



August 04, 2026

To
BSE Limited
Corporate Relationship Dept.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001

To
National Stock Exchange of India Ltd
Corporate Relationship Dept.,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip Code: 544283

Symbol: ACMESOLAR

Reference: Regulations 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended and our earlier intimation dated July 21, 2026, regarding Earnings Call for Q1 FY27 results with analyst(s)/institutional investor(s)

Subject: Earning Call transcript of the Investors Conference Call held on the unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2026 (Q1 FY27)

Dear Sir/Madam,

In terms of Regulation 30 and 46 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended, please find enclosed herewith the transcript in respect of Earnings Conference Call with the Analysts/Investors held on Thursday, July 30, 2026, on the unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2026.

The Transcript of the conference call has been uploaded on the Company's website and the same can be accessed from the link provided below:

https://www.acmesolar.in/assets/pdf/Webcasts-and-Transcripts/04.08.2026_Q1_FY27_Intimation_Earning_Call_Transcript.pdf

You are requested to take the same on record.

Thanking you,

For **ACME Solar Holdings Limited**

Rajesh Sodhi
Company Secretary and Compliance Officer

ACME Solar Holdings Limited

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“ACME Solar Holdings Limited
Q1 FY27 Earnings Conference Call”
July 30, 2026



MANAGEMENT: **MR. MANOJ KUMAR UPADHYAY – CHAIRMAN
AND MANAGING DIRECTOR – ACME SOLAR
HOLDINGS LIMITED**
**MR. NIKHIL DHINGRA – CHIEF EXECUTIVE
OFFICER – ACME SOLAR HOLDINGS LIMITED**
**MR. ARUN CHOPRA – CHIEF FINANCIAL OFFICER
– ACME SOLAR HOLDINGS LIMITED**
**MR. ANKIT VERMA – DIRECTOR AND HEAD,
CORPORATE FINANCE – ACME SOLAR
HOLDINGS LIMITED**

MODERATOR: **MR. NIKUNJ SETH – MUFG INTIME**

Moderator: Ladies and gentlemen, good day, and welcome to ACME Solar Holdings Limited Q1 FY27 Earnings Conference Call, hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikunj Seth. Thank you, and over to you, Nikunj.

Nikunj Seth: Thank you, Danish. Hello, everyone. Welcome to Q1 FY27 earnings conference call of ACME Solar Holdings Limited. From the management, we have with us Mr. Manoj Kumar Upadhyay, Chairman and Managing Director; Mr. Nikhil Dhingra, CEO; Mr. Arun Chopra, CFO; and Mr. Ankit Verma, Director and Head of Corporate Finance.

Now I would like to hand over the call to the management for their opening remarks. Thank you, and over to you, sir.

Ankit Verma: Thanks, Nikunj. Good afternoon, everyone, and thank you for joining us today. I am Ankit Verma, Director, Corporate Finance, and it is my pleasure to present the highlights of our performance for the first quarter of FY27.

Before we get started, I'd like to thank all our shareholders for their continued trust and support. We're also pleased to have successfully completed our QIP, which reflects the confidence investors have in our long-term vision. This would give us the flexibility to prepone our capex for our under-construction projects and deliver better return economics.

Let me now begin with our financial performance. This quarter marks another milestone for the company as we delivered the highest ever revenue and EBITDA in our history. Total revenue for the quarter stood at INR954 crores, which is up 63% year-on-year, while EBITDA increased 56% to INR831 crores. This strong performance was driven by higher CUF, revenue contribution from our BESS operations and renewable capacity additions. Our total EBITDA margin was around 87%.

Looking at the businesses separately, our renewable energy portfolio delivered an EBITDA margin of around 88%- 89%, while the BESS business recorded a margin of approximately 82%. The difference is primarily because the cost of power purchased for charging the batteries is accounted for within the operating expenses. Therefore, the blended margin should be viewed in that context.

Profit after tax stood at INR235 crores, which is up 80% on a Y-o-Y basis, translating into PAT margin of around 25%. Our asset base expanded significantly to around INR25,000 crores following the commissioning of new assets and batteries. During the quarter, we incurred capital expenditure of around INR3,000 crores. And for the full year, we upgraded our capex to approximately INR15,000 crores to INR20,000 crores.

Moving to our battery energy storage system updates. In line with our strategy of early deployment, we commissioned approximately 2.3 gigawatt hour during the quarter till date, taking our cumulative commissioned BESS capacity to approximately 3.62 gigawatt hour. With this, we now account for around 40% share of India's cumulative commissioned BESS capacity till date, one of the highest in the country.

Our BESS operations made a meaningful financial contribution this quarter. Out of the total revenue of INR954 crores in this quarter, INR226 crores came from BESS power sales, comprising approximately 85% revenue from short-term contracts and balance from merchant sales.

BESS power sale is delivering a healthy annual EBITDA to capex yield of more than 20%. We have demonstrated large-scale FDRE through battery operations in a bigger and demanding way by charging, discharging the batteries in a 15-minute slot interval.

We have secured short-term BESS contracts during the quarter, locking in more than INR1,400 crores of revenue for partial FY27 BESS commission capacity. Also we will keep on participating and tie up more such contracts for full BESS capacity in '27.

Operational performance for batteries continues to remain better vis-a-vis our design expectation with a round-trip efficiency of approximately 89%, depth of discharge of around 93% and state of health being more than 99.9%. Also the plant availability for batteries is more than 99%.

Coming to our other business updates, we signed 600 megawatt of FDRE and hybrid PPAs with SECI during the quarter, which takes our total PPA signed capacity to 3,880 megawatts out of total under-construction capacity of 5,080 megawatts. Balance projects of around 1,200 megawatts for which PPAs are yet to be signed are progressing well and expected to get signed soon. With this, our total portfolio now stands at 8,070 megawatts, which will entail around 20 gigawatt hour of battery storage.

During the quarter, we also achieved the highest capacity utilization factor in the company's history at 30.9% compared with 28.5% in the corresponding quarter last year. Power generation increased by 23% year-on-year to 2020 million units. During the quarter, we secured financing of approximately INR6,000 crores for our 700 megawatts of under-construction FDRE projects. And with this, debt has now been tied up for nearly 85% of our PPA-signed portfolio.

Before I move to sector updates, let me briefly address the recent incident at our ACME Suryodaya BESS facility. As we had communicated earlier, certain media reports incorrectly suggested that the fire originated within the battery system. I would like to reiterate that the detailed technical root cause analysis has now been completed and the investigation confirmed that the incident was caused by an electrical short circuit in the AC cabling between the

transformer and power conversion system, which resulted in a localized fire and equipment shutdown.

Importantly, there was no damage to any battery systems or any other equipment at the site. We prevented it by already deployed safety measures across detection, suppression and containment. These include AI-enabled video analytics for early fire detection, arc-flash sensors within PCS panels, additional aerosol-based fire suppression systems inside PCS enclosures and enhanced fire barriers between electrical equipment along with improved cable protection.

Also we have long-term warranty for BESS and other equipments from the suppliers. We have also built a best-in-class in-house 50 members EPS BESS team, which is responsible for overall integration, including installation, commissioning and operation of BESS.

Now turning to key sector and regulatory updates. India's power sector witnessed a strong start to FY27, supported by expanding economic activity, delayed monsoons and elevated cooling demand. Aggregate electricity demand during Q1 grew 8.8% year-on-year to 485 billion units. Peak power demand also reached a new all-time high of 271 gigawatt during the quarter, with this momentum continuing into July as well when delayed monsoons and persistent humidity again pushed peak demand close to 270 gigawatt.

India's installed power generation capacity crossed 548 gigawatts as of 30th June 2026, with non-fossil fuel sources now accounting for approximately 54% of the total installed capacity. During the quarter alone, the country added nearly 13.9 gigawatts of renewable capacity, taking cumulative renewable capacity to 289 gigawatts.

On the policy front, several developments are encouraging for the sector. MNRE extended the commissioning deadline for Open Access and Net Metering renewable projects to 31 December 2026, ensuring a smoother transition to cell-level List-II compliance. This also provides us greater flexibility to evaluate and commission merchant BESS projects co-located with solar generation.

The Ministry of Power extended the graded ISTS waiver benefits for projects delayed due to transmission readiness for PPAs signed up to 30th June 2026. This reduces financial risk for developers and provides greater clarity for discoms while also benefiting our offtakers where GNA availability is delayed.

Additionally, CTU has begun granting BESS connectivity through Right of First Refusal route which should accelerate BESS deployment while strengthening the grid reliability and enabling better participation during evening peak power demand.

Looking ahead, our priorities remain centered on disciplined execution while continuing to build a healthy project pipeline. We are upgrading our BESS commissioning guidance from 10 gigawatt hour by calendar year 2027 to more than 10 gigawatt hour by fiscal year 2027, effectively bringing forward this milestone by nearly 3 quarters.

For FY27, we also expect to operate -- we also expect to commission 1.5 gigawatt of contracted renewable energy generation capacity, subject to timely availability of substation and transmission lines. We have already ordered more than 15 gigawatt hour of battery from leading global suppliers, including CATL and Hithium well within our budgeted cost.

From the industry growth perspective, we expect to see large bids going forward, especially across the following categories: midterm contracts, long-term peak power, RTC FDRE, CFD related to peak power and state bids. We will continue to actively pursue all such opportunities to capitalize on evolving market demand and merchant market dynamics.

By 2030, we contemplate to increase our target beyond 10 gigawatt as guided earlier, basis the new growth opportunities that we are seeing in the market, and we will keep you updated on the same in coming quarters.

With that, I conclude my remarks. Thank you for your continued support. We'll now be happy to take your questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Subhadip Mitra from Nuvama Wealth Management.

Subhadip Mitra: Firstly, congratulations for a great set of numbers. And clearly, your strategy of early BESS commissioning with the short-term sales for peak power is working and reflecting in numbers. So congratulations on that.

My questions are largely around the BESS piece because clearly, that's adding a lot of traction to the numbers. So in your estimate, what quantum of, let's say, open market or early commissioning of BESS is what you're estimating, let's say, in the current fiscal in FY27 and for the next couple of years?

And the second question is in the current short-term contract of the INR1,400 crores locked-in revenue that you've talked about, what would be the ballpark range of realizations that you're looking for, for the BESS short-term contracts?

Nikhil Dhingra: Right, right, Subhadip. So thanks for the query. So in terms of the -- this year is the 10-gigawatt hour by end of this March is what we will have on a daily basis in terms of the capacity being sold. Of course, as we scale up from 3.6 to 10, this will be a number which will keep on adding every month, and that is how we are contracting, planning for the capacity additions.

And there is an upward bias to this number because the contracting we have done is higher than -- much higher than 10 gigawatt hour. So as and when the deliveries are made, there could be an upward revision to this number.

In terms of the realizations from the contracted capacity, they range from, you can say, between 8 to 10 in terms of the realizations, depending on the month and depending on the volume of the

contract. These are all bids conducted on the DEEP portal and the HP-TAM markets. So those are the ranges which are publicly available.

Subhadip Mitra: Understood. And as a follow-up, the 10-gigawatt hour by March '27 will naturally move upwards, I guess, over the next couple of years. Any ballpark range because I believe the overall number will be 20-gigawatt hour. So how much of that would be, let's say, open capacity for the next couple of years that you can look at?

Nikhil Dhingra: So in terms of open capacity, we have only right now 600-megawatt hour, which is open, which also is planned to go into a PPA. So we aim to have 0 open capacity by end of this year. We don't want to operate any merchant outside of PPA. So it is -- the target is to have 0 outside PPA. This is all inside PPA, all the capacity we are operating. Only a 300-megawatt plant, which is 300 into 2 right now, which are scaling up to 300 into 4. That is something which we are yet to contract. Rest are all -- there is nothing open.

Manoj Kumar Upadhyay: So I would like to add here that -- my name is Manoj. So I would like to add here. Every year, at least 10-gigawatt hour of battery will remain exposed to -- remain for the merchant market. And next year, it will go to the PPA. So to answer your question from 2 ways. One, we don't expose ourselves for merchant market for the battery for next 25 years. But our plan for next 5 years is at least 10 to 12-gigawatt hour batteries remain available for the short-term power market.

Nikhil Dhingra: So yes, it's an important distinction, which I forgot to make. So the thing is we are doing early capex, as you rightly noted, right, in terms of the BESS installations. So first year, you can say, will be merchant and let's say, around -- so 1 year of merchant operations, but the capex is all allocated towards PPA, in terms of the final destination. So that's how it is working.

There is no open -- from a long-term perspective, the BESS is not open other than the 300-megawatt plant, which is currently open, but we are aiming to put it in the next bid, which happens.

Moderator: Our next question comes from the line of Aniket from SBI Mutual Fund.

Aniket: Sir, when I look at the presentation, the GNA timeline for the SJVN FDRE is about June '27. So I just wanted to understand how do we look at the commissioning for that? Like, would you want to upfront the battery and wait for the solar commissioning to be pushed out of FY27? Or just your views on that.

Nikhil Dhingra: Yes, please. So Aniket, you're very right. We have already commissioned the battery for these 2 plants, if you look at Heergarh and one more substation.

Manoj Kumar Upadhyay: Bikaner II.

Nikhil Dhingra: Bikaner II. Those 2 are already commissioned BESS for the SJVN plant. So that is already commissioned, like you rightly noted. But the GNA connectivity is scheduled for the month,

which you again noted in next year. So that's the only time we can commission the solar. So that's how it will work.

Aniket:

Understood. And the capex for that then will also get pushed out, like the modules and all you've not placed the orders for that?

Nikhil Dhingra:

So how we are going about is, yes, the capex is by and large done for the non-module part. We are done with, let's say, 80% of the transmission line and rest of the substations and the plant infrastructure. So the modules, we are looking at opportunistically, let's say, right now, the module prices are sub INR12, right? They are in the range of INR11.60 because of the changes in China regulation. Till -- from now till December is a good time to buy modules where you are buying Chinese cells.

So we will be very opportunistic about the module and the other purchase, but we will want to minimize the interest during construction. So we'll balance these 2 objectives and buy modules, right? And we are also requesting that if there is any preponement on the GSS side that we are also working with, but we are viewing like that.

In terms of the Fatehgarh II independently, which is not relevant to the PPA question you asked, but separately this Fatehgarh II is the bay is charged. So if we want to give the nighttime power, which we don't want to for this particular PPA. But for future PPAs or other PPAs we are doing there, the bay will be charged -- bay is currently charged. So it is capable of evacuating nighttime power, which is not relevant to the question you asked.

Aniket:

Got that. Understood. And just on the INR1,400 crores of contracts that have been locked in, typically what's the tenure for this? And what are the aggregate units that we need to supply under this?

Nikhil Dhingra:

So see, the realizations, Aniket, we mentioned is around INR8 to INR10, in some cases higher also. So that's the -- you can calculate the amount of units because as the capacity is currently 3.6, it is going to 10. So the capacity will keep on adding up, and that's how the volume weighted megawatt hour will be arrived.

So in terms of the contract nature, they range from -- until March, we had a couple of bids where we participated where the states are buying power for March today. Because of the El Nino effect, there is a lot of planning which states are doing in terms of the shortage they are perceiving across the monsoon months, we are also seeing strong demand.

So typically, they are less than a year. All these are less than a year because that's where the short-term market is in terms of the contracts. But we are also seeing the midterm bids coming up from various states where they're looking at 5-year contracts. But that 5-year contract, we only have one project which we can offer from, like we mentioned, which is currently non-tied up.

So we are only looking for bids under 1 year because keeping in mind our commitments and other things. So they are typically, you can say, maximum 1 year, but typical range is around 6 to 9 months ahead.

Aniket: Understood, sir. And within this quarter, the battery that we have, how many cycles are we running in a day on an average?

Nikhil Dhingra: One cycle a day.

Aniket: One cycle a day. Okay. And just to confirm the 20-gigawatt hour battery, how much have we already contracted?

Nikhil Dhingra: So we have contracted almost all of it. You can say around 90% of it, so already contracted. And in terms of the timing of battery procurement, that's an important point that we foresee that this year is a good time to purchase because there is a 6% export tax being imposed in China from January. So that's another thing. And of course, the merchant market-wise also earlier, the better.

So given that we have contracted, by and large, all of it in terms of the contract. Wherever the PPA is not signed, that is -- we don't count it as something we need to order. So that is what is left. But wherever PPA is signed, there we have ordered the battery.

Moderator: Our next question comes from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Congratulations on a very good quarter. My first question is, can you just help us with the depreciation and interest in the quarter, especially for the batteries, which were accounted in the P&L?

Nikhil Dhingra: Right. Yes. In terms of the policy, it's a 20-year depreciation for the batteries. So in terms of the number, I'll just give you the numbers. Arun, can you spell out numbers? You can spell out the numbers.

Arun Chopra: Yes. So the interest portion in the battery part is around INR32 crores and the depreciation part is around INR27 crores.

Mohit Kumar: Understood. My second question is on the -- of course, the CERC introduced a free exit option of merchant route conversion for lacking a signed PPA. I think you mentioned in the PPT that this is advantageous to us. Can you just help us how does it impact us in slightly more granular details?

Nikhil Dhingra: Sure, sure. So as you would have noted that, Mohit, that bulk of our PPAs are signed. And the rest of the LOAs, which are still left are also on a good track to be signed. So we will gain from this freed-up connectivity where the PPAs are not signed and where the people have not -- where the people don't want to do, let's say, the alternatives which CERC is suggesting, let's say, putting up a merchant plant or putting up a C&I if their PPAs are not signed.

So there is a -- we are expecting that quite a few -- quite a large number of connectivity may be freed up by this initiative, which is a good initiative by CERC. So that's how we are positive in terms of the future growth that we were seeking highest GHI connectivity always. So this will enable us to try and, let's say, if there are options for this connectivity, which is freed up, it will help us get that, which we could not have got if this initiative would not have taken place.

And secondly, it will also help the CTU plan the future connectivity better, which is good for the grid in terms of the overall country that the connectivity is appropriately utilized and not stranded, and also good for batteries because the nighttime also will come around those -- because there is a Right of First Refusal attached to some of these connectivities, which will be freed up. So that will also free up a lot of non-ROFR connectivity or a ROFR connectivity, which is all linked to the solar connectivity. So very good development for us and the industry.

Mohit Kumar:

My last question is what is the expectation on bidding activity for the next 9 months in this fiscal for REs. We have seen that there is a slowdown in general in bidding, especially in the last quarter and FY26.

Nikhil Dhingra:

Right. So in terms of the bidding, as you know, that we only have one area, which is now 6 months since that initiative. So SECI is consolidating all the bids. And now they've put in a rule that they will not come up with a bid until they have a prior -- more or less firm commitment on the requirement of power. So what we are seeing is the cycle time from bid to PPA will reduce because of that.

So the quantum of bids, of course, have reduced from SECI because of that because they are realigning their whole sales and procurement system basis this guideline from the ministry. So what we have seen from them is a good amount of PSP, good amount of wind, good amount of 4-hour peak power bids, the full round-the-clock FDRE bid. So very large bids are expected. And we have...

Arun Chopra:

CFD.

Nikhil Dhingra:

CFD is another contract for difference. So these are all -- which are very solid bids backed by demand from the counterparties. Bengal is coming up with a good amount of requirement post elections. Then there are a lot of other states which are coming up and, let's say, for the round-the-clock FDRE, there is a good demand. And these are all high crores per megawatt capex bids. So in terms of the capex and ROCE, these are very significant bids. And it is good for serious players because it needs connectivity at multiple places. It needs integration of various sources. So that is there.

Then other than SECI, there are a lot of medium-term bids which are coming up from the states, like we said, like a 5-year peak power procurement. Even Gujarat and a lot of other states are coming up with their own FDRE in terms of the high creditworthy states. So that's, again, a good opportunity. And with the ISTS waiver going -- there is, again, move towards BESS tenders and again, move towards putting up projects in high-resource states. Some states are going for that

like Maharashtra is also coming up with those kind of bids. So the format of the bids have changed. There is no solar bid which will come, right? There is no -- of course, pure wind bids will continue coming.

But the battery-related bids will be the focus. There is no bid in renewable, which will come other than PSP, which will not have battery. So you will see that the focus will be -- and also there is a rightsizing of battery bids, which will happen because of delay in the VGF-based projects, which was done by various states.

So states will also size up how they realign post that bids in terms of the actual execution of those bids. So you will see that realignment currently going on because they were hoping for that execution, but that execution is not happening because of the competitive nature of those bids. So some realignment because of which the volume is currently low, but the structure being put in place and the demand drivers are very strong.

Manoj Upadhyay: The megawatt-wise, I think I would like to also add, the megawatt-wise, there may be lesser megawatt, but each megawatt will be equivalent to 4 megawatt of solar because they are round-the-clock type of power, which we expect more and more to come in.

Moderator: Our next question comes from the line of Sambhav Kela with HSBC Bank.

Sambhav Kela: My first question is on the PPAs that you have signed this quarter. So on the 2 projects, are there any change in terms that have allowed you or enabled you to sign these PPAs, especially for the hybrid project? And also, if you could elaborate on the configuration of these 2 projects?

Nikhil Dhingra: Right, right, right. For the hybrid project, what we have done is we have offered 1 hour of battery, right? That is the change to the standard configuration, right? And the second project, which we have signed is which one?

Arun Chopra: INR6.28 per unit.

Nikhil Dhingra: Yes. This is no change. There is no change in that project configuration.

Sambhav Kela: Okay. Okay. Got it. And secondly, if I look at your last quarter's PPT, there is one ACME Marigold LOA awarded project where you had mentioned that you have been invited to sign a PPA. So any progress there? What's the update?

Nikhil Dhingra: Yes, yes, yes. Yes. So actually, this is being signed with the Northeast, one of the state in the Northeast. So they were taking time to -- because you know the railway status is currently as an open access party is being revised by Supreme Court, you must have gone through that proceeding. So because of which it is -- it took time.

We are still very advanced stage, and we have given the bank guarantee for signing PPA. So it is expected to be signed very, very shortly. It took some time at their end, at the state end. The

REMCL is very proactive on this, but the railway unit in the Northeast took some time. So this is still at a -- it's 100% going to be signed very soon.

Sambhav Kela:

Got it. Got it. And just lastly, if I -- just a clarification. On the projects that are -- that were targeted to be commissioned this year and where the GNA timeline is well into FY28, what you're saying is that you will perhaps operate BESS on those projects, but you won't commission them early and operate them on TGNA, right? Is that understanding correct?

Nikhil Dhingra:

So see, the Ministry is also requesting everybody given the curtailment in Rajasthan and others. So every Ministry also doesn't want people to commission because there was a representation by the industry that there is a lot of curtailment happening in the whole state. So nobody in the industry would like to commission on TGNA because the amount of curtailment which you get is not good for your shareholders or anybody, right? Even the lenders would not like it.

So it is prudent to plan such that you only supply where your lines are complete -- all the elements of the line are ready, right? You right-size your plant. So we will -- wherever the solar GNA is available, right, we will try and prepone the plant as much as possible because it is always beneficial for us to early-commission the whole plant, so which we will continue to do. But wherever the solar GNA is not available, it does not make sense to buy modules and keep them stranded or not generate the whole PPA power because that is IRR decreative. So we will never do that.

Manoj Kumar Upadhyay:

So to clarify, I think your question also this one, we will make the plant ready in terms of transmission line, substation and even the entire balance of the plant. What we will do is we will operate the battery there at the plant. And whenever the daytime GNA gets operational, then we will start feeding solar.

Moderator:

Our next question comes from the line of Apoorva Bahadur with IIFL Capital.

Apoorva Bahadur:

You mentioned in your presentation and in the commentary as well that you have signed a locked BESS capacity, which will earn about INR1,400 crores of revenue in this year. Can you share how much of the BESS capacity has been locked in and how much of the storage inventory is available for further monetization?

Nikhil Dhingra:

So Apoorva, you can -- we have mentioned INR1,400 crores. So you can say that is around 70% to 80% of our capacity, which is locked in and 20% is still left. And this is assuming a 10-gigawatt hour kind of a number by March. If we go above, then we will need to contract that. But we are slightly -- we want to basically factor in any supply chain or such kind of issues. That's why we are guiding for 10-gigawatt hour.

Apoorva Bahadur:

Okay. And the EBITDA margins would be similar as 1Q, 82%? Or do you expect a change over there as well?

- Nikhil Dhingra:** So see, the -- as you know, yes, the Q1 is a slightly better quarter. But since the commissioning happened in a staggered manner, right? So the interest and depreciation, so we will have to see. I'll have to come back to you on this one. But by and large, not very different from this, right? So the cost of power was also similar. So it should be similar. I think it would not be very different, maybe 2% to 5% here and there, but not very different.
- Apoorva Bahadur:** Understood. That's quite helpful. Also in your presentation, I think you shared the capital cost for BESS, which has been capitalized around INR93 lakhs per megawatt, if I'm not wrong. So yes, so that comes to around about \$100 per kilowatt hour.
- Nikhil Dhingra:** Yes.
- Apoorva Bahadur:** How are you seeing this trend? I think initially, the first few batches which we ordered were at a slightly lower rate. And now what is the current price of delivered BESS into India?
- Nikhil Dhingra:** Right, you are very right, Apoorva. So the initial BESS we ordered were at a lower prices. And then, of course, the lithium carbonate is a very volatile commodity. And of course, China has some -- has, again, a supply-demand economics through which things play out. So this INR93 lakh could go up, right, could go up for the future BESS, but not again by a very high percentage, not more than maybe 5% to 10%.
- Arun Chopra:** Yes. Within our budgeted cost.
- Nikhil Dhingra:** Within our budgeted cost. So because rest of the components, we are saving like the PCS is coming lower than the budgeted cost, and rest of the components are also coming in. And mind you, we are building at the substations where the line is already there, right? Line and substation is already there. So that also helps us save cost.
- The other thing is we are not factoring in the hedging gains we will have in this cost because we have already hedged more than \$300 million of dollar from which we have a lot of hedging. So we are telling you the cost as we are spending it. And there will be -- so in terms of the -- because we have locked in a rate of around \$89, \$90, in some cases \$92, \$93 also depending on where the dollar was at that.
- But we keep on hedging as and when the opportunity comes because it's a very volatile world. So we keep looking for opportunities to hedge. So that -- there is, you can say, a positive bias in terms of reducing cost on the -- because of the dollar movement.
- Apoorva Bahadur:** And this INR93 lakhs, which you mentioned comprises given that it's a capitalized cost, IDC, EPC profit.
- Nikhil Dhingra:** Everything, yes. Everything.
- Arun Chopra:** Yes. So INR93 lakhs, including the transformer, everything.

Apoorva Bahadur:

Okay. Okay. Sure. Sir, also, I want to know your thoughts on the depth of the merchant market, which can support how much of BESS capacity can it support, right? Because the arbitrage is so good that I think a lot of players are jumping in with both feet, a lot of BESS capacity has been awarded. And I think now the entire probably industry is trying to replicate our strategy. So how do you see this? I mean, for how long will these spreads sort of hold where they are? Or do you see a compression and by when?

Nikhil Dhingra:

So see, Apoorva, it's a very important question, which we keep on debating. So the key thing here is that this is a very nascent market in terms of the availability of BESS, right? The peak power demand was always there, but people who are meeting it through alternative methods.

Let's say, we go to states for selling this power. So what they say is that we are buying round-the-clock power. They are buying thermal, right? They are buying thermal because there is no gas this year. So people are buying thermal. So when they look at the math of buying a thermal for meeting their peak requirement, they have to buy it for more number of hours than they actually need to for this.

When they look at the actual problem they have, that is in the 4 hours or 6 hours, mostly in the night, right, where this product is actually was not there till last year. So this is an unmet need, which was there last year, but there was no supply of that product, right? So if you look at the let's say, 40%, we and Adani are doing it, right, very small supply if you look at it from the BESS side, right? And nobody is actually doing merchant, right? People are -- people like us, and even I'm sure Adani would also have a plan to put it in long-term contracts, right? So people are not putting up specific merchant plants, right, which are online for 25 years.

Everybody will -- like we have a consistent pipeline, which will keep on coming for every year. So first of all, I wanted to clarify that the supply for pure merchant will not be very high, right? Because some of our plants will go into PPA, then we'll again get into new projects execution. So like Manoj ji guided that 10-gigawatt hour we will have on a, let's say, merchant basis every year because we are executing projects, right, which are -- which have PPA.

So the supply side, I'm not very bullish on the huge supply into the BESS on an open basis, right? So there will be very opportunistic supplies coming in into the BESS from the supply side first, right? In terms of the demand, so this has opened a very new, let's say, each state is now evaluating it very seriously because they were not aware of this availability, right? And they were not aware of the ability to supply, right?

Here, we are supplying 15-minute power on demand every day, right? They were not aware that this kind of very fine supply can be done by battery because there is a low trust on battery, right? It is new for everybody, right, including suppliers, including takers. So that trust is growing by state and state. So let's say, we will be supplying to more or less 6, 7 states right now, right?

So they have consumed power from us, Adani, various other players also, everybody is doing it. So there is a growing trust. And now the bids will come, which will factor in that supply. Earlier,

the bids were basically compared with the round-the-clock power or the gas power, which is much, much higher than this cost.

In terms of the absolute quantum, as the solar -- see, all the FDRE which is coming or all the peak power is coming or even the connectivity, which power -- Ministry of Power is giving, all battery is coming with solar. There is no battery which is coming in without solar because it's all co-located solar. So you are not seeing actually the sync which the grid needs because of excess solar. So when the sync comes when there is a net battery addition without solar.

So in terms of -- we see that addition of new solar addition of, let's say, ramping down of more thermal, right, we'll see the requirement of peak power going high, much more than currently. So in terms of the factors driving it, that's there.

Manoj Kumar Upadhyay: Yes. I would like to add here. Actually, we -- this peak is driven by the duck curve phenomena. So you know that we are adding the rooftops, 6, 7 gigawatts of rooftop. What is happening is when you add rooftop, that is also reflected in the grid. We are adding KUSUM, that is also reflected in the grid. You are adding B2B type that is also reflected in the grid.

As the duck curve is pushing towards 0, both the site demand actually for the peak power will go up. My own conclusion right now tells is around 300-gigawatt hour, but I see that it will get pushed towards -- as we are adding more solar, like Nikhil shared, in every FDRE, we are adding more solar to the grid.

As we are adding more and more solar, the evening and morning peak will push towards the higher side. So I see that we will be close to 400 to 500 gigawatt hour. In the positive scenario, it may touch even 1 terawatt hour kind of a situation. That's where this market will take.

Apoorva Bahadur: Very interesting, sir. And lastly, I think I just want to touch upon this, maybe a temporary slowdown in renewable auctions. Do you see some sort of a change in the pattern of demand, like you said that because of rooftop and because of C&I. And specifically for C&I, do we have plans for entering that space or anything on the captive side that you're thinking about?

Nikhil Dhingra: So yes. So in terms of the bids, Apoorva, like we said, there is a recalibration because of the change in the format and change in the, you can say, the binding nature of the bids. So we see that the government-backed bids or the government SECI-backed bids will come in quite strongly in the next, you can say, 6 to 9 months and from there on, because there is a definite plan to do that.

And they are procuring various other commodities like green ammonia and various other things, which should also add to the whole demand. So they are diversifying their procurement. So that's one. So we -- and the states will also come, the CFD will come, the peak power bids will come. So that's -- so there is going to be a revival of that. That is -- we're very positive about it.

Secondly, on the C&I part, so that is something we are considering in terms of the various things. But as long as our pipeline and the IRRs on the government bids are strong, right, it will always compete with the C&I for that. And we will never dilute the mid-teen or high-teen returns we target for our -- this thing.

And also, our focus is on CTU projects because it gives us flexibility -- so for using that power in terms of peak power or towards various use cases. So we will always look for CTU connected C&I customers. And of course, we will definitely come in the next coming quarters in terms of some of the other use cases, which are not non-government. So we are actively exploring that, and we have made good progress on that as well. We will update you whenever there is anything concrete there, but there is a definite plan to do that.

Moderator: Our next question comes from the line of Nikhil Abhyankar with UTI Mutual Fund.

Nikhil Abhyankar: I just want one clarity. I mean, ex of BESS, if you look at the EBITDA, it has grown almost 20-odd percent, while we haven't really put in a significant capacity addition as such. So what exactly is driving that number? And if you can also quantify the impact of curtailment in this quarter and Y-o-Y?

Nikhil Dhingra: Right, right. Very important question, Nikhil. So if you look at this quarter, our CUF has gone up by around...

Arun Chopra: 30.9%.

Nikhil Dhingra: Has gone up to 30.9%, which is the absolute highest. So that is the biggest contribution to the higher EBITDA we had in this quarter. So like from last year -- year-on-year basis, we have gone up from 28.5% to 30.9%, right? And from the last quarter also, we have gone up significantly. So that's the key reason, right? The second part of the question was what?

Nikhil Abhyankar: No, the...

Manoj Kumar Upadhyay: I would also like to add it here. We do the continuous repowering of the plant. So the plant, what you have seen perhaps the last year that we will have -- in this quarter, what we did in the repowering on the existing plant, that also is reflected in this. So these are the 2 factors which is driving the EBITDA apart from the BESS. So you asked one more -- sorry, there was a second part of your question, which I missed.

Nikhil Abhyankar: Curtailment. Curtailment this quarter Y-o-Y.

Nikhil Dhingra: Yes. So curtailment contributed around 1% of the revenue, only from the state-based projects. So that was the curtailment on the overall revenue, 1% -- less than 1%.

Manoj Kumar Upadhyay: Yes, that's one reason we are also thinking now even the state-based project, we are thinking that to add a little bit of battery. So in future, we can even capitalize on that.

Nikhil Dhingra: So good -- I think we didn't add it in the industry update. There is a circular which has come up, which allows you to use your surplus renewable, which you generate in solar into batteries. So that is a good OM, which has come from the ministry. So that we will do in all our state projects that whatever megawatt hour we can charge, right, completely from that excess generation, it makes complete sense to do that. And that will completely eliminate the curtailment bit. Of course, it will be seasonal, but we will size up to eliminate as much as possible and also the DSM.

So these 2 things will help by adding these batteries, which we are doing. So in future, we plan to eliminate it. Of course, we have some regulatory solutions to this, which we are again taking up at the appropriate forums to have the same curtailment-related provisions, which are there in the central grid in the states also. But there are some operational changes we are doing and there are some regulatory changes we are doing to reduce this number of 1%.

Moderator: Our next question comes from the line of Anuj Upadhyay with Investec.

Anuj Upadhyay: Congrats on a good set of numbers. So just a clarity on a question which was asked by a previous participant. You mentioned this INR1,400 crores of locked-in revenue from the BESS. Is it from the entire 10-gigawatt hour? Because in the presentation, you have highlighted that 50% of this 10-gigawatt hour of BESS is largely towards or caters to the FDRE -- upcoming FDRE projects. So how exactly should we read through it? Is this from the 50% we have locked in INR1,400 crores of revenues or it's for the entire 10-gigawatt hour?

Nikhil Dhingra: So yes, 2 parts to your question. So one is currently, this is like we answered that it is around 70%, 80% of the 10-gigawatt hour we have contracted, right? So 20% is still left to be contracted. And in terms of the -- what was the second question?

Manoj Kumar Upadhyay: 50% of FDRE.

Nikhil Dhingra: So there is no -- 50% is not right. Actually, all of our capacity will go to PPA, like we said, other than the, you can say, 1,200 megawatt hour, which is in the merchant right now, which is again going to go to the future bids. So there is no 50% ratio unless you're referring to something specific.

Manoj Kumar Upadhyay: No, actually, this question was also that some of the portion will go to FDRE project, which is getting committed to those projects. Those projects, we have already taken in effect.

Nikhil Dhingra: Already factored that in.

Manoj Kumar Upadhyay: Already factored that in.

Nikhil Dhingra: So that is not part of this sale. So wherever the battery is going to the FDRE, yes, you're right. Maybe you are referring to the Neemuch or some other plant.

Manoj Kumar Upadhyay: Yes.

Nikhil Dhingra: Yes, yes. So that is not factored into this merchant sale, yes.

Manoj Kumar Upadhyay: That is not factored into this merchant sale.

Anuj Upadhyay: Right. So on an average, it's like 5 to 6 gigawatt hour, which we have tied in the short-term, which could face this INR1,400 crores kind of a revenue. And as Manoj sir, you are referring to, every year, on an average, we will be having roughly 10-gigawatt hour of open capacity, at least for the short term -- for any given year.

Manoj Kumar Upadhyay: Correct.

Anuj Upadhyay: Probably one can expect this INR1,400 crores of revenue can go up further to say, INR2000 -- INR2,500 crores kind of revenue from next year onwards?

Nikhil Dhingra: Yes, yes, we will basically confirm when we deliver. So right now, what we are delivering, we are only talking about that.

Anuj Upadhyay: Fair point. And here, 1 cycle is for 3 hours or 4 hours the BESS.

Nikhil Dhingra: 4 hours typically, only 4 hours.

Manoj Kumar Upadhyay: Typically 4 hours.

Nikhil Dhingra: Only in 1 project, we were doing 2 hours, which is now upgraded to 4 hours. So yes, typically, 4 hours, in some cases, 6 hours also, depending on the PPA requirement. Some states are also buying 6 hour power like till 12:00 till 2:00.

Anuj Upadhyay: Okay. And any plan to cater to the data center requirement on the C&I side?

Nikhil Dhingra: So yes, it is a very promising sector, and we are building team around it. So we are -- we have started with the hiring and other key strategic planning. So of course, this is something we want to explore depending on the profitability, right? We want to play in the segment, which gives us long-term concessions and also caters to our strengths, which are around, you can say, building infrastructure and building infrastructure relating to power, right, and also the related competencies we have.

So we are definitely -- this is the segment we don't want to ignore. So -- and of course, we are building our strengths around it in terms of the capabilities also and in terms of the marketing also. So yes, this is something which will -- and macro-wise, it will, of course, add to the requirements of Southern states and Western states in India, which is a big positive in terms of round-the-clock renewable power it is going to add.

And we are going to see a lot of procurement, which will be driven by this -- and other than EV, right, this is the single biggest segment we see, which will increase the power demand for renewables and the peak demand in the country.

Manoj Kumar Upadhyay: So there are 2 things I think I would like to add it. As we are adding more and more EV, the peak power demand for 1-hour, 2-hour, 3-hour will keep on adding more and more, especially in the evening and daytime. And the second is, as we are telling here, is that even the SECI is also now creating a platform where they will work with the data center. They will work with the data center to procure power for that. So if they also get into -- they are also working in this area. So if they become a customer, if they become aggregator, we will be very happy to participate on those bids.

Nikhil Dhingra: And even with the direct, right, even with the direct players because they are very credible players. The thing -- only thing right now, which we are figuring out is the profitability metrics because the profitability we are seeing, of course, in terms of the headlines, it is a good headline, but the profitability is something which we need to -- I think both on the cost side and on the pricing side, we need to really work to make the right amount of profitability and using the competencies we have. So that's what we are trying to figure out a solution, which -- and this is the segment we are working on. So we'll update you whenever there is anything concrete on this.

Moderator: Our next question comes from the line of Yogesh Patil from Dolat Capital.

Yogesh Patil: You are guiding a 10-gigawatt hour base capacity will be available for the short-term market for a particular year in the next 3, 4 years. Then what one can assume the BESS revenue this 10-gigawatt hour kind of capacity? Or you can also guide us on the same annual basis. That's the first one.

Nikhil Dhingra: Sorry, Yogesh, can you -- I missed what is the exact thing you need on changing the quota.

Yogesh Patil: Yes. So you are guiding that 10-gigawatt hour kind of a BESS capacity will be available for the short-term market for a particular year in the upcoming next 3, 4 years, correct? Then what one can assume the base revenue from this 10-gigawatt kind of a capacity? Will it be more than INR1,400 crores kind of revenue because already 80% of the capacity of 10-gigawatt is tied up, and we are expecting a INR1,400 crores kind of revenue in this year. So this phenomenon of INR1,400 crores plus will be applicable to upcoming years also?

Or the question again, this is limited to El Nino year from the next year onwards, the power demand will normalize to 6% and the hydropower will be back into the game. And the BESS short-term revenue realization will be on the lower side. Because right now, the realizations would be better and that's giving an edge, whether it is on short-term basis DAM or HP DAM in all these markets. Just wanted to have your view on this side.

Nikhil Dhingra: Yes. No, very important question you raised, Yogesh. So in terms of the -- there are 2 parts to your question. So one is on the volume, which we can do and another is the price, right, price we can do. So in terms of volume, we have contracted, it is only 80% of the volume we are targeting. So that definitely takes the overall revenue to higher than INR1,400 crores, if we end up tying up that 20% more of volume, right? So that is the current tie-up for this year.

In terms of the going forward price stability and whether this was an exceptional year or not. So the key thing, what we are finding is that a lot of states have not yet started buying BESS power, like I earlier answered in the previous questions. So this market is not yet tapped because in terms of very few discoms, if you look at, in India, have bought BESS power because it's a new form of power. The whole capacity has come up in last 6 months. Whatever capacity is there in India has come up in 6 months.

So any capacity takes time to -- for people to rely on that. So we will see that new tenders, which will come, which will focus on that. So we don't see a slowdown in terms of the demand. Of course, in terms of the pricing, there has to be an alternative supply, right? If the hydro power, which will come back, if there is a fixed cost, it was anyway not able to meet that peak demand.

So that's where I think even in the El Nino, I think there could be -- and the other thing other than the physical factors or the scientific factors, there are election-related factors which come up, right? There is -- there are some factors relating to the heat other than the El Nino and also the penetration of air conditioners and various other things.

So we don't see a slowdown overall basis our macro analysis because we have a team which tries and maximizes the revenue, which predicts the revenue. And of course, we are using various systems also. So we don't see a slowdown in the pricing also for the next 3 years. And of course, we can forecast beyond 3 years, but that's really susceptible to changes. But we don't see a slowdown basis various factors, and we spoke about the duck curve and various other things.

Manoj Kumar Upadhyay: Yes. So as we said earlier that, first of all, that 300-gigawatt hour of current demand to be met, that itself is a very big number to cope up. And as we are adding more and more solar in the rooftop, more and more and more solar in the KUSUM, what is adding is it is creating more duck curve. That duck curve will drive the evening and morning cost more.

And this is -- this duck curve phenomena is not met by the hydro. Hydro is, for example, when it runs, it runs 24/7, especially in the time when it runs. So the peak type demand, which comes in, they are driven -- they can be either addressed by the gas peaker if we are cheaper than the battery and the third can be the pump storage. These are the 3 solutions for the short-term peak.

Nikhil Dhingra: And the pump storage is also most competitive for an 8-hour solution.

Manoj Kumar Upadhyay: And that it will take a long time by at least 3, 4 years to come in. So the way we see that, I think next 5 to 10 years, as I see from a macro point of view, that peaking demand like in Europe and U.S., in fact, it is -- every year, it is going higher and higher. So I expect the same thing happening in India.

Nikhil Dhingra: And on the cost side also, just to guide you on the technology part, the sodium batteries are making good progress in the world and China. You must have seen that in Intersolar, they have spoken about supplying these batteries in Europe in the cold climate. So on the cost side also, there are positives which can happen, which will increase the life of the battery to, you can say,

closer to the PSP timeline. So that's a very key movement which is going to happen, which can move the profitability in terms of the overall peak power dynamics.

Yogesh Patil: So you believe that INR1,400 crores kind of a revenue run rate can be possible in next 3, 4 years, considering the 10-gigawatt hour kind of a capacity in a short-term contract side. Will it be fair to assume in our financial modeling for next 2 to 3 years, INR1,400 crores plus can be done.

Nikhil Dhingra: Yes. So it's a very specific projection we have to do, keeping in mind the PPAs we have, right, and keeping in mind the pipeline we have, right? What our aim is that we need to do this 10-gigawatt hour of bids. Of course, it's subject to the return of the PPAs. Right now, we have. So you can assume it for the next 2, 3 years because we have that pipeline, right? And we know the GNA and we know -- so for the next 2, 3 years, you can make that assumption.

Manoj Kumar Upadhyay: Even more than INR1,400 crores.

Nikhil Dhingra: Even more than -- so that's given our PPA time line because it's very specific, right? So as we are going forward, right, in terms of getting new bids, in terms of getting new business, that is our plan that we will continue to boost that business because this is what we believe in, that we should do peak power, right, beyond '28, '29 is what I'm talking about, that we should continue to aim for such business, which provide you this opportunity because we like this business in terms of the quick, you can say, time of implementation, in terms of the technology movement, in terms of the fundamental demand-supply gap.

So you can make that assumption for 2, 3 years. But beyond 2, 3 years, it's dependent on the market, how we are able to get those PPAs, how the profitability remains for those PPAs. And of course, we'll continue seeking those opportunities to replicate this beyond 2, 3 years as well.

Yogesh Patil: Next question related to EBITDA margins. If we exclude the BESS revenue and contribution to the EBITDA from the BESS side, then how much would be our clean or core EBITDA margins for the business during the quarter FY27? And what would be your EBITDA margin guidance for the core business for the next 3, 4 quarters, considering the BESS EBITDA margin would be 80% to 82%?

Nikhil Dhingra: So for the -- if you remove BESS, it's 91% is the EBITDA margin for this quarter, right? And that is, I think with...

Manoj Kumar Upadhyay: And that is static -- if you see the last 4 quarters of the previous year, it was close to 90%, 91%, except for the second quarter, which was September '25, it was 88%, 89%.

Nikhil Dhingra: So it is basically because of the seasonality, and this varies from, you can say, 88% to 92% 88% to 91%. So that's how we can guide you about it. And we keep on doing repowering, like we mentioned earlier, to keep on improving it.

So that's how it is. And there would be further -- depending on the project profitability also, like there are FDRE projects which are coming up. So it may help in revising this EBITDA margin because the realizations there are healthier as compared to a plain solar bids.

Moderator: Ladies and gentlemen, that was the last question for today. With that, we conclude today's conference call. On behalf of ACME Solar Holdings Limited, that concludes today's conference call. Thank you for joining us, and you may now disconnect your lines.

Nikhil Dhingra: Thank you.