakrishna Sataluri: Thank you very much, Mr. Dinesh Patel. Good day to everyone. I am Ramakrishna Sataluri and I am extremely delighted to be here to lead the rooftop business for Shakti Energy Solutions. This, in India, is seeing a significant growth. All of us are fully aware of the PM Surya Ghar : Mufti Bijli Yojana, where the government is looking at solarizing 1 crore rooftops. It's got a very rapid pace. We have almost 58 lakh applications that have already been received by the government and in excess of 10 lakh installations already done. The speed is picking up and the opportunity is immense there. I am looking forward to leading this and doing good business here with a clear vision that by 2030, we will be the market leader in this space. I bring to the table about more than 30 years of experience, really breaking it down into three large sectors, office automation, telecom, and lastly, as Dinesh said, in renewable space. 20 years of my working career has been with the Tata Group and it's been immensely enriching.

I now open the floor for some questions. Thank you.

Moderator: Thank you very much. We'll now begin the question and answer session. The first question is from the line of Aashish Upganlawar from InvesQ PMS. Please go ahead.

Aashish Upganlawar: Thank you for the opportunity, sir. I wanted to understand because the order book has been continuously going down if we look at numbers for the past 3-4 quarters. So, if you can elaborate on how things are going at the government's end, central, state level and what's the outlook on the order book because we understand that efforts are there from the government side and from the industry side to work up the kind of tenders and orders. But it's not reflecting in terms of awards and improvement in our order book. So, what do you think will happen next year? If you could please help us understand, that would be the first question for me.

Dinesh Patidar: Okay, Aashish. Yes, this is very clear. This scheme has a big opportunity and we have to execute these orders within timelines. Two quarters of the order book is good enough for our business. The business that we should have in two quarters, we will do it with this order book and additionally we have other orders in pipeline. We are doing very well in export as well. And in solar business, our order book used to be between Rs. 2,000 crores and Rs. 2,500 crores. Right now, it is Rs. 1,350+ crores. But this is also because we have also increased our execution at the same speed. We must install this solar pumping system in 90 to 120 days which makes us believe that this order book is executed well in the next two quarters. We are also anticipating more orders in the coming period. And we will do 25% to 30% growth year-on-year. And we think that solar business will grow well in India.

Aashish Upganlawar: Sir, can you tell us a little bit about what is happening at the state level? What is happening in Maharashtra, Rajasthan, Haryana, what is happening at the central level? You are close to all these things. So, your thoughts will be a little helpful. Because what we are saying that 25% growth, this is our core business of pumps. The rooftop thing is a separate thing. If you help us a little bit, it will be easy for us to understand what is going on at the government level and at the different level.

Dinesh Patidar: Yes, Aashish, we are talking about 25% growth in our solar pump business. Number two, for solar business, the central ministry is also very positive and is moving forward in a good way, and is also coordinating with states. We will continue to do very well in all the states. In all the states, we are in the leader's position. We are doing good work across major states like Rajasthan and Maharashtra. We are also going to start in Madhya Pradesh in a big way. So, we are going to do work well in all these places.

Aashish Upganlawar: KUSUM 2, which is in the works now, is it going to be on-grid or off-grid? Because we have heard that it will be more focused on on-grid.

Dinesh Patidar: No, it is not like that. It will run in both ways. KUSUM B is a very good scheme in itself because it replaces the diesel pump and opens new areas and connects new farmers. It also helps to convert the new area into crops. Because if you look at KUSUM B, solar pumps have to be installed in areas with no electricity connection. So, the farmers who were already dependent on water and rain, solar pumps have enabled that farmer to now sow three crops. So, no one will be able to stop KUSUM B. KUSUM C, which is an on-grid scheme, will move forward step by step.

Aashish Upganlawar: So, this order book, which is 1,300 crores, do you think that it will be based on this? Will we see the order book improving incrementally by the end of Q2? What is going on?

Dinesh Patidar: Yes, it will definitely improve.

Aashish Upganlawar: So, the order will come from Maharashtra. Maybe there was tendering in the works. Sir, if you give some clarity, it will be easy for us to understand, state by state.

Dinesh Patidar: There is a possibility of orders coming from all states. We are expecting orders from Maharashtra. And Haryana is also about to open. We are already executing in Rajasthan, and along with this we are doing good business in other places as well. Orders have started coming in MP as well and we are expecting good orders going ahead as well.

Aashish Upganlawar: Okay, sir. Thank you so much.

Dinesh Patidar: Thank you, Aashish. Thank you.

Moderator: Thank you. The next question is from the line of Abhinav Kapadia from Choice Equity Broking. Please go ahead.

Abhinav Kapadia: Yes. Hi, sir. Good afternoon. My question is on the lines of the cost of materials consumed. And so, if we see that this quarter, there has been a slight increase in the cost of materials that we have consumed. Any particular reason for the same? And where do we see that going forward?

Dinesh Patidar: Yes, Abhinav. Actually, in our raw material, you will see that across the country, MS has increased by 6%-7%, Steel has increased by 1.5%-2% and some other materials have also increased. So, due to this there is a difference of 1% in our total raw material. We feel that in the coming time, this will settle down again and it has started to settle down a bit. So, there is nothing extraordinary about it going up or down by 1% or so.

Abhinav Kapadia: Okay. And, sir, my second question is from the line of the EV mobility business. So, have we had any order book for that or any execution, because last quarter, I believe that we had said that that has not picked up?

Dinesh Patidar: In the EV business, you have to understand the approvals take time in the automobile sector and each company has its own different standards. We have given our samples, our technology, our design for approval in many companies. As and when it is approved, we will tell you more about it in the coming quarters. We have gotten the business to a good condition. We have given samples at the development stage in very good companies. In the coming time, we feel that we will get a good business in it.

Abhinav Kapadia: Okay, sir. Thank you. I will get in the queue for next question.

Dinesh Patidar: Thank you, Abhinav.

Moderator: Thank you. The next question is from the line of CA Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

CA Garvit Goyal: Good afternoon, sir. Sir, my question is on the fundraise part. Like, we raised money via QIP recently. And now, we are looking to borrow also, I think. We approved a limit for borrowing. So, I want to just understand what is the perspective behind this? Like, what is management

thinking? Why we have raised the money via QIP? And why raising this significant amount via borrowing? So, what are the exit plans that we are looking for? That's my first question.

Dinesh Patel: Okay. Actually, we have already said that there is a plan of Rs. 1,200 crores of CAPEX in SESL for DCR cell and PV module manufacturing. So, we are funding through equity for 33%, which is the minimum requirement of the bank for the loan. And the remaining part will be funded through our internal equity and debt. The increase in the borrowing limit is an enabling resolution and we have got approval from the board. That is the only requirement. We are very confident that we are generating EBITDA at every quarter at a much higher level. So, we will be more concerned about the debt portion, and we are minimizing it. And we are expecting that we will take a minimum loan and execute this project within the timeline.

CA Garvit Goyal: Okay. And regarding the order book part, like order book is obviously on the decreasing side quarter-over-quarter despite the confidence the management is showing regarding the order inflows. So, my question is like, till now we have seen about 25-30% growth for this year, but this quarter was kind of muted for us, right? So, I want to understand what is the plan for next 9 months? What is giving us confidence that we will be able to do 25-30% growth this year? And secondly, on the margin side, do you feel like we will be able to do the similar margins that we did in FY'25 for full year FY'26?

Dinesh Patidar: Okay, yes. You see, we have already experienced 10% growth. And if you look at the last quarter, the major issue was the 10-day conflict with Pakistan, where we called our Punjab, Haryana and Rajasthan team back to the head office because it was not right for us to keep the whole team there. So, due to our 10-day loss, this growth is a little low. Otherwise, we will maintain our 25%-30% growth. We are confident and all the planning is going on for this in our pipeline.

CA Garvit Goyal: Sir, the revenue that was lost in this quarter due to macro challenges and events, that revenue will also be made up in the coming quarters, like we will be seeing more than 20-30% growth in the next 9 months?

Dinesh Patidar: Yes, yes, it will definitely happen. Our entire plan is that we will definitely give 25-30% growth year-on-year for the full year. One or two quarters can go back and forth for some reason, but we will grow 25%-30% in the full year.

CA Garvit Goyal: Sir, in the previous quarter, we used to give the guidance for next quarter, so what is the guidance for Q2 this time?

Dinesh Patel: Actually, we are only guiding our yearly targets. In the last Concall, Sir has already said that we will do 25-30% growth on a year-on-year basis i,e, for the full year, and we will maintain 24% EBITDA at a year-on-year basis level.

CA Garvit Goyal: And sir, what will be the guidance for the order book? In the coming 1-2 months, we have to increase the order book, only then will we be able to achieve that guidance. So, what do you think, sir, how much order inflow will we have in the next 2 months?

Dinesh Patidar: We have orders in our planning and are expecting good orders in the coming period. As soon as we receive the orders, we will inform the stock exchanges within 24 hours. We are focusing on executing the orders timely, and we will pay attention to it in the future as well. We are also focusing on the export business. We have a very good export business and have been delivering 25% growth there as well. There are also higher margins in the export business. So, we are moving forward with our focus and planning in all businesses.

CA Garvit Goyal: Thank you very much, sir. All the best for the future.

Dinesh Patidar: Thank you.

Moderator: Thank you. The next question is from the line of Aditya Sahu from HDFC Securities. Please go ahead.

Aditya Sahu: Yes. Thanks a lot for the opportunity, sir. I had two questions. One of which was, what would be the overall scope of KUSUM 2 in terms of the total order that you are expecting in KUSUM 2?

Dinesh Patidar: Yes. See, the product, the solar pump itself is a sustainable product. And KUSUM 2 is coming in a bigger and better way than the current. I can tell you that the government planning is going on very well for this scheme.

Aditya Sahu: Okay. And how much will be left in KUSUM 2 next year?

Dinesh Patidar: We have told you our targets. We are expecting growth of 25-30% year-on-year every year for the next 3-4 years. Because in the coming time, we are setting up our unit for DCR cell, which was a restraint which will be taken care of. Production will start and after that, we will share our other big plans that we have developed. That's why we are telling you that we will continue to grow 25-30% every year for the next 3-4 years.

Aditya Sahu: Okay. And this KUSUM 2, are you expecting it this year or next year?

Dinesh Patidar: No, KUSUM 2 will start after next April. And it will start in a good and big way.

Aditya Sahu: Understood. And I just wanted to understand from your perspective that the Magel Tyala scheme and within the KUSUM scheme. In the current year, how much order are you expecting, including how much we expect the government to tender out over here?

Dinesh Patidar: Aditya, as soon as the order comes, we will inform the market. And we are planning a growth of 25-30%. We will get the same growth from Magel Tyala and from other places as well.

Aditya Sahu: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Rajesh Vora from Jainmay Venture. Please go ahead.

Rajesh Vora: Good afternoon, Dineshji. What will be the current capacity utilization and how many pumps did we sell in this quarter? In KUSUM and Magel Tyala?

Dinesh Patel: So currently we are working at around 60% capacity and for solar business we have sold out around 17,500 units. That amounts to around Rs. 452 crores for this quarter.

Rajesh Vora: And exports?

Dinesh Patel: That is Rs. 99 crores.

Rajesh Vora: Okay. And my second question is to Mr. Ramakrishna. Very interesting to see that Shakti Pumps is taking initiative on rooftop business. You said that at FY'30, Shakti wants to be number one in the rooftop market. So, can you elaborate a little bit on the strategy and how you plan to get there?

Ramakrishna Sataluri: Yes. One, we have a clear vision of getting to market leadership by 2030. What we are doing right now is keeping that as a vision now we are working backwards as to how we are going to get there. We are now getting into the minute details of every data point and putting the strategy and the business plans together, which we will share in due course of action.

Rajesh Vora: And when you say number one, do you mean currently number one of course is your previous company with 13% market share. So, is it fair to say that we are looking at double digit market share by then?

Ramakrishna Sataluri: Whatever it takes to be the market leader. If it is double digit, so be it.

Moderator: Thank you. The next question is from Nikhil Abhyankar from UTI Mutual Fund. Please go ahead.

Nikhil Abhyankar: Thank you. I have got just one question. So, in the recent tenders, I have seen that the realizations are coming off. I mean, for a 5-HP pump, the tender has gone for 2.5 lakhs, whereas our average realization last year was 2.7 odd lakhs. So, in this scenario, how do you really expect to maintain the margin at the current level? And are you actually seeing some kind of moderation in module costs for you?

Dinesh Patidar: Yes, Nikhil, that's a very good question. In terms of costing, as the pricing has gone down in some tenders, we have also made some adjustments and reduced our pricing in the same ratio in the product. The sale price is the same. And as you can see, due to the rise in steel prices,

our EBITDA has come down in this quarter. In the coming time, we will maintain our margin and move forward.

Nikhil Abhyankar: Sir, but won't this have a direct impact on your margins?

Dinesh Patidar: No, it's not. We are moving forward with speed. We are also paying attention to Kaizen and we are doing other things as well. So, we are trying to control it.

Moderator: Thank you. The next question is from the line of Aditya Vora from Sohum Asset Management. Please go ahead.

Aditya Vora: Hi, sir. Thank you for the opportunity. I have two questions. One is that you have given in the presentation that your receivable is going to go to 120 days. Now I understand that I think 75%-77% of your business is through government. So structurally, it is difficult to reduce that. So, can you just guide us that from your current 150-152 days, how will we get the incremental benefit of 30 days in working capital?

Dinesh Patel: Actually, we have been in this business for the last 12-13 years. And our historical trend is also 120-130 days. And we are just targeting that trend only. Last year also we did a very good job by reducing it from 178 days to 152 days. And now we are targeting 120 days by the end of this year. So, there is not much challenge we are seeing and we know how can we do this.

Aditya Vora: Right. So you are saying by FY'26, this 120-day number is very achievable.

Dinesh Patel: Yes, that is achievable and that is our target. We will achieve it. We are confident.

Aditya Vora: And secondly, it was more of a broader question. Since this KUSUM part 2 is going to come maybe this year or the start of next year. And obviously, this scheme is going to be much bigger, is expected to be much bigger than the current scheme. In that case, do you see any pressure on your margins going forward? Like I know you have guided your 24% margins. But you know, since competition heats up and since this becomes much bigger, can margins be under pressure? Because historically, if you look at the last 2-3 years margins, we have not been at this higher level.

Dinesh Patidar: Yes, Aditya. Your question is very good. The thing about margins is that you are seeing how our margins are maintained. For that, I would give the credit to our R&D department. Because the work our R&D department has done on casting and the process they have worked on has helped us. You will see that we manufacture VFD, structures, motors, pumps, all in-house. And all these things are not available in-house with our competition. Our competition has to import VFD from China and they have to import it from there and provide its service. Which is why there is always going to be a difference between them and us. Because we have designed our product and are manufacturing and servicing it ourselves. So, in our costing and in other people's costing, which you were calling the pressure of the tender a while ago, we are going to get that advantage from them. Because in our own company, our own R&D department has

made many things cost effective. So, in our margins, we feel that in the coming competition, whatever company comes and competes with us in KUSUM 2 and because of that the rates will be reduced. We are seeing that our performance is very good in the field, our service is very good in the field and our brand recall is very good. We will definitely get the benefit of this and because of that only we will be able to grow.

Aditya Vora: Right. So that was very helpful. Sir, one last question if I may. The backward integration of DCR cells going forward, not this year but next year or in FY'27, how much benefit do we see in terms of margins? And one more question related to that is, won't it make sense to get DCR cells from outside considering that going forward, there is a lot of capacities coming in. I think it is estimated that the cell capacity in India is going to double. And as a result, the prices may go down. So, is it more prudent to get it from outside say 2 years later or rather make your own capacity which you are doing?

Dinesh Patidar: First of all, we will have to see how much the requirement of DCR cell in India is, number one. Number two, we will have to see how much the manufacturing capacity of DCR cell is. So, what I know, the current capacity which was announced by the ministry the day before yesterday is 13 GW. The requirement is above 30 GW this year. In the future, the country will require around 100 GW and 200 GW as per the speed at which EV is growing. So, we don't think that there will be so much manufacturing capacity in DCR cell in the country that it will be in excess. Yes, we have two advantages if we start our own solar. The export business which brings us Rs. 500 crores currently, will then be able to bring Rs. 2,000 crores of solar panels as well. Because in that channel, Shakti pump is already approved and we will be able to bring our business from export through that channel. Because we are already exporting solar pumps and we will also need solar panels. And since the brand is already approved, we will not face the issue of higher marketing expenses. There is a line-up, and we are also looking at it in the export market. And in domestic as well, till our production starts, our internal consumption will be 2 GW. And we will be able to consume 2 GW capacity in-house and we will be able to export it as well. So, we are confident with our unit that the 2.2 GW capacity that we are going to install, we will be able to market it at the right place. And the difference on our EBITDA will be around 3-4%.

Aditya Vora: Alright, sir. Thank you so much for the detailed explanation.

Dinesh Patidar: Thank you.

Moderator: Thank you. The next question is from the line of Snehal Shah, an individual investor. Please go ahead.

Snehal Shah: Very good. I wanted to ask, in your slide 35, the retail that you have written, there was some confusion in it. You have said that a pump of 2.5 lakhs falls to a farmer of 1.25 lakhs under the subsidy scheme.

Dinesh Patidar: Actually, what happens in this, you must be knowing, in this, instead of DCR cell, Chinese cells, which you are seeing, which we buy at double price here, we get it at half price there. In today's date, Chinese cells are available for Rs. 10 to Rs. 11. So, who are cash sale, we give it to them.

Snehal Shah: I think there is some typo in the presentation. You have written that it is sold in retail for 2.5 lakhs. I have read something like this. You check it. Maybe something went wrong in writing.

Dinesh Patel: Yes, sir. We will check and rectify if required.

Snehal Shah: Alright. So, basically, you are saying that the pump of 2.5 lakhs that I buy in KUSUM, I will get it for 1.25 lakhs. Correct?

Dinesh Patel: Correct.

Snehal Shah: I don't have to wait?

Dinesh Patel: Correct.

Snehal Shah: Thank you.

Moderator: Thank you. The next question is from the line of Nilesh Soni from JM Financial. Please go ahead.

Nilesh Soni: Is there any delay in procuring the solar module? Is there any problem there due to the capacity at the industry level? That is one. And secondly, as we were asking the last participant's question. The farmer who is directly buying the solar pump without KUSUM can get it for a little cheaper. So, is that market opening up now? Is there any big traction there? Or is the farmer still procuring through Kusum? But is that market opening up? Or is the farmer directly buying the solar pump from the market? Do you see that trend? These were my two questions.

Dinesh Patidar: Okay. So, your first question was that are we facing any problem in getting the solar panel in this quarter? Not at all. We mentioned in the last call that we have made a good tie-up with all three vendors. With Adani, with Premier and with Renew. And what you are talking about the cash market or the retail business, the 50% price that the farmers are talking about. In that, I think that it is going to be big in the future. Today our brand is so good and our pump performance is so good because of which it is becoming easier for the farmers to buy. And we are slowly converting towards that. So, in the coming time, we will see that our cash sale will increase. For this, we have already opened 100 counters of our exclusive dealers. And from now on, our whole team is also focused on the same side.

Nilesh Soni: Okay. And if I can ask one last question. The KUSUM 2.0 that we are talking about. So, what is the government planning? Is it launching the scheme for diesel only at a large level? Or is

there something about the electric pump? Because the electric pump has not been picked up yet. So, this KUSUM 2.0 will be on diesel only. Conversion of diesel in the future also.

Dinesh Patidar: Okay. I had answered this previously in the call as well. Solar pump is a replacement for the diesel pump. The second biggest thing in today's date is that the farmers have land, facility, capability, everything. But due to the lack of electricity connection, they are not able to sow their three crops. So, works on only one crop**.** It works on the faith of God, on the faith of rain. That market is completely open now due to solar pumps and this scheme.

Nilesh Soni: So, it will be more beneficial for those who do not have a pump.

Dinesh Patidar: Absolutely. Okay.

Nilesh Soni: Okay. Got it.

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

Deepak Purswani: Yes. Good afternoon, sir. And thank you for the opportunity. Sir, my first question was that our DCR capacity of 2.2 GW is going to be operationalized from when? And what is going to be our peak level of debt in this?

Dinesh Patel: So, that capacity will get operationalized from March ‘27. And the peak level debt, if you will say, as of today. So, we are planning around Rs. 900 crores. Yes. But we are confident that at the existing EBITDA level, which we are generating approximately Rs. 100 crores in each quarter. So, we are expecting lesser debt for this project.

Deepak Purswani: Okay. And secondly, sir, as per the rooftop solar business, we had to understand the requirement of the cell that we will get there, secondly, in terms of the distribution network. So, if I look at both the things that we have here, then one, the capacity of the DCR cell that we are putting now, is sufficient from there. And the distribution network of our solar pump will be used there or we will have to set up a new setup there in the distribution network.

Ramakrishna Sataluri: Yes, it's a good point. DCR cells are needed for this since it's a government run subsidy program. So, we will be using our capacity for the rooftop program. And so, therefore, it will be a complete in-house solution.

Deepak Purswani: Sir, is the capacity of our solar cell pump plus rooftop solar sufficient or how should it be seen based on our current plans?

Dinesh Patel: So, Deepak Ji, the capacity of 2.2 GW, my first priority is for in-house consumption. So, it's for both, for the pump and for this rooftop. In the future, the additional requirement that we will get, then we will take a decision on how to procure it. Even today, we are procuring in a good quantity from Premier, Adani, Renew.

Deepak Purswani: Okay. And can you give some clarity on the distribution network?

Ramakrishna Sataluri: Obviously, in a business, it requires strong distribution network and robust coverage, which we are working on. Yes, we will give an option to the existing channel partners if they want to grow further with Shakti Parivar.

Deepak Purswani: Okay. And, sir, in this presentation, we have also mentioned that we are planning Rs. 250 crore Mobility and EV motor and charger facility under the Shakti EV Mobility Pvt. Ltd. We are planning CAPEX of Rs. 250 crores. So, eventually, sir, can you give some sense on how this business should be seen potentially in the next 3-4 years down the line or how big we are thinking we can do this?

Dinesh Patel: Mr. Deepak, we have projected Rs. 250 crore for this EV business. And in phase 1, we have already done the CAPEX of around Rs. 114 crores, which is already planned in the board meeting. And we are expecting that this capacity is sufficient for around Rs. 500 crore to Rs. 700 crore business. Currently, we have a capacity of around 2 lakh motors and 2 lakh controllers & chargers in this facility. So, that is covering the area of around 8 acres. If required, we will expand further.

Deepak Purswani: Okay. Thank you and wish you all the best.

Moderator: Thank you. The next question is from the line of Surya from Phillip Capital PCG. Please go ahead.

Surya: Thank you, sir. First of all, thank you for the opportunity. Sir, regarding the solar water pumps that we are doing, what are all we doing in-house and what are we sourcing from outside?

Dinesh Patel: We are sourcing only solar panels from outside and whatever other BOQ, we are totally backward integrated.

Dinesh Patidar: We buy stainless steel sheets and we make pumps. We **MS pipes** and take out the structure. We buy ICs and diodes and make VFDs. And in the rooftop business, I would like to say one more thing that our inverter of 3 KW and 5 KW is more efficient than our competitors. These are made in India and has good quality. So, we are moving ahead at good speed. Till now, we have seen very few people in the made in India inverter market. The market of China is still in this which we are slowly replacing with our Indian products.

Surya: Understood, sir. And sir, the second question I have is like, how will the revenue mix of the different segments be going forward?

Dinesh Patel: At the current level, 20% is from exports and 80% is from solar business. But as far as I can see, we are very confident that we will do good business in export and domestic. So, we are reducing dependency on government business.

Surya: In terms of solar pumps and EVs, rooftops, etc.

Dinesh Patel: Yes. So, that is why we have planned for EV, for rooftop.

Surya: So, the current concentration is of solar pumps, how much will it be going forward and how will the remaining be?

Dinesh Patidar: We will keep updating you quarter-on-quarter. But our focus is on other businesses as well.

Surya: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Divya from Bonanza Portfolio. Please go ahead.

Divya: Sir, I have a question. In Ajmer, our project is going on. We are not able to see any traction. There is still an order value of Rs. 1,300 crores. There is execution risk. Any reason on that?

Dinesh Patidar: Correct order book is Rs. 138 crores. It is a pilot project. We and the customer have to go slow in the pilot. So, the speed is low. But in the coming time, we are trying to clear it. And we will increase it further.

Divya: Okay, sir. Thank you, sir. And, sir, my second question is for exports. We have seen an order value of Rs. 200 crores. From last year, I think it was Rs. 100 crores. Is there any new territory or country which we have entered? And we have got more projects in Uganda. And any guidance on how much we will grow exports?

Dinesh Patel: So, for current year, we are planning for around Rs. 500 crores from exports. And whatever order you see in our order book, that is around Rs. 100 crores for Uganda. And 100 crores from African countries and Rs. 100 crores from other territories.

Divya: Okay, sir. Thank you, sir. That is all from my side. Thank you.

Dinesh Patel: Thank you.

Moderator: Due to time constraints, we will take this as the last question for today. I now hand the conference over to Mr. Dinesh Patidar for closing comments.

Dinesh Patidar: Thank you very much for joining this call. We will be back with good results in the next quarter. I hope I was able to answer all your questions correctly. We will meet again in the next quarter. Thank you.

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