Management Discussion

Preksha Daga - Analyst, Motilal Oswal Financial Services Limited
You. Uh, good evening everyone. On behalf of Motilal Oswal, I welcome you all to the Q2 and H1 FY27 earnings conference call of Saatvik Green Energy Limited. We have with us today the senior management team of the company, Mr. Nilesh Garg, Chairman and Managing Director, Mr. Prashant Mathur, Chief Executive Officer, and Mr. Rishabh Mehta, Interim Chief Financial Officer. Before we begin, I would like to remind you that some of the statements made on the- made on today's call may be forward-looking in nature and must be viewed in conjunction with the risks the company faces.

A detailed disclaimer is included in the earnings presentation which has been shared with the stock exchanges and is available on the company's website. We will begin with the management's opening remarks followed by question and answer session. Before asking your question, we request you to kindly mention your name and the name of your organization. With that, I now hand over the call to Mr. Nileshwar. Over to you, sir.

Neelesh Garg - Chairman and Managing Director, Saatvik Green Energy Limited
Uh, thank you, Preksha. Good evening everyone and a warm welcome to the Q2 and H1 FY27 earnings conference call of Saatvik Green Energy Limited. Thank you all for joining us today and for your continued trust, confidence, and support towards Saatvik. I'm joined by Mr. Prashant Mathur, our Chief Executive Officer, and Mr. Rishabh Mehta, our Interim Chief Financial Officer. Q2 of financial year '27 marks an important step in Saatvik's journey. It was a quarter in which our execution caught up with our order book and one of significant progress on our strategic priority, the transition to a more integrated solar manufacturing platform.

Before I take you through the quarter, let me place it in the context of where Saatvik stands today. Our established manufacturing base is at Ambala in Haryana, where we have 4.8 gigawatts of module capacity and 2 gigawatts of encapsulant capacity. Our next-generation integrated hub is at Gopalpur in Odisha, where- which is where the next phase of our growth is being built. Our scale and quality have been recognized externally. We were ranked among the world's top 21 solar PV module manufacturers by Terawatt PV Research in the first quarter of 2026, and amongst India's top 4 leading module suppliers by Mercom India.

Let me begin with an update on our Odisha integrated manufacturing project, which is the key milestone in this transition. The Phase 1 project, spread across 57 acres, comprises 2.4 gigawatts of cell manufacturing capacity and 4 gigawatts of module manufacturing capacity. I'm pleased to share that commercial production at our 1.3 gigawatt module manufacturing facility in Gopalpur Commence successfully on 2nd November 2026, and we expect the full 4 gigawatt capacity to be in place by December 2026.

This will take our operational module capacity from 4.8 gigawatt at Ambala to 8.8 gigawatt, both combined, Ambala and Orissa. On the cell manufacturing side, the 2.4 gigawatt line has moved from installation to trial run. Which has commenced, and we are targeting production ramp-up by December 2026. The ALMM List 2 inspection has been called for and is planned within November 2026. The Odisha facility represents a significant step forward in strengthening our manufacturing capabilities, with both cell and module capacities coming up at the same location.

We'll be able to serve customers with a more integrated and resilient manufacturing platform. Beyond Phase 1, we are progressing with the next stages of our manufacturing expansion. Phase 2,

spread across 27 acres, envisages an additional 3.6 gigawatts of cell manufacturing capacity, taking our total cell capacity to 6 gigawatts, with completion targeted In the financial year '28. In parallel, we have initiated planning for Phase 3, which envisages 6 gigawatts of ingot and wafer manufacturing capacity.

Phase 3 is targeted for completion in FY '29 and is aligned with the ALMM List 3 requirement, which applies from June 2028. Taken together, this is how our value chain is being built. In modules, we have 6.1 gigawatt lines today and will add 2.7 gigawatt by December 2026, taking us to 8.8 gigawatt. In cells, the 2.4 gigawatt line has commenced trial runs with production ramp-up targeted for December 2026, followed by 3.6 gigawatt in phase 2 in year FY28. In In encapsulants, we have 2 gigawatts live and are adding 3 gigawatts by FY28, taking us to 5 gigawatts.

And in ingots and wafers, 6 gigawatts is planned for FY29. Each stage has a defined capital plan and a defined timeline, and together they will progressively deepen our backward integration, strengthen supply chain resilience, and build a more comprehensive domestic solar manufacturing ecosystem. Against this backdrop, Q2 FY27 was a quarter of improved execution. Revenue from operations grew 77% sequentially, and we ended the first half with a confirmed order book of 6.68 gigawatts. Our approach remains to build a business with healthy economics and long-term value creation rather than to pursue volumes at any cost.

Let me now take you through our operational performance. In Q2, we produced 658 MW of modules compared with 408 MW in Q1 and 792 MW in Q2 last year. Sales stood at 640 MW compared with 334 MW in Q1 and 538 MW in Q2 last year. For the half, production was 1,066 MW and sales were 973 MW. Average realization was Rs 13.49 per watt peak in the quarter and Rs 13.89 per watt peak for the half. Effective capacity utilization was 58.5% in Q2 and 47.4% for first half. And with Odisha now coming on stream, we see room to improve it.

Domestic customers contributed 96.7% of Q2 revenue. Moving to the order book, our confirmed order book as on 30th September 2026 stands at 6.68 gigawatts, equivalent to about 110% of our installed module capacity of 6.1 gigawatts. During the second quarter, we added 970 megawatts of new orders and executed 640 megawatts, taking the order book from 6.35 gigawatts at the start of the quarter to 6.68 gigawatts. For the half, new orders were 1.76 gigawatts and executions were 970 megawatts. Recent wins include an order of Rs 476 crore from Vikram Engineering in August, domestic module orders of about Rs 190 crore in August and Rs 297.5 crore in September, and an order of Rs 1,041 crore from the SECI, Solar Energy Corporation of India, in September, and an order of Rs 100 crore from MSEDCL in October.

Let me now turn to, to the industry. Because the shift that is underway supports our strategy. The solar manufacturing industry is going through an important structural transition. In a module-led model, competition is largely on capacity and price with heavy reliance on imported cells and margins exposed to commodity and currency swings. In an integrated cell-led model, domestic cell capacity becomes an entry barrier. Integrated players are better, better able to secure supply, and vertical integration becomes a structural advantage on cost and margin.

Policy is guiding this shift. ALMM List 1 for modules has been enforced since April 2021. ALMM List 2 for solar cells came into force on 1st June 2026, with a limited exemption for net metering and open access projects commissioned by 31st December 2026. And the ministry has been clear that there is no blanket extension. LMN List 3 for ingots and wafers applies from June 2028, and manufacturers seeking enlistment for wafers must have equivalent ingot capacity. Domestic cell capacity is still only around 37 gigawatts against well over 200 gigawatts of module capacity.

The government has also indicated that it is preparing a support scheme for polysilicon manufacturing. Integrated manufacturing is therefore expected to become a key differentiator in the evolving industry landscape. Demand remains strong. India added about 20.8 gigawatts of solar capacity in the first half of this financial year, following a record 44.6 gigawatts in FY26, an increase of 87% over the previous year. Non-fossil capacity stood at about 238 gigawatts on March 26th against the 500 gigawatt target for 2030, leaving a gap of roughly 217 gigawatts to be filled.

And annual solar demand is expected to grow from about 50 gigawatts in FY27 to 85 gigawatts by FY30. Government programs are adding to this momentum across segments. Under PM Surya Garbh Vish targets, 1 crore households, more than 50 lakh households now have rooftop solar. July 2026 was the strongest month since the scheme's launch, and the government is targeting 75 lakhs by December. PM Kusum projects are working to a completion deadline of March 2027, and the next phase of the scheme which is expected to include an agri-PV component, is being finalized.

In the commercial and industrial segment, open access solar alone is estimated at 20 to 25 gigawatts of opportunity as large corporates increasingly adopt renewable energy to meet their ESG goals. Globally, the United States will begin applying Section 232 tariffs and minimum import prices on polysilicon-based products from 4th of December. And duties on solar cells and modules from India are also moving ahead. Exports are only about 3% of our revenue, so our direct exposure is limited. Saatvik is building for India's domestic demand.

Saatvik is well positioned for this transition. Our strategy is centered on strengthening our core module and cell manufacturing capabilities, followed by deeper backward integration into ingot and wafer manufacturing. Supported by ancillary capabilities such as encapsulants. This deeper integration will give us greater control over key inputs, enhance operational resilience, and help us manage the impact of commodity prices, foreign exchange movements, and global market volatility more effectively.

At the same time, we are continuing to diversify our customer base and market presence. We have entered the B2C segment And we are strengthening our distribution network. We launched our quad-cut Topcon 3.0 dual glass bifacial modules at the Renewable Energy India Expo 2026. We are expanding our portfolio through the SAATVIK Surya Connect solar kit for residential and small commercial customers, the Uday Plus hybrid inverter, lithium battery solutions for energy storage, and e-commerce sales that extend our reach to customers directly.

Our other businesses are still small, but they are growing. EPC, solar pumps, transformers, inverters, encapsulants, and batteries together contributed to Rs 408 million of revenue in Q2 and Rs 634 million in half- first half. And this is now being supported by new products including the quad-cut topcon A bifacial module unveiled at the REI Expo and a new hybrid inverter range. On solar kits, we have compared the technical, commercial, and pricing aspects of kits and key system components to identify best-in-class configurations, finalize the mounting structure design, and standardize the balance of system.

These steps widen our reach into the residential, C&I, and storage segments alongside our core module business. Our vision is to move from, move from being a solar module manufacturer to an integrated energy platform serving utility-scale, C&I, agricultural, and residential customers through one portfolio enabled by modules, inverters, transformers, and in time, battery energy storage systems. That means capabilities across manufacturing, power electronics, storage components, and a broader energy infrastructure.

Finally, let me say a word on responsible growth. Saatvik has received its first-ever EcoVadis Bronze

Medal, placing us in the 79th percentile globally, a major sustainability milestone. We received the Golden PECO Occupational Health and Safety Award 2026 and the Prithvi Award 2026 from the ESG Research Foundation. Our Ambala facility holds the IGBC Green Factory Building Silver rating, and we were named Brand of the Year at the India Power and Renewable Leadership Awards 2026. These recognitions reflect the culture we want to carry, carry into the next phase of growth.

With that, I will now hand over the call to our interim Chief Financial Officer, Mr. Rishabh Mehta to take you through the detailed financial performance for the quarter. Thank you.

Rishabh Mehta - Interim Chief Financial Officer, Saatvik Green Energy Limited
Thank you, Nidhiji, and good evening everyone. I will now take you through the financial performance for Q2 and the first half of fiscal year '27. Revenue from operations for Q2 FY27 stood at Rs 902.6 million compared with Rs 511.0 million in Q1 FY27, a sequential increase of 77%, and Rs 768 million in Q2 FY26. EBITDA stood at Rs 696 million with an EBITDA margin of 7.7%, compared with Rs 425 million and an 8.3% margin in Q1 FY27 and Rs 163 million in Q2 FY26. Other income was Rs 253 million. Profit after tax stood at Rs 202 million compared with Rs 54 million in Q1 FY27 and Rs 847 million in Q2 FY26.

The improvement over the previous quarter was primarily driven by higher sales volume. For the first half of FY27, revenue from operations was 14,136 million against 16,838 million a year ago. EBITDA was 1,121 million, a margin of 7.9%, and profit after tax was 256 million. Module sales accounted for about 96% of H1 revenue. From a balance sheet perspective, our debt-to-equity ratio stood at 1.37 times, as on 30th September 2026, compared with 0.99 times in June 2026 and 0.44 times a year ago, reflecting the buildout in Odisha.

Capital expenditure in H1 was Rs 5,001 million and capital work in progress stood at Rs 884.2 million, up from Rs 384.1 million in March 2026. As Odisha is commissioned, these assets will move into operation and begin to contribute to revenue. On working capital, inventories were Rs 9,074 million compared with Rs 7,016 million in March 2026, as we built stock ahead of Odisha and order execution. Receivables came down to Rs 4,855 million from Rs 6,988 million, and trade payables were Rs 4,705 million. We are conscious that leverage has risen during the build phase.

Our focus in the coming quarters will be on commissioning on schedule, improving capacity utilization, and managing the balance sheet with discipline as the new capacity begins to generate cash. With that, we would now like to open the floor for questions and answers. Thank you.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2.

Participants are requested to use handsets while asking a question. Hi, everyone. The first question is from the line of Abhishek from Motilal Oswal. Please go ahead.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Yeah, hi. Thank you so much for the opportunity. 2 questions. Number one, if you can just give us some details around realizations for various segments in DCR and non-DCR right now, so utility scale, You know, retail, C&I, what are the reservations right now?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Okay, so in terms of our, uh, yeah, good evening, Abhishek. Um, in terms of our revenue breakup, um, C&I accounts for about 28%, uh, utility Accounts are about 52%, 52-55%. Um, export is about 3% and retail is about 12%. So, and other revenue is about 4%. So that is on the revenue breakup. Um, in terms of- are you talking about price realization?

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Yeah, yeah, Prashant ji, actually I was talking about like what are the pricing in, in DCR, non-DCR. In various segments right now? Like what I'm hearing around Rs 20-21, for example, per watt peak in the, in the utility space, uh, some other companies. Is that a number that you guys are also encountering?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yes, that's correct. For TOPCON, the prices are, uh, somewhere around these numbers only, and for non-DCR, the prices are somewhere around Rs 13-12. Rs 11.50 to Rs 13.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
And this is for delivery in FY 28-29, I guess, right? Oh, that's

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
The current, what we are talking about.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Current pricing. Okay, okay, got it. And second question is, you know, you might have seen this news about China export controls relating to technology transfer for cell and vapor.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
So does

Abhishek - Analyst, Motilal Oswal Financial Services Limited
That impact you in any way, especially for Phase 2 of the cell, uh, capacities, or, or even for the inward lever capacity?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Um, so this policy, uh, change has been announced. We are looking, we are taking a close watch on how it develops. So it is expected to come somewhere around 15th of November, but You know, China has announced these kind of measures earlier also, but that has, that has really not worked out. In fact, we have done the groundbreaking over phase 2 cell manufacturing, which is 3.6 gigawatts. Apart from that, what China does not really own the technology. There are options outside China also. Especially in Germany, for alternative sources for cell manufacturing equipment.

The only reason why China was prevailing was because of the cheaper equipment which were available there. So it does not really hamper the cell manufacturing or ingot wafer manufacturing to come to India. So we are not, you know, very worried about this. I think it will, um, it will just die its

own death over the years, over the period of

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Time. So just, just trying to, you know, understand this a little bit better, uh, for all the, you know, capacities which are coming up, maybe say second half of the next fiscal, uh, will the technology transfer agreements be done already and then Do you think maybe they will not be impacted even if this, this thing comes through?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
So Abhishek, it's, uh, it's really difficult for me to really comment because, uh, as I said, uh, there have been couple of times earlier as well when those measures have been announced from China, but there have been, you know, there have been ways how the technology has actually moved. Outside China. So, um, it ideally should not delay or derail any of, of the projects. Um, the good news is that our, um, our first phase is, is ready, and the other thing is that our tie-up for our second phase is also there.

Um, so, you know, it should not, uh, it should not derail or delay any of the equipments for cell manufacturing. Got it, sir. So just one last question, like typically- Sorry to interrupt, sir. Yeah.

Operator
Should you have a follow-up question, please rejoin the queue.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, sure.

Operator
Next question is from the line of Janam Jain from IIFL Capital. Please go ahead.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Thank you for the opportunity and congratulations on the good set of numbers. Sir, can you please throw some more light on this Surya Connect kit which you have launched for the residential customers in terms of helping us understand the business dynamics, how the dealership network we have, what, uh, and what sort of competition are we seeing in that segment?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, thank you, thank you, Mr. Jaiman, for the question. So Surya Connect is basically the solar kit which we have recently launched. As you can see, you know, the industry is moving from B2B to B2C. And with the PM Surya Ghar scheme, more and more residential is now adopting to solar technology. In fact, 1 crore homes were to be solarized in the first part of the scheme, the first phase. And almost 57 lakh solarization has already happened and various must be in the pipeline. So the scheme is running very well.

And, you know, more and more customers, you know, along with our modules had been asking for panel- for inverters as well. So we launched the solar kits as, as a turnkey project wherein people can order through our distributors as well as online, and then they can get this installed by a local INC registered player, which gives the power with the customer to take the decision on going with one single brand. Um, for this, we are creating our distribution network with to every district and to every village.

Currently we have for the B2C, we have already developed a distribution dealer network, reseller

network of close to about 85-90 distributors across India, and we are in process of adding, adding more and more resellers, distributors. So this, this is well aligned with how the residential rooftop is going to move toward in the future.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, sir. And so in terms of competition and, uh, what stands as a right to win within that segment? Because I, I understand, I believe that there must be a lot of competition, uh, from the other competitors as well, right?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
So, um, you know, there are 140 crore people who land, so there is competition in India in every field. But what we believe is that, you know, based on our brand equity, giving a solar kit as a solution, there are very few people, companies who are doing it and doing it successfully. And we have consciously focused more and more on the B2C segment now with our various marketing campaigns as well as to create awareness because Solarization has to happen, and, you know, and, you know, there's little brand visibility currently on, on this, um, from a consumer point of view.

And this is a great place to, to really penetrate into, and that's why we have, we have this solar kit.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, okay, sir. Thank you so much, sir.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Nothing.

Operator
Thank you. Thank you. A reminder to all the participants, anyone who wishes to ask a question may press star and 1 on their touchtone telephone. Next question is from the line of Mayra Mittal, an individual investor. Please go ahead. Mayra Mittal, you're not audible.

Maria Mittal - Analyst, Individual Investor
Hello, am I audible now?

Operator
Yes.

Maria Mittal - Analyst, Individual Investor
Yeah, uh, so my question is that you're expanding beyond the solar module manufacturing into EPC and solar pumps, uh, which BES has also identified as a planned opportunity. So what is the strategy for these businesses and what, um, contribution do they expect to make to revenue and profitability over the next 2 to 3 years?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, thank you, uh, Miss Mayra, uh, for the question. Um, so the industry is now moving towards a fully integrated model and, um, it's like we have already got into cell manufacturing. Future, we are getting into ingot and wafer manufacturing. As well as ancillaries like encapsulant. And so to have a better control on the supply chain and on the cost because, you know, that's how the industry is moving towards. In a- typically in a solar project along with the panels you have the inverters. You have structure.

You have transformers. And Our- the reason why we are getting into these products is because these are allied products and we want a better share in any project. So like solar panels contribute to almost about 50-60% of the project cost. Inverters contribute to about 10% and then you have transformers. So we want to increase our share in that solar project to about 70-80%. So that's the reasoning why we are getting into- These businesses, um, in the first half of the year. So last year, our contribution of non-solar panel was, was, uh, somewhere around 2.5-3%.

This year we already at 4%, um, and we are targeting in next 2 years to increase this share to, to about 15% of our Revenue. Uh, it- the reason is to have a better control and better spread to, to de-risk our business as well.

Maria Mittal - Analyst, Individual Investor
Thank you. And so, uh, so with the module capacity also expected to increase to 8.8, um, and cell capacity to 6, So what is your view on the revenue and volume growth outlook for FY27-28 and EBITDA margin also? What trajectory are you factoring?

Operator
Sorry to interrupt, ma'am, but there's so much background noise from your side.

Maria Mittal - Analyst, Individual Investor
Okay, is it better now?

Unidentified Speaker - Unidentified Speaker
Yes.

Maria Mittal - Analyst, Individual Investor
Yeah, so, so my question was like, um, so with the module capacity expected to increase to 8.8 gigawatts and cell capacity to 6 gigawatts, so what is the management's revenue volume growth for FY27 and FY28?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, so what we are doing is, as I said, integrated. So ultimately, um, you know, your Uh, entire facility will be integrated. So currently, you know, 8.8 gigawatt of module, 6 of ingot, wafer, and cell. Um, so this is how we are moving. Um, in terms of our revenue projections for this year, um, it is in the range of about, uh, 6,000 crores. With an EBITDA of about 12%. That's, that's how the outlook has been and the projections have been given for this year.

Maria Mittal - Analyst, Individual Investor
Okay, thank you.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Thank you.

Operator
Thank you. Next question is from the line of Mahesh Kumar from MU Investment. Please go ahead.

Mahesh Kumar - Analyst, MU Investments
Good evening, sir, and thanks for the opportunity. So my first question would be the current status of- Sorry to interrupt, sir, your

Operator
Voice is breaking. Can you please use your handset?

Mahesh Kumar - Analyst, MU Investments
Is it fine now? Is it clear? Yes. Yes. So I was asking that what is the current status of commissioning and stabilizing of the Phase 1 of Odisha project? Comprising of 2.5 gigawatt cells and 4 gigawatt module capacity? And what is the timeline for optimal utilization of that plant?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Okay. So for the module, our first phase, 1.3 gigawatt, has already been commissioned. Last week, or maybe like 3, 4 days back only, we Received our consent to operate from the, from the government. And now ALMM inspection is- we are lining up that inspection. So hopefully in next 2-3 weeks we will have ALMM, and then we will be able to generate revenue from Odisha from our module plant. And then this- the rest of the phase will come in December. For the module. In terms of cell, uh, so cell, uh, 2.4 gigawatt is under ramp-up right now.

So the equipments have already been established, uh, we have started the trial runs and production, and currently we are in ramp-up stage. We are expecting to- after this Diwali, uh, we will be calling for ALMM inspection for cell. Um, and expectedly by end of- between- by end of November we will have the ALM inspection done and ramp up to be, um, at least established by the end of December. Um, typically for the entire 2.4 gigawatt it takes some time to really get to the, the 97-98% yield, which will happen in the last quarter of this financial year.

Mahesh Kumar - Analyst, MU Investments
Okay, okay. And so with the industry, if you see, it's gradually shifting towards- Sir,

Operator
Your voice is breaking.

Mahesh Kumar - Analyst, MU Investments
Uh, so, so I was asking, like, uh, if the industry is gradually shifting towards integrated cells and module manufacturing, how does Saatvik assess its competitive positioning against, uh, peers?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, so, um, the industry is now moving, uh, towards cell-led competition. So, um, There are still non-DCR orders in, in the system, which, which in our account is about 70-80 gigawatts. In some accounts it's still even more. Um, and our first phase 2.4 gigawatts and second phase 3.6 gigawatts will give us 6 gigawatts of cell capacity. Uh, with some additional equipment, we will, we will be adding Um, some more capacity into the 6 gigawatt as well. So we are well, uh, positioned from our cell plus module model.

Um, and, um, you know, so that, that transition will happen somewhere in next year, um, rather full year, um, non-DCR plus DCR both will will work out, and by the time our second phase of cell will also come up. So that's how the transition is going to happen in the next financial year.

Mahesh Kumar - Analyst, MU Investments
Okay, okay, sir. And, uh, if, uh, like, how does company, uh, plan to manage module price correction and raw material cost fluctuation? While, you know, protecting our profitability. Sorry to interrupt, sir.

Operator
Should you have a follow-up question, please rejoin the queue. Next question is from the line of Himesh Pandya from NP Investments. Please go ahead.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Hello, sir. Good evening. Am I audible?

Operator
Yes.

Unidentified Speaker - Unidentified Speaker
Yes.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
So I have a couple of questions, sir. Uh, with the commissioning of Odisha cell manufacturing facility, uh, what level of margin improvement does management expect from backward integration? And sir, when are these benefits likely to reflect in financial performance? If you could highlight on these points.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
So the benefit should, uh, should start hitting from 3rd quarter Partially, very, very partially. But fourth quarter onwards, it should really show us the real benefits. And and then from the first quarter, with with full yield and full optimization of of the of the plant, we will next year will be wherein we will get. The entire, uh, from, from this 2.4 gigawatt. In terms of our margins, we cannot give a number, but it, it will be in line with our peers, uh, who are already in cell manufacturing.

So those kind of numbers, uh, you can refer to, to their results, and it should, uh, it should be somewhere in the close proximity to those.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Understood, sir. Understood. So my second and last question is, uh, what is the current sourcing arrangement for wafers during- sorry, required at the Orijasil facility? And how will the company manage import dependence and potential cost fluctuations until its proposed, you know, ingot and water facility becomes operational?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, so on the wafer side, we, uh, we are already working on, uh, long-term contracts with the tier 1 suppliers in, in China. Um, so, so already, as I said, we have started ramping up our, our cells. Uh, we are producing in very, very small, uh, quantities already cells. So the wafer tie-ups and buying has already happened. Um, from a long-term perspective, the government ALMM-3 is going to kick in in June 2028. Um, so we are aligned with, with this policy change, and, and we are also setting up a sales peak awarding wafer manufacturing that is going to also come in Odisha.

Um, so from a long-term perspective, we, we will be getting into our own manufacturing. Other supply chain also, like encapsulant is another raw material which is, which is very important raw material, and supply chain is always a problem there. So we already have 2 gigawatt manufacturing of encapsulants in which we are also extending now, um, to 5 gigawatts.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Understood, sir. Thank you. Thanks a lot. That answers all my questions.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Thank

Abhishek - Analyst, Motilal Oswal Financial Services Limited
You.

Operator
Thank you. Next question is from the line of Abhishek from Motilal Oswal. Please go ahead.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Yeah, hi. Thank you for the opportunity. So just one clarification. So I think you said Rs 6,000 crores in revenue and 12% EBITDA margin. Uh, does that refer to FY27 or FY28? So that's my first question.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
FY27, that is the guidance. Um,

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, because we've done like, I think, uh, you know, uh, about 6%, 5% odd in the first half. So, uh, you know, full year says means we'll be like, you know, north of 16-17% in the second half.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, so, um, with the cell commissioning, we are expecting that our EBITDA in the, in the last 4 months, uh, will, will, uh, of this financial year will, will increase, and that will, uh, that will affect the overall annual EBITDA.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, okay, fair enough. And, uh, is it possible to know the order book breakup between DCR and non-DCR?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yes, so the order book, um, breakup is about 60% DCR and about 40% non-DCR.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, and, and DCR, like, like, uh, is it possible to give us some sense of, you know, average margins for DCR? Typically people are saying DCR will be around, you know, Rs 6 to Rs 7 or so EBITDA per watt peak. Is that a good number to work with?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Yeah, it's- as I said, it's, uh, it's going to be in line with, uh, with whatever peers are, um, getting. So should be around the same numbers.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Okay, okay. And this last question, uh, can you give us a sense of, you know, you already told us a bit on the cell utilization from 2.4 gigawatts, uh, but module utilization in FY28 and even the cell utilization in FY28, what, what is what numbers?

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Uh, it's really Difficult to give, but, um, yeah, I think it will be a forward-looking statement. Okay.

Mahesh Kumar - Analyst, MU Investments
Um,

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
I, I don't think it will be fair to give those numbers, but, uh, um, you know, this year is particularly, um, realignment year because ALMM 1 and ALMM 2 transition is happening, and then June it happened, and in July it was reversed, and now we are expecting it to get kicked in from 1st of January. So this year particularly is, is a realignment year, um, and obviously because of the commodity pricing and, um, you know, all that changes which are happening in the industry, um, by, by and large this will get sorted out Um, by next financial year.

So I think next financial year we will be- um, it's going to be a much smoother run with higher capacity utilization. Uh, for cell, obviously there's, there's huge demand for cell. So, um, you know, we are looking at about 90% capacity utilization in cell, um, and that's what we are targeting. In module, uh, You know, last year we were at 85% capacity utilization. This year is about 58%. Yeah, 50-ish percent, uh, which, which I think should improve in the second half of the year. Uh, but the next year we, we would love to be back in the 80s capacity utilization in modules.

Abhishek - Analyst, Motilal Oswal Financial Services Limited
Perfect, sir. Very clear. Thank you so much. Welcome back.

Operator
Thank you. Due to time constraint, we hand over the call to the management for closing comments.

Prashant Mathur - Chief Executive Officer, Saatvik Green Energy Limited
Thank you, Corus team, and thank you everyone for your questions. Before we conclude, let me briefly summarize our priorities for the coming quarters. Firstly, we remain focused on ramping up our Orissa module line to its full 4 gigawatt capacity by December. Second, we will ramp up our cell manufacturing line towards production by December and progress towards completion completing the ALMM List 2 process. Third, we will focus on the timely execution of our 6.68 gigawatt order book while continuing to strengthen our order pipeline.

At the same time, we will remain disciplined in managing our working capital and overall balance sheet. Saatvik is steadily transitioning from a module assembler to a more integrated solar manufacturing company with capabilities expanding encapsulant modules and cells with a long-term roadmap towards ingot and wafers. This backward integration will be important in strengthening our margins, improving supply chain security, and creating sustainable long-term value for our stakeholders. We believe we are at an important stage in our growth journey where our investment and strategic initiatives are translating into manufacturing capabilities and business opportunities.

With this, I would like to thank all our investors, analysts, and stakeholders for their continued trust and support. For other further queries or qualification clarifications, please feel free to reach out to our investor relations team at AddFactors, um, who will be happy to assist you. Thank you again for joining us and wishing you all A very happy Diwali.

Operator
Thank you. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.