UTL SOLAR

August 21, 2026

The Manager Listing Department **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Scrip Symbol : UTLSOLAR	The Manager Listing Department **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Maharashtra, India Scrip Code: 544613

Subject: Intimation of transcript of Earnings Call for Q1 FY 2026-27

Dear Madam/ Sir,

Pursuant to Regulation 30 read with Part A of Schedule III of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the conference call held on August 14, 2026 at 04:00 P.M. (IST) to discuss the financial performance of the Company for the quarter ended June 30, 2026 (Q1 FY 2026-27).

The Transcript will also be available on the website of the Company at: https://www.utlsolarfujiyama.com/investor-relations/financials/

Kindly take the information on record.

Thanking you,

Sincerely,

For Fujiyama Power Systems Limited
(Formerly Fujiyama Power Systems Private Limited)

MAYURI GUPTA Digitally signed by MAYURI GUPTA Date: 2026.08.21 16:21:08 +05'30'

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Mayuri Gupta
Company Secretary and Compliance Officer
M No.: A75210

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"Fujiyama Power Systems Limited

Q1 FY27 Earnings Conference Call"

August 14, 2026

MANAGEMENT: **MR. PAWAN KUMAR GARG – CHAIRMAN AND JOINT MANAGING DIRECTOR – FUJIYAMA POWER SYSTEMS LIMITED**

MR. YOGESH DUA – CHIEF EXECUTIVE OFFICER AND JOINT MANAGING DIRECTOR – FUJIYAMA POWER SYSTEMS LIMITED

MR. PRASHANT GUPTA – CHIEF FINANCIAL OFFICER – FUJIYAMA POWER SYSTEMS LIMITED

MODERATOR: **MR. SUMANT KUMAR – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Fujiyama Power Systems Limited Q1 FY27 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call.

These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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. Sumant Kumar from Motilal Oswal Financial Services Limited. Thank you and over to you, Mr. Kumar.

Sumant Kumar: Yeah, thank you. Good evening, everyone and very warm welcome to Fujiyama Power Systems Limited Q1 FY27 post result earning call hosted by Motilal Oswal Financial Services Limited. On the call today, we have management team being represented by Mr. Pawan Kumar Garg, Chairman and JMD, Mr. Yogesh Dua, CEO and JMD, and Mr. Prashant Gupta, CFO. We will begin the call with the key thoughts from the management team. Thereafter, we'll open the floor for Q&A session.

I would now like to request the management to share their perspective on the performance of the company. Thank you and over to you, Pawan ji.

Pawan Kumar Garg: Thank you, Sumant ji. Good afternoon, everyone and thank you for joining us today. It is a pleasure to connect with you and share an update on Fujiyama operating and financial performance for the quarter ended with June '26. Let me begin with thanking our customers, channel partners, employees, and shareholders for their continued trust in Fujiyama.

We have started the new financial year with meaningful progress across the business. During the quarter, we expanded our distribution reach, commissioned new manufacturing capacities, and took further steps towards the increasing of backward integration. Coming to our financial performance, the first quarter saw a significant increase in our scale of operations, revenue from operations growing 125% year-on-year, EBITDA increased by 140% year-on-year, EBITDA margin expanded to 18.9% from 17.7% in Q1 '26.

The distribution network recorded one of its largest quarterly expansions during the quarter. We added more than 80 distributors, over 1,000 dealers, and more than 30 exclusive Shoppes. This took a total channel partners network to over 10,100 as of June '26. The wider network gives Fujiyama greater access to customers across different markets and support faster product availability, installation, and after-sales service.

This remains particularly important in residential rooftop solar segment where proximity to customers and dependable service are important factors in purchase decisions. On the manufacturing front, we made significant progress at our Ratlam facility. During the quarter, we commissioned 2-gigawatt solar panel manufacturing facility.

With the addition, our total solar panel manufacturing capacity increased to 3.5 gigawatt. Additionally, we also commissioned 2-gigawatt power electronics manufacturing facility at Ratlam in August'26. The facility will manufacture solar inverter, UPS systems, and other related power electronics products.

With this addition, Fujiyama total power electronics manufacturing capacity is increased to 4 gigawatt. Furthermore, the 2 gigawatt lithium-ion battery manufacturing capacity at Ratlam is also on track for commissioning by Q2 FY27. Once completed, Ratlam complex will bring solar panel, power electronics, and batteries under one manufacturing location, further strengthening integration across the company's product portfolio and supporting its growing scale of operations.

Alongside our capacity expansion, we are also taking further steps towards backward integration. During the quarter, the company increased its stake in Zayo Energy Private Limited and Zayo Cable Private Limited from 19% to 50% in each company. Zayo Energy is engaged in manufacturing solar module components like aluminum frame, PV ribbon wire, bus bar, and solder wire, while Zayo Cables is engaged in manufacturing of solar module components like PV junction box, solar cable, and EVA sheet.

These investments compliment, our existing manufacturing capabilities by extending our presence into components used across the solar and power electronics products. As these business scale, the integration of our components within our value chain can help improve sourcing control and further deepen Fujiyama's integrated manufacturing model. Looking at the broader market, the opportunity for rooftop solar in India remains significant.

The PM; Surya Ghar, Muft Bijli Yojana, have a target of solarizing 1 crore households, is supporting the adoption of grid rooftop solar across the country. At the same time, demand for off-grid and hybrid solutions remain relevant in the regions where grid reliability is a concern. This allows Fujiyama to address both the on-grid and backup driven requirements through its portfolio of solar panel, inverter, and batteries. Furthermore, we are also closely following the proposed next phase of the scheme, being referred to as PM Surya Ghar 2.0.

While the framework is still under discussion and has not been formally notified, the proposed reports include support for the battery storage, incentives linked to actual power generation and wider access through community solar and other models. If implemented, these measures could further expand the addressable market and increase the relevance of targeted solar and storage solutions. Our cost-effective service network will help us to get more share in the coming schemes.

As we move through the year, our focus remains on scaling the recently commissioned capacities and expanding our distribution network. We will also remain focused on service quality and customer relationship as our reach increases. At the same time, increasing backward integration across key components will remain an important part of our manufacturing strategy.

Before I conclude, I would like to thank our entire Fujiyama team for their efforts. We remain focused on building Fujiyama as a integrated solar solution company and creating long-term value while contributing India's transition towards clean and reliable energy.

Thank you. I will now hand over to our CFO, who will take you through the detailed financials. After that, we will be happy to take your questions. Thank you, everyone.

Prashant Gupta: Thank you, Pawan ji. Good afternoon, everyone. I will take you through the financial performance for the quarter ended June 30, 2026. Let me begin with the quarterly performance. During Q1 FY27, revenue from operations was Rs. 13,457 million compared to Rs. 5,973 million in Q1 FY26, representing a year-on-year growth of 125.3%.

EBITDA for the quarter was Rs. 2,548 million, increasing by 140.6% year-on-year. EBITDA margin improved to 18.9% from 17.7% in Q1 FY26. The improvement in operating profitability was supported by the significant increase in business scale during the quarter. Higher volumes enabled better utilization of manufacturing and operating infrastructure and supported better absorption of cost. Process improvements across operations also contributed to the efficiency.

: Importantly, we passed on a portion of these efficiency gains to customers through competitive pricing during the quarter. Despite sharing part of these benefits with the customers, we were able to retain sufficient efficiencies within the business. The expansion of our manufacturing capacity also supported the increase in scale.

During the quarter, we commissioned the 2-gigawatt solar panel manufacturing facility at Ratlam. This increased our total solar panel manufacturing capacity to 3.5 gigawatt. The facility is being ramped up in phases as volumes increase. Let me now discuss the impact of the fire incident at our Bawal facility during the quarter.

The incident resulted in damage to building structures, plant and machinery, inventories, and other assets with a net carrying value of Rs. 1,436 million. Accordingly, the company has recognized a provisional exception loss of Rs. 1,436 million during the quarter. The affected assets are adequately insured and the company has lodged its claims with the insurer.

The assessment process is at an advanced stage, although it has yet to be fully completed. Based on the insurance coverage available, management expects to recover the entire net carrying value of the affected assets through the claims process. After accounting for this exceptional item, profit before tax for the quarter was Rs. 777 million.

Reported profit after tax was INR 578 million with a margin of 4.3%. For a like-for-like understanding of the underlying performance, excluding the Bawal fire provision of Rs. 1,074 million on a post-tax basis, normalized PAT would have been Rs. 1,652 million. On this basis, normalized PAT margin was 12.3% compared to 11.3% in Q1 FY26.

This represents a year-on-year increase of 144.5% in normalized PAT. Looking ahead, as the recently commissioned capacities ramp up, our focus will remain on maintaining operating disciplines and managing costs as the business expands. That concludes my remarks on the financial performance. We can now open the floor for question-and-answer. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Prithvi Raj from Unifi Capital. Please go ahead.

Prithvi Raj: Yeah. Congrats to the team for the great set of numbers. So, first on the guidance given, you know, we had an exceptional start in Q1. How should we look at the full year guidance? You know, there seems to be a lot of, I mean, the coverage or the installations of rooftop solar has been picking up quite sharply over the last few months. So, how should we look at the full year revenue growth and profits?

Prashant Gupta: So, sir, in the last quarter, as you rightly mentioned, we gave an 50% upside guidance for the complete annual year and the efforts that we have put in during the last quarter, how we have expanded with in terms of our manufacturing capacities or be it expanding on our distribution network side. So, we achieved 70% and it took a lot of efforts.

but as you rightly mentioned that demand is increasing and robust demand is there. So, we would like to revise our guidance for the full year to 70% considering the robust demand which is there and the capacities that we are ready with in Ratlam. And we would like to also highlight one thing that we can trail this guidance in the coming quarters as the year progress.

Prithvi Raj: Got it. Second, you know, you have been doing a lot of backward integration, adding your own module, cell capacity, etcetera. See, eventually this will translate to better margins. So, should we expect margins to go up or you think margins will be capped at this level and instead you will pass on these benefits to the clients with respect to lower cost?

Prashant Gupta: So, you rightly mentioned and pointed out that having this DCR cell in-house manufacturing capacities and the rest of backward integration that we have did in the past, that definitely supports our margin profile. But we'd also like to discount the fact that there are a lot of variable factors in the market in terms of raw material pricing and you have already covered our point that we will be passing on whatever margin gain that we will be gaining. So, we would like to continue our previous guidance of margins from sustainable to improve.

Prithvi Raj: Okay. And final question on the new policy and new solutions framework, etcetera. What is your expectation, you know, by when can we expect government announcement on the 2.0 scheme of rooftop solar?

Prashant Gupta: Sir, as per our knowledge, it is still under discussion, but government is actively working on it as we have seen it on at various media platforms. So, we are hopeful that they will come up soon with a PM Surya Ghar 2.0 scheme on this side. As you're already aware that government is actively working to promote the renewable space and they have a target of having 300 gigawatt solar in India by 2030. So, government will be aggressive on that side that that is our belief.

Moderator: Thank you. Next question comes from the line of Archit Agrawal with Steptrade Capital. Please go ahead.

Archit Agrawal: Hello. Sir, my question is, you have previously said that when capacity is available, you may pass some of the integration benefit to customers to drive volume. Given the significant capacity now coming online, should investors expect EBITDA margin to remain around 18% to 19% or could aggressive market share expansion lead to margin compression?

Prashant Gupta: Yes. So, I'd like to reiterate that point only. So, we will continue our margin guidance from sustainable to improve for the year. So, we have reported a 18.9% margin, so we continue that guidance.

Archit Agrawal: Okay. And sir, the damage from the fire incident happened, so how much is recoverable from the insurance?

Prashant Gupta: Sir, we are adequately covered. We have taken considering the carrying value of the asset that got impacted, it is close to Rs. 143 crores and we are sufficiently covered under that. And sir, on the progress on the claim side, that survey has already been done, and in the coming quarters, we believe that this claim should be settled by the end of this year.

And on the loss side, whatever the maximum impact could have been taken, we have taken in this quarter only. So, once the claim settle, you will see recovery of the complete loss that we have we have suffered during this incident.

Moderator: Thank you. Next question comes from the line of Anuj Upadhyay with Investec.

Anuj Upadhyay: Yeah. Hi, sir. Thanks for the opportunity and congrats on great set of results. So, my first question is on your cell plant which has already been operational. Can you mention that what stabilization that plant has reached as of now?

Prashant Gupta: Sir, it is operating at 80% plus utilization right now.

Anuj Upadhyay: Great. So, fair to assume, sir, this quarter we benefited from this DCR plant even at 80% and once this goes up further, then, you know, the margin can move further from here on.

Prashant Gupta: We are hopeful, as I mentioned in the previous question as well that variable factors are there be it in terms of raw material pricing and to achieve the scale that we are operating it, we will share that margin benefit with our existing and new customers.

Anuj Upadhyay: Now, fair enough. Secondly, you know, we are consistently scaling up our channel partner network, you know, like last quarter I guess we were close to 8,900 and now that number has crossed 10,000. Could you just elaborate which are the new areas where we have added this channel partner or at least, the regions which we are catering to?

Prashant Gupta: Yes. So, in the presentation, we gave a map, state-wise we give a detailing about that what states are covered and what states are under-growing stage. So, in this immediate quarter, we have added two new more states from growing category to covered, one is Odisha and the other one is Uttarakhand. So, the definition of coverage is that we have one distributor in each district and one service engineer almost.

Anuj Upadhyay: Okay. And any status on the upcoming TOPCon facility? We mentioned that it would be up by Q1, but just to get a broader sense on equipment ordering or any development over there.

Prashant Gupta: The building is completed and orders for the machine have also been given.

Moderator: Thank you. Next question comes from the line of Deepak Poddar with Sapphire Capital. Please go ahead.

Deepak Poddar: Yep. Thank you very much, sir, for this opportunity. So, just wanted to understand, I mean, from the industry perspective, can you throw some light, so what sort of opportunity size we are looking in rooftop? I mean, what would be the industry size right now and how do you expect it to grow? So, some sense on that would be very helpful. Yeah.

Prashant Gupta: Yes. So, we can see this number at three levels, sir. At the overall potential level, sir, there was one report from Council of Energy where they gave a around more than 630 gigawatt of rooftop solar potential is there. That is the one number.

And the another number that we are seeing is that overall target of solar set by the government is to have 300 gigawatt of solar capacity by FY30 and out of that 300, we believe that 90 to 100 gigawatt will come from the rooftop solar itself.

So, the third, this is the second number of 100 gigawatt of rooftop solar by 2030 and the third number is the actual capacity which is installed till now. So, till now, I believe over 30 gigawatt is being already installed under in this rooftop solar industry and out of that, PM Surya Ghar, Muft Bijli Yojana is also one of the biggest catalysts in this side and around 15 gigawatt has come from that only. And we believe that additional 15 gigawatt is also there in in Phase 1 of this PM Surya Ghar, Muft Bijli Yojana, as out of 1 crore houses, 50 lakh houses are already covered.

Deepak Poddar: Okay. Understood. And so, till now, 30-gigawatt solar rooftop capacity has been installed and you expect that it to go to 90 to 100 gigawatt by 2030.

Prashant Gupta: Yes.

Deepak Poddar: Right. And generally, for 1-gigawatt solar top, so what's the realization we generally get?

Prashant Gupta: Generally, we see it as a per-watt, how we measure it, we see it as a per-watt realization. So, for a system with battery, generally this cost comes to close to Rs. 26 to Rs.30 per watt.

Deepak Poddar: Rs. 26 to Rs. 30 per watt.

Prashant Gupta: Per watt, yes. Including panel, inverter, and battery. It depends. And it depends that what battery you have purchased first thing, what panel you have purchased, whether DCR and non-DCR, and whether your system is without battery or with battery. So, that's why I am giving you a range, generally it's Rs. 26 to Rs. 30 per watt.

Moderator: Thank you. Next question comes from the line of Himanshu Bisani with PinPoint X Capital. Please go ahead.

Himanshu Bisani: Congratulations, sir, on a great performance and thanks for the opportunity. Sir, four questions, my first question on the lines of margins, sir in your opening comment you mentioned that the

EBITDA margins have been a factor of, increased scale and better absorption of fixed cost. Just wanted to understand this downward movement in the prices of solar modules, how does that impact our margins and, obviously, that was offset by the operating leverage that kicked in. How much is that is sustainable and if prices continue to go down, what can be our margins?

Prashant Gupta: So, you rightly mentioned that in non-DCR, this fact is applicable because in non-DCR margins have depleted, but since right we have now this DCR in-house solar cell. So, the margin profile that we are carrying of 18% to 19%, we are hopeful that we will continue to sustain this and rather improve it in the coming quarters. So, the guidance remains the same as per the previous quarter of from sustainable to improve.

Himanshu Bisani: Understood, sir. And sir, what kind of utilizations we are looking at for the new 2-gigawatt power electronics facility at Ratlam?

Prashant Gupta: We are ready with the capacity, as we have already commissioned of 2-gigawatt solar panel and recently in the month of August, we also installed 2-gigawatt inverter. But initially we will start with the one shift only. And as the demand increases in the coming quarter, as the demand scales up, we are also doing the testing of the lines parallelly. So, if demand scales up further, we are ready with the capacities and we can meet that demand. So, initially, in terms of figure, you can take close to 40% to 50% utilization of the capacity of Ratlam.

Himanshu Bisani: Got it, sir. Sir, question on Surya Ghar Yojana, so the scheme has already covered around 5 million of the 10 million household target and do you think that we will be able to cover the target by 2027, how do you see the on-ground work and secondly, you mentioned in the opening comments about Surya Ghar 2.0 with some lines around BESS and in previous calls, you have mentioned about exploring BESS as an opportunity. So, if you can throw some more light on that, how do you see that opportunity and what does that can bring to our books?

Prashant Gupta: Sir, if you see the scale, the run rate of rooftop solar adoption under this scheme, it has scaled up a lot and the current run rate is close to 1 gigawatt per month installation under this scheme only. So, definitely, the scale of adoption has increased and we believe this will further increase. That is the answer to your first question. And now, on the second question that you asked about the 2.0.

So, at various media platforms we are seeing that government is discussing about it and it should come up as there is a lot of potential as we discussed in one of the question asked by the another investors. So, we believe since the potential is huge, government will definitely come up with new policies and new provisions to support adoption of rooftop solar.

Moderator: Thank you. Next question comes from the line of Vinay Lakhera with RatnaTrya Capital. Please go ahead.

Vinay Lakhera: Yeah. Hi, sir. My first question was on the line of the acquisition. Can you give some details of the Zayo Energy Private Limited acquisition, maybe in terms of what kind of impact we can see in margins or cost savings and the deal details if you can?

Prashant Gupta: Apart from the margin, the primary objective to invest in these companies is to ensure our backward integration objective. So, that the supply of the raw material is continuous and the bottleneck can be removed. On the margin side, we will come up with the number as the quarter progress.

Right now, the company is in a stages of acquiring the land and maybe in a year or so they will complete the land acquisition and the construction process. In the coming quarters, we will come up with the margins improvement side if any that would be there. Margin is not the primary objective while we are doing.

Vinay Lakhera: Okay. And what would be the size of this deal if you have any details on that?

Prashant Gupta: Just to give an approximate idea at this stage, I believe overall capex that will be needed for these plants will be close to Rs. 180 crores to Rs. 200 crores. That's an idea right now. We will come up with the final numbers in the coming quarter.

Vinay Lakhera: True. And my next question was on the capacity utilization part. So, we have DCR and non-DCR capacity for solar panels. So, can you give us split of capacity utilization and moving forward, how do you see the sustainable rates for these?

Prashant Gupta: We have 1 gigawatt of solar cell capacity. And so, whatever we are manufacturing we are utilizing in-house to sale these to DCR customers whatever who wants DCR solar panel. And on the panel side, so machines are fungible, they can use DCR and non-DCR, both the solar cell.

So, the capacity that we have right now is close to 1.6 gigawatt in plant other than Ratlam and recently, we have commissioned 2 gigawatt in Ratlam. So, till 1 gigawatt we can have solar cell in-house. If the demand is high, as we are buying it right now also from outside, we can procure DCR from the existing vendors as well.

Vinay Lakhera: So, on the panel level calculation, like what kind of capacity utilization we can see?

Prashant Gupta: Utilization right now, it's close to 70%, the capacity that we are having excluding Ratlam if you see. Because Ratlam, we are right now operating in one shift. So, at the other plants the capacity utilization is close to 70% and 80%. And coming to the split side, as I mentioned to you can use the same machine for both DCR panel and non-DCR panel both.

Vinay Lakhera: Okay. And sir, on the growth part only, so beyond, for example, we have performed really well for the last two quarters and also, we are seeing that PM 2.0 coming Surya Ghar Yojana. So apart from that, do you see any growth areas where the company is focusing, especially for after like one and one and a half year, from where the major growth can be seen, from somewhere like Lithium-ion or from battery side

Prashant Gupta: So, 2-gigawatt Lithium-ion batteries we are already installing in our Ratlam plant and so you can say in other way we are already there in the residential BESS. For the large-scale BESS, we are having something in our mind and we will definitely cover this in the coming quarters' guidance, that how we will go into that sector. We are thinking about it and we are also drafting our plans for that.

Vinay Lakhera: And sir the focus is still on the residential rooftop, right? Not the industrial part?

Prashant Gupta: Yes, the primary focus is on that side as you can see that our 90% of our revenue is from B2C channel network only, so the primary target is on that side only.

Moderator: Thank you. Next question comes from the line of Sanjay with Ampersand. Please go ahead.

Sanjay: So, this tubular battery factory which did not operate because of fire, and you had to trade in, was that, did that have some kind of negative impact on your gross margin?

Prashant Gupta: To a certain extent the answer is yes, sir, because so whatever material margin that we were saving having in-house tubular battery capacity was not there, and so that at a gross margin level definitely it got reduced when we were procuring tubular batteries from outside vendor.

Sanjay: And what could it be, any quantification?

Prashant Gupta: See, sir, tubular battery is generally 10% of our revenue, and we believe that at company level the impact at the gross margin level will be below 0.5%.

Sanjay: Understood. That's helpful. My second question is that, if you can just help us understand that definitely your company is growing faster than the industry, but if you can just give a color about how the industry is growing year-on-year and quarter-on-quarter compared to yourself, and what kind of market share you have. Is it sufficient to say that your market share is now about 8% to 10%?

Prashant Gupta: Officially it's very difficult to confirm on the market share side, but we believe that in terms of inverters that we are contributing in the rooftop solar market, and now we are also supply DCR panel. So, we believe that as you rightly mention, we are we are having around 10% of on-grid market share.

Sanjay: Okay. But how am I mean just want to get a sense of your market share gain that, are you growing way faster than industry or not?

Prashant Gupta: Sir, the growth in terms of distribution network is relatively high as you rightly mentioned. So that's why you are seeing this growth more than industry because we are acquiring new geographical locations, we are adding new distributors in our network.

Sanjay: So, your growth in quarter one compared to Q4 was very high compared to anytime in the past. So what I am trying to understand is that how much of the growth was because of seasonality, and how much is it because of the initiatives that you took?

Prashant Gupta: Sir, it's a mix of both the factors. So, from 8,900 channel partners, we have moved to more than 10,100. So definitely new we have added new customers and we have reach out to new geographies as I informed in the previous questions that we have added two new states in our covered category Odisha and Uttarakhand. And demand is sir already definitely is there as you mention that industry growth is there. So, our industry is growing with a growth rate of 40%. So, it's a mix of both the factor, definitely.

Moderator: Thank you. Next question comes from the line of Sagar Shah with Spark Capital. Please go ahead.

Sagar Shah: Yes, first of all, many congratulations to the entire team of Fujiyama actually for delivering such excellent set of earnings. And now my I had some few questions. Sir, my first question was that in this particular quarter, the revenue growth was actually quite robust. So, in this quarter, what was the contribution from the Ratlam plant actually can you quantify that? Have we used the started using the Ratlam solar panel plant also solar panel unit also?

Prashant Gupta: It will be relatively on a lower side because we capitalized this plant on 14th of May only. So only it was available only for one and a half month. So, if you see at a percentage level it will be very on the lower side.

Sagar Shah: Okay fine. So basically, this growth was largely contributed by the solar panels that we have in Noida, right? and the growth was largely contributed by Lithium-ion batteries and the solar inverters, right?

Prashant Gupta: Sir, we sell it as a package so it's a mix of all three. But the good part is that, earlier we were not having DCR panel as we were dependent on the external vendors to give us the DCR solar cell. So now we have this DCR panel, so along with panel, now there is a definitely increase in sale of inverter and battery.

Sagar Shah: Okay. So basically, because of the realizations, especially on the on the Mono PERC DCR, that is why we got the higher realization, that's what you say?

Prashant Gupta: Yes.

Sagar Shah: Okay. Sir my second question was related to this Bawal fire insurance. What and how long are you expecting the claim actually to be refunded actually at your end? It would take six months or nine months or even further?

Prashant Gupta: So, we had made a good progress. Survey is already done and surveyor is finalizing his report. So, we believe that by the end of this financial year, we will get the claim amount.

Sagar Shah: Okay. Fine, sir. Now my last question, sir, was related to the segmental revenue. First of all, if you can, if you have the data, if you can just quantify what segments actually did, we clock the revenue. And secondly, my suggestion to the management is that you going ahead in the investor presentation, if you can quantify that between the segments, which how much revenue came actually for further transparency and clarity for the investors.

So that the company's products can also be highlighted along with obviously everybody knows that Fujiyama sells as a combo to the portfolio but still it would really help the investors to understand your expertise and then your SKUs also regarding the same, how critical are they in the future?

Pawan Kumar Garg: Okay sir Pawan this side. So basically, the main thing is that since we sell SPGS and there are many variable factors in the product portfolio. There is DCR, Non-DCR, in battery there is lead-acid and lithium-ion, in inverter there is on-grid, off-grid, and hybrid. Within that too, there are many more things.

Now, if we provide it segment-wise, it leads to a lot of confusion. Let me give you an example. If we look in terms of megawatts, our inverter is double that of the panel. For example, if we sell 1 gigawatt of panels, we sell 2 gigawatts of inverters. If we look at revenue, the panel's revenue will be much higher than the inverter because the per-watt realization in panels is much higher.

So, it creates a lot of confusion when we speak in this manner. That's why we did it initially, but when questions come from the investor side, more or less it feels like they end up creating a lot of confusion. So, we removed that a bit and which way the market is going depends on many things like which geography we are entering.

There is a different demand in UP, whereas in West Bengal there is a different kind of demand, and when we pick urban or Tier-1 more, there will be more demand for on-grid, while pitching more to rural will bring more demand for off-grid.

So, there's a lot of mix and match. Similarly, in lithium, when lithium prices start to fluctuate, if they go up a bit, the lead-acid share increases, and when lithium rates come down, the lithium share increases. There are so many variables that every month all these ratios change. So, we slightly avoided these things basically so that there isn't much confusion.

The main thing is our revenue-based guidance, which we will track properly, meaning whatever we say, we will try to perform better than that.

Sagar Shah: Okay sir. Sir, my last question. We had 950 plus distributors last quarter. Now, in this quarter, we have crossed 1,150. So, have these 200 distributors been placed in new states or in our original states where we already have such a good presence?

Pawan Kumar Garg: It's both, sir. They are increasing in existing ones and covering new areas as well.

Prashant Gupta: As mentioned regarding two states in the previous question, Odisha and Uttarakhand. So, we have brought these two states under the category of covered. So, the definition of covered is that we have one distributor in almost each district and one service engineer for each district. So, in these two states we have increased rapidly in terms of distributors.

Pawan Kumar Garg: And in this, sir, some Fujiyama distributors are also increasing in existing areas. So that's also why the number of distributors is being added.

Moderator: Thank you. Next question comes from the line of Shweta Jain with Anand Rathi Share and Stock Brokers Limited. Please go ahead.

Shweta Jain: Hi. Good evening. Congratulations on a very good set of numbers. Most of my questions have been asked actually. Just wanted to understand sir what's the company strategy to further increase the distribution channel? What is the target that we're looking for FY27 and FY28?

Yogesh Dua: So, whatever we have done earlier in to increase the distribution channel, we are continuing the same strategy, same policy, that we keep on tracking the new MNRE portal registered vendors and targeting them to get in UTL Solar or Fujiyama Solar brand and also, we are targeting the inverter battery dealers who are doing the business and converting them to be our distributors or dealers. That's what we are doing and we're doing it rigorously.

Shweta Jain: Sir, any target that we're looking at for FY27, FY28?

Yogesh Dua: So, whatever rate we are growing, I hope we will be keeping the same growth rate.

Pawan Kumar Garg: At the end of '28, we believe more than 15,000

Shweta Jain: Network partners including Shoppe?

Pawan Kumar Garg: Including Shoppe, dealer and distributor, 15,000.

Shweta Jain: Okay. And so, on the capex front, sir, how much have we incurred so far, and what is expected to be spent?

Prashant Gupta: On the capex front, ma'am. When we start this year, we were close to 800 including CWIP and we are by the end of this year, it will be close to 1,300.

Shweta Jain: INR1,300 crores for FY27?

Prashant Gupta: I am talking in terms of cumulative. Gross block only, including CWIP.

So just to give you an idea what we have added here, we have added our solar cell plant that is coming up with 1.2-gigawatt capacity and other miscellaneous like solar park and BESS that we will be adding.

Shweta Jain: This does not include Zayo Energy?

Prashant Gupta: No.

Shweta Jain: That will flow onto next year, so not this year. Is that so? The Rs. 200 crores is what we spoke about last in previously?

Pawan Kumar Garg: Total capex Rs. 200 crores will be there in Zayo in which Fujiyama's share will be 50% and in that also some debt and equity portion will be there. So overall Fujiyama's equity portion if we see, which will go there, then it will go quite less again. You can assume Rs. 50 crores basically.

Moderator: Thank you. Next question comes from the line of Diana with Dolat Capital. Please go ahead.

Diana: Hello sir, thank you for the opportunity. My question is on PM Surya Ghar scheme. So, the acceptance rate for applications of this scheme is currently at 50% to 56% and even the loans are not getting sanctioned for everyone who is applying. So, what do you think are the challenges faced here, in the industry and how do you think PM Surya Ghar 2.0 will solve this?

Pawan Kumar Garg: It's not that some people are getting it and some aren't. Right now, basically, the main thing is component shortage; there's a shortage of DCR panels, the supply isn't sufficient, which is causing some delay. Otherwise, there's a lot of push from the government on DISCOMs too, for approvals and everything. Yes, a little bit is that sometimes it takes a while for people's loans to get passed or they don't get supply from that side or the material at the rate they want they are not getting.

So, things are happening where many applications look pending. But there's nothing like the government wanting to delay it or DISCOMs wanting to delay it. And the government is pushing a lot, and this will be even more fast-tracked as cell DCR capacities come, so this adoption will be even faster.

Diana: Got it sir. And my second question is this 2.0 will it have additional 30 gigawatt, and will it be given to everyone or certain lower income households? So, what is your view on this, how will this 2.0 come, will it be same as 1.0, any idea on that?

Pawan Kumar Garg: We didn't even have an idea about the lower income group, but since you mentioned it, we are already working in that segment. Our 1 KVA system is in the Rs. 50,000 range and even today it's our most running product. I mean, we sell a lot of that in off-grid. And in on-grid too, we launched a 1 KVA system, which we'll call a micro-inverter.

And currently many government tenders are coming out, we are participating in those too and trying to supply as an OEM to those who are participating. So that's also quite a big thing for us because if you look at the indigenous design in micro-inverters, we are the first ones who developed this, and are also getting approvals on all these.

Diana: Got it, sir. But any idea on 2.0? Whether it will come for all the households or any division will be there?

Pawan Kumar Garg: Currently there is no clarity on what they're going to do, just some clarity has come that they will add batteries to it because power is becoming excess during the day and less at night, so they will add batteries for that. And we have been working in battery-based systems for 30 years, so we think if this scheme comes, it will be very good for us.

Moderator: Thank you. Next participant is Abhi Jain with AJ Capital. Please go ahead.

Abhi Jain: So, my question was that, in the last investor question you said that this year ending gross block would be Rs. 1,300 crores and I've been seeing in the last three four years our fixed asset turnover is close to about 4X, or in gross asset turnover is also close to about 4X.

So is it safe to assume that FY27 we will be nearing about Rs, 5,000 odd crores of revenue? And this Rs. 500 additional crores of capex that you will be doing this year, what percentage of it would be equity dilution, what percentage of that would be debt? That was my first question.

Prashant Gupta: Sir, on the revenue guidance side, we have upgraded our guidance which was initially 50% upside to 70% for this year. We will trail it further in the coming quarters as the demand grows and as our revenue growth. And on the second question you asked about the gross block of

Rs.1,300, so it is inclusive of our solar cell plant and Ratlam capacities that will be completed. And on the asset turnover side, so solar cell plant that we have added is more from a margin point of view rather than on the revenue side.

Abhi Jain: So, I just wanted to understand these INR 500 crores of capex that you will be incurring this year. What part of it would be equity dilution and what part of it would be debt?

Prashant Gupta: There would be no equity dilution as such in this year and so on the debt side out of this Rs. 500 crores, Rs. 200 crores will be from the debt side

Abhi Jain: And rest Rs. 300 crores would be cash from business?

Prashant Gupta: We have around when we started this year, we have around Rs. 100 crores in our books from the IPO. So Rs. 100 crores from will be from there and rest Rs. 200 crores will be from our own funds.

Abhi Jain: Secondly, I wanted to understand in terms of the long-term viability of the business when this subsidy and this PM Surya Ghar Yojana reaches a very critical mass. So, I just want to understand that looking at FY28 and FY29, how will you sustain growth, where do you see growth coming from, how do you see your business shaping up into?

So, can you just help me understand three four years from now how will the business look like, where will growth come from and how do you space save yourself from this becoming a more commoditized business? That is what I wanted to understand.

Yogesh Dua Sir, actually we started the solar in year 2008. At that time, the subsidy was not in our mind. We were trying to fulfill the demand which was there but the product was not there. We developed the product we given the market the solution it needed in terms of off-grid solar and we made the network into villages of India, India's rural areas and semi-urban areas, and this has been very long time we are working on solar systems.

So, in this process we have developed a lot of products which the market needs and we developed the network where it matters the most and the service network, the sales network, the people we need.

So this is the solar is into our roots. So when the subsidy came, it gave us a very good push that what we were doing came up with a good result. And if the subsidy goes away, which we do not expect it will happen very soon because there are 35 crores houses in India and the government target of PM Surya Ghar Yojana Awas for 1 crore only which is 50% covered yet. So PM Surya Ghar Yojana 2.0 is also coming, so we do not expect that it will go away very soon.

Even if it goes, we have a very good roots into solar and we expect that the people who have come seeing this solar subsidy into the market, they will fade away and we will sustain and we should get better market share in this in this case.

Pawan Kumar Garg In this, sir, the major thing to see is that if India is to become a developed country by 2047, then the power requirement is going to be quite high and distributed solar is double efficient. Sir, if you see that when power is given to DISCOMs for Rs. 3 in Gujarat and Rajasthan and they sell it for Rs. 6, they say we are in loss.

So distributed solar or rooftop solar is double efficient in this sense because we are consuming exactly where we are generating, distribution losses are zero. Its ROI is very good, sir, and what we are seeing today, what we used to see 5 year, 10 years ago was the trend for inverters, that whenever a house was built, they would say send an electrician over once, we need to see that the inverter wiring is done properly, in case I want to install an inverter tomorrow.

So we are seeing that same trend today, that if a new house is built, they say send someone to my house once, let them check the roof because I want to install solar, so what arrangements do I need for that. So the main thing is that there was a lack of awareness, which the subsidy has removed. It's not that the customer got the entire benefit in the name of subsidy.

The main thing is that a lot of awareness has come from it, the main thing is that its economics are very good. Even if the subsidy ends in the future, okay, margins will be less, but the thing is that the money is recovered in three to four years. Economics are so good that no one can keep their eyes closed to this in the future. So the momentum will remain.

The main thing is to provide services to villages and provide cost-effective service, whoever has built that network will automatically get the market share. There is nothing special needed to be done in that, yes, the main thing is to keep the customer happy by giving service. So if that is done, the market share will be obtained. More efforts needs to be put on service than sales.

Abhi Jain: Right sir, that's helpful. Sir, tell us a bit about this BIS, the non-compliances that occurred, the issues that arose, do you think it's one-time or I mean can it affect your rating or cause issues later on, could you explain how big a risk it could be later on?

Pawan Kumar Garg: Absolutely. So I will explain, sir. We have almost 500 SKUs out of which, let's assume for a rough understanding, 250 fall in the BIS category and 50% do not. So when the team came to us, they identified 15 SKUs out of 500, 15 which according to them fell in the BIS category and according to us they did not as per their definition, and we explained the same in our reply.

So if you look, although after that we took BIS on those too. The way to get BIS is that we get our products tested from NABL certified labs and give them that our testing is done. So they will give us the BIS certification, just that much needs to be done. So we have gotten that done now after that.

And you will see if you look in our books, if there is stock of Rs. 500 crores, they identified items worth Rs. 2 crores out of that, which if you look at our entire product mix, forms less than 1% of the overall items.

So you can see from this, they checked everything and identified those 15 products basically which were like that according to them. It happened because of the high number of SKUs. So this is the whole story of it, you can say.

Moderator: Thank you. Next question comes from the line of Abhi Sehgal with Singularity AMC. Please go ahead.

Abhi Sehgal: Hi sir, thank you for the opportunity. Just wanted to clarify on something asked in the previous questions. You said Rs. 26 to Rs. 30 per watt including panel, inverter and battery was the BOM.

Pawan Kumar Garg: Yes, sir. So basically what Mr. Prashant stated was a distributor price that is billed from our side as a BOM. As a Bill of Materials. In which you can say that, on an average if you take INR 15 for the panel, INR 5 for the inverter, and INR 5 for the battery, then it comes to around the range of INR 25 to INR 30.

But it varies a lot depending on whether it's DCR, Non-DCR, battery is lithium or lead-acid, system is on-grid, off-grid, or hybrid. High-end system, low-end system, feature-less or feature-rich product. So, depending on various factors, many things vary, but as an average what I mean, the revenue mix that comes after being summarized is what he explained to you. I mean, what is billed from our side. Now in this, yes, GST is also added.

Abhi Sehgal: I understand. In a way, this is for your distributor.

Pawan Kumar Garg: Yes. What is billed to the distributor from our side is what he told you.

Abhi Sehgal: Correct sir. Thank you. And sir one more question, pardon my lack of your business, just want to understand what are the differentiators in your business as compared to a large solar module player who are now launching inverters etcetera. and their own kits too?

Pawan Kumar Garg: Look sir, the differentiator is that we are a solution providing company. I mean, other people could be suppliers, we are solution providing. If you go to, for example, the distributor or EPC of whatever big name you have in mind, and you ask how much for a 3 KVA system? He will say Rs. 1,60,000 or Rs. 1,70,000. If you go to our distributor or Shoppe and say how much for a 3 KVA system?

He will first ask you how much is your electricity bill? If you say Rs. 2,000, he will say and there will be four more questions, but based on Rs. 2,000 you should install a 2 KVA system, not 3 KVA. If you say Rs. 5,000, you should install a 5 KVA system. Then he will ask how long is your power cut? If your power cut is less than 2 hours, the system will be different, if more than 2 hours, the system will be different.

Then there will be four or five questions like this, how much is the roof area, is the roof yours or not, etc. So this is one differentiator. Second thing is services. So when someone goes to our distributor, he names a big company and says I want to take their system. So they say take their system but service isn't our responsibility. Then you talk to that same company. If you take a UTL system here, then it's our responsibility anyway, and there's the company's toll-free number too. You can contact both. So this is a differentiator, sir.

Moderator: Thank you. Next question comes from the line of Udit Sehgal with Pinpoint X Capital. Please go ahead.

Udit Sehgal: Yeah. Good evening, sir and congratulations on continuing the growth path. Sir, in the Tata Power call, their CEO alluded that right now their rooftop solar business is something around Rs. 4,000 crores and they see a potential of up to say Rs. 30,000 crores by 2030. I mean is there that much of a potential and a growth runway ahead in this sector?

Pawan Kumar Garg: Sir, we also feel there is this much potential but we don't speak that much. So, it shouldn't look like we are speaking too much basically. We also feel it's this much.

Udit Sehgal: I mean, you feel there is this much scope in the coming times.

Pawan Kumar Garg: It will happen sir, look. I mean if you understand the economics properly, there is no reason why anyone wouldn't install it basically.

Yogesh Dua: Sir, the government's target was 1 crore houses, out of which 50 lakhs are installed and there are 35 crore houses. So, the potential is clearly there.

Udit Sehgal: Right. Secondly sir on the solar cell front, how are we placed the second line which we were supposed to I think we were going for TOPCon line, right? I think from when do we think that can be installed by?

Pawan Kumar Garg: We have set a target of Q1, sir. Coming year, I mean. After 9 months we can say. Now 7.5 months remaining basically.

Moderator: Thank you. Next question comes from the line of Sagar Shah with Spark Capital. Please go ahead.

Sagar Shah: Yeah, once again thank you for the opportunity. Sir, my question was related to your incremental investment in a couple of your companies actually. I am talking about Zayo Cables and Zayo Energy. So, we have now increased the stake from 19% to 50%. So that is part of the backward integration of those companies which Fujiyama is not into.

So, what are your growth plans for this company? You already highlighted that an Rs. 100 crore capex is there for this I think you told for Zayo Energy. But what is your growth outlook and what is the overall outlook? What are you thinking about these two companies for integrating them into your business model in FY27 and FY28?

Pawan Kumar Garg: Production will start next year, sir. They have just acquired the land and building construction will start in the next 2-3 months; meanwhile, they will order machines, so they have set a target for themselves to start production within one year. In the next financial year, I think we can't expect too much, but we can expect a top-line of Rs. 400 crores, Rs. 500 crores. So that will be there, as for the rest, regarding margins etc., guidance can only be given next year once the company becomes operational, sir.

Sagar Shah: But sir, will these products be sold along with Fujiyama, will you sell them with Fujiyama's products, or will these products also be sold separately in the market under a different brand name?

Pawan Kumar Garg: No, Zayo will supply as an OEM, it will supply to Fujiyama too and also to other solar panel companies

Moderator: Thank you. Next question comes from the line of Amit Kumar with Determined Investments. Please go ahead.

Amit Kumar: Yeah, thank you so much for the opportunity, sir and congratulations on an exceptional growth momentum. My first question is about this lead acid battery plant where a little fire occurred at your end. So 2Q, 3Q anyway are seasonally weak quarters, demand is already a bit less, but fourth quarter is typically the high quarter. By 4Q shall we expect that this factory would be back online, when are you expecting this to restart?

Pawan Kumar Garg: It will take time to restart this, sir, because we can only do something after the insurance activities are over. Meanwhile, talks are ongoing for another running plant, which I think will mature by next one month, which we will take on rent, an operational company.

Amit Kumar: Will this be a sourcing contract or will you just acquire it, acquire the plant itself?

Management: No, we will take it on rent only because the lead-acid battery business is a bit downward, so we will just take it on rent.

Amit Kumar: Okay, on lease basically you will, have an exclusive lease of sorts.

Pawan Kumar Garg: Yes, we will operate it ourselves, taking the whole factory on rent.

Amit Kumar: Understood sir. So that is much appreciated. Sir just a follow-up on one of the previous, what a previous participant was also talking about. If it is possible to sort of share a breakup of off-grid, on-grid, and hybrid. So, the only reason why we are basically asking is that see till last year off-grid would have been or was the major part of your business.

And now that you have started, the DCR cells, obviously you can go more aggressively in the on-grid and, hybrid markets. We are just sort of trying to understand that this kind of 100% growth that you are basically delivering, is this entirely coming because of your entry and expansion into on-grid and, hybrid systems, or is growth still coming in your off-grid system too, basically?

So, if you can just clarify with respect to this quarter also you have gone from Rs. 600 crores to Rs. 1,300 plus crores in terms of sales. So last year I presume that that Rs. 600 crores would be entirely, on the back of your off-grid business. So, in that in off-grid is the growth coming mostly there basically, what is the growth trajectory and then obviously if we could get a bit of a breakup basically between on-grid, off-grid and hybrid for this quarter, that will be very helpful.

Pawan Kumar Garg: So, the main thing is that whatever we focus on, that thing will grow. So now look, focus is on PM Surya Ghar at this time, so if more outcome comes from less effort, then focus should be put there. So right now, the main focus is over here, towards on-grid. If you look at it, I mean, it's not that off-grid isn't growing, yes, it's just not growing at the same speed as on-grid is right now.

Amit Kumar: And correctly so, because on-grid and hybrid are completely new, I mean on a yearly basis they are relatively new systems for the company. But sir this is what I am basically trying to understand, that out of the Rs. 600 crore off-grid last year, mostly majority, I mean vast majority, 90% to 95% would be off-grid only out of that Rs. 600. So that has also still grown for you.

Pawan Kumar Garg: The reason for that was, sir, the off-grid part, because we couldn't participate in on-grid as we didn't have DCR. Yes. Now that we have our own DCR, we are able to participate properly there. So definitely growth is more in on-grid now. In off-grid too it's definitely more because there we are, I mean, number one somewhere. So there is growth there too.

Amit Kumar: You are expanding into new areas, so in whichever rural province you are going, there will be demand for off-grid too.

Pawan Kumar Garg: Look sir, in a village, someone whose job gets done for Rs. 50,000 and it includes a battery too, then that person will only spend Rs. 50,000, he won't go for on-grid. For Rs. 50,000, a 1 KVA system, a Non-DCR panel, and battery, all this gets installed at the end-customer's place, and if his power is out for two-three hours, it works too. So that segment is going to stay completely separate. So its growth is separately sustained, but if you look at the major growth that has come this quarter, that is because of on-grid.

Moderator: Thank you. Ladies and gentlemen, due to time constraints we have reached the end of question-and-answer session. I now hand the conference over to Mr. Pawan Kumar Garg for closing comments.

Pawan Kumar Garg: Thank you once again for joining us today and for your continued interest in Fujiyama. We appreciate the confidence you placed in our company. If you have any additional questions, please feel free to reach out our investor relationship advisor Churchgate Partners and we will be glad to assist you. Thank you very much for your support. Thank you.

Moderator: Thank you. On behalf of Fujiyama Power Systems Limited, that concludes this conference. Thank you for joining us, you may now disconnect your lines.

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.

2. Figures have been rounded off for convenience and ease of reference.