Management Discussion

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, good afternoon everyone. On behalf of the entire Bondada Group, I would like to welcome you all to the company's Q2 and H1 FY27 earnings conference call. Thank you for taking the time to join us today. I hope you have had an opportunity to go through our financial results and investor presentation. We have continued to make progress on our strategic priorities during the H1 FY27, with a focus on strengthening our execution capabilities, expanding our presence across high-growth infrastructure segments, and building a diversified business portfolio.

Let me take you through some of the key business and operational developments during Last half year, we continue to secure orders across our key business verticals during H1 FY27, with the total order inflow since April 2026 stands at approximately 46,636 million. Some of the key order wins during this period includes A 600 megawatt solar PV project from NTPC Green Energy at Fatehgarh, Rajasthan. It is a BOES EPC project. A 250 megawatt of solar project from the Adani, Adani Group at Khavada, Gujarat.

Again, it is a BOES EPC project. A 250 megawatt of solar PV project along with a 50 megawatt by 200 megawatt-hour battery energy storage system from NTPC Renewable Energy at Sitapur, Uttar Pradesh. Again, it is an EPC contract. A 200 megawatt 400 megawatt-hour base project in Tamil Nadu. This is annuity-based base project in Tamil Nadu. Additional orders across telecom tower infrastructure, smart metering, and some specialized defense equipment orders are also there, and monthly orders for all our product companies.

These wins reflect our growing execution capabilities And the confidence that leading public and private sector customers continue to place in our offerings. On the execution front, we committed- we commissioned almost around 200 and 335 megawatt peak during H1 across Maharashtra and Gujarat, taking our cumulative commissioning capacity, solar EPC capacity, to approximately 1.7 gigawatt peak. For FY27, we have set a commissioning target of total 1.5 gigawatt peak, reflecting our focus on scaling up execution capabilities and delivering projects within stipulated contractual timelines.

Alongside our core EPC business, we continue to strengthen our presence across emerging infrastructure opportunities, particularly in battery energy storage systems, Renewable energy, IPP, and defense and digital infrastructure. In the best segment, we have secured projects involving vanadium redox flow battery technology, which is very nascent and new technology, including a 100 megawatt-hour project at Khavada, Gujarat, and 120 megawatt-hour project for Gujarat Industries Power Company Limited at Vadodara.

These projects further strengthen our presence in long-duration energy storage solutions. This is alternative to lithium-ion technology. In the renewable energy IPP segment, we acquired a 60% controlling stake in Onyx IPP Private Limited, which owns a 425-megawatt AC solar power project in Maharashtra under a 25-year power purchase agreement with MSC Distil. It is a PM Kusum project. The project is executed- expected to generate annual revenue, annual revenue of approximately around Rs 150 crores.

We have also expanded our presence in the defense and aerospace segment through the acquisition of a 75% stake in KCS Engineering Solutions, Hyderabad-based company, strengthening our capabilities in specialized, specialized engineering, design, and manufacturing in defense sector. Additionally, we have entered the digital infrastructure space through the incorporation of

Photonic Grid Networks, which will focus on fiber optic networks and allied telecom infrastructure, including connectivity solutions for data centers, hyperscalers, emerging AI infrastructure.

These initiatives are aligned with our broader, broader strategy of building a diversified infrastructure platform with opportunities across both project-based and long-term revenue streams. Another important milestone for the company has been receiving listing approval from both NSE and BSE for migration from the SME platform to the respective main board- main boards. We believe this transaction will enhance our visibility, broaden investor participation, improve liquidity, and provide greater access to the capital markets.

During the period, we also entered into a non-binding MOU with the Goa Investment Promotion and Facilitation Board for proposed investments of approximately around Rs 3,000 crores in floating solar, uh, floating solar projects and, uh, compressed biogas projects, subject evaluation and requisite approvals. It is just a non-binding MOU. This reflects our continued focus on identifying new growth opportunities and expanding our presence across the infrastructure and renewable energy ecosystem. With these developments, we remain focused on strengthening our execution capabilities, expanding our technology offerings, and building, uh, building a sustainable and diversified business.

With that, I would now like to hand over to our Director and Chief Financial Officer, uh, Sachin Bharatham, to take you through the financial performance and key financial developments during the quarter and the last half year. Thank you very much.

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Thank you, thank you, sir. Good afternoon, everyone. I will now take you through the company's financial performance of The second quarter and the first half year for this financial year 2027, along with some key financial and operational developments. During the second quarter of this year, the company reported revenue from operations of Rs 7,237 million, registering a growth of 10% year on year compared to first half year of last year. Uh, for H1, Financial year 2027 revenues to date, uh, 14,153 million, reflecting a growth of 16% over the corresponding, uh, period of last year.

The growth was primarily driven by execution across our renewable energy EPC projects, telecom projects, revenue from O&M stream, and other business product verticals. On the profitability front, EBITDA for second quarter stood at 840 million, up by 8% year on year, with an EBITDA percentage of margin of 11.6%. For H1 FY27, EBITDA stood at 1,622 million, up by 12% year on year, with the margins at 11.5%. Profit after tax for the quarter stood at 574 million, up by 10% year-on-year, while H1 PAT stood at 1,114 million, up by 18% year-on-year.

Our focus remains on improving execution efficiency, maintaining cost discipline, and delivering sustainable profitability as we scale our operations. As of October 31st, 2026, our consolidated order book stood at approximately Rs 1,04,458 million, providing healthy revenue visibility for the coming years. Our order book is diversified across renewable energy, battery energy storage systems, telecom infrastructure, and other infrastructure segments. We continue to focus on timely execution, efficient project management, and converting our strong order pipeline into revenue growth.

During the period, our financial profile received further validation through CRISIL upgrade of the company's long-term credit rating to CRISIL A+ Stable from CRISIL A Stable, while the short-term rating was affirmed as CRISIL A1. Apart from this, 4 of our product subsidiary companies got a CRISIL A rating indicating their operational and financial strength. This reflects the growth- growing scale of our business, improving financial profile, and the confidence of rating agencies in our

execution capabilities and financial discipline.

On the balance sheet front, our focus continues to remain on managing a healthy capital structure, disciplined working capital management, and efficient utilization of funds. We have cash deposits of close to Rs 3,353 million as of 30th September 2026. Our net worth as on 30th September 2026 to date, Rs 8,400 million as against Rs 7,300 million as of March '26. The overall consolidated balance sheet size is close to Rs 25,000 million. Going forward, our financial priorities will remain centered around sustainable revenue growth Improving profitability, disciplined working capital management, and maintaining a healthy balance sheet.

With increasing opportunities across renewable energy, battery energy storage systems, telecom, and defense, we believe the company is well positioned to capitalize the expanding infrastructure opportunity. We will continue to focus on execution excellence, prudent capital allocation, and building a diversified business With a greater contribution from long-term and annuity-based revenue streams, as explained by our CMD, sir. With this, I would like to conclude my remarks and hand over the call back to our moderator for the question and answer session.

Thank you. Thank you, everyone.

Questions & Answers

Operator
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 withdraw yourself from the question queue, you may press star and 2. Participants are requested to use handset while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. First question is from the line of Mandira A from Investo. Please go ahead.

Unidentified Participant - Analyst
Thank you for the opportunity, sir. So couple of questions, like what- how much has been converted into confirmed orders out of 28,500 million L1 orders which was indicated in April?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Uh, what is that question? Uh, so

Unidentified Participant - Analyst
Out of 28,500 million L1 orders indicated in April, How much has been converted into confirmed order?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Complete 2,800 is confirmed because those are L1 actually. This is a complete, completely converted. That is, that's what I have told now. Whatever that actually in 4,400 crores of order what we have received in H2, that is part of that, is 2,800 is part of that one.

Unidentified Participant - Analyst
Okay, got it, sir. And secondly, if you can help me with what is the current bid pipeline and how much has expected order conversion rate changed from your earlier guidance of 20 to 25%?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, right now we are participating bids, uh, kind of anything like Rs 26,000 to Rs 27,000 crores,

uh, which includes solar EPC, uh, battery energy storage, EPC, even defence defence tenders and even data centre private operators, even voice optical fibre tenders with statewide fibres, which includes almost around 26,000 crore, but our winning ratio today of now standing inting between around 20 We are expecting that strike rate.

Unidentified Participant - Analyst
Uh, got it, got it. That was really helpful. Thank you so much and all the best for the coming quarters.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Thank you.

Operator
Thank you. Next question is from the line of Raina Patel from Shah Family Office. Please go ahead.

Unidentified Participant - Analyst
Good afternoon. Uh, thank you for the opportunity. My first question is regarding the current order book. Of the current order book that we have, how much is expected to be executed over the next 12 to 18 months?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, out of 10,445 crores, uh, in this actually we have almost kind of around 2,000 crores is the operational maintenance order which runs into another next 3 to 5 years of time. And there is a 1,400 crores of annuity order is also there about 1,400 crores is the annuity which runs into the next 12 years. 2,000 plus around 1,400, 3,500 crores. Um, if you remove that from 10,500 crores, we have almost kind of around 7,000 crores. 7,000 crores needs to be executed in next 24 months'

Unidentified Participant - Analyst
Time. Got it. Uh, okay, sir. And the second question is regarding the margin. Help us with the indicator margins profiled across our key business segments? It would be really helpful.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Despite huge difficulties in global scenario and the global wars around our country, um, despite the difficult situation, we could able to maintain our margins even the first half or first H1 also, right? Because we have fixed all these budgets long back and then actually places the artisan or suppliers and, uh, vendors land back. So we are expecting to continue the same margins even, uh, coming quarters also for the existing order book. And but whatever that upcoming tenders that we are participating, we are very careful on margin front.

Unidentified Participant - Analyst
Okay, thank you so much. Uh, congrats on a good set of numbers and all the best.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Thank you.

Operator
Thank you. Next question is from the line of Dhanraj Tolani from Cubair Advisors. Please go ahead.

Unidentified Participant - Analyst
Uh, yeah, hi sir. I mainly have a question on the top line. So as we cater to various types of industries

such as defense and data center businesses, how do we see our revenue mix evolve when we scale Scale up.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, these are very, uh, recent developments. This, uh, BSS, of course, actually we have very considerable order book is there. Battery energy storage system, defense, and then data centers are very recent developments in our company, and which we are very intensively focusing on these 2 technologies. Um, but, uh, we may not able to get considerable revenues in this financial year. But going forward, uh, if you see the tech- EPC projects are holding the solar EPC and telecom EPC is contributing almost around 90%, and the rest of the technologies are contributing just 10%.

We want to make this, uh, revenue mechanism as 70% is from EPC by 2030, and then 30% should contribute all these new technologies like data centers and telecoms. And then this-

Operator
Okay.

Unidentified Participant - Analyst
And, uh, so what is the current contribution of subsidiaries to our consolidated top line and bottom line?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
So the revenue contribution from subsidiaries, the product subsidiaries, for this first half year is close to 10%. And we expect to continue the same contribution even for the H2 also, uh, from these product subsidiaries.

Unidentified Participant - Analyst
Okay.

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Yeah, thank you.

Operator
Thank you. Next question is from the line of Manan Dalal from Dalal Family Office. Please go ahead.

Manan Dalal - Analyst, Dalal Family Office
Uh, hi, thank you for the opportunity. So, sir, my first question is regarding the net debt. Like, our net debt has increased to around Rs 360 crores, uh, as of this quarter. So what is the expected peak debt level in FY27 considering the funding requirements, you know, will be required for the Onyx and the BEST projects?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Yeah, whatever net debt we are talking about is, as of now, it's completely, uh, a working capital debt, whatever we are discussing, whatever numbers are given. As of 30th September, we don't have much of a term loan debt except some 70-80 crores, which is- which we have received from banks on account of emergency credit line because of this vulnerable market. In terms of Onyx term loan, and also we have banking facilities with Canara Bank for our business. After, after trying these 2, by end of March we will be having a term loan Uh, utilization kind of, uh, 750 to 800 crores after execution of these projects, apart from this existing working capital of, uh, 480 crores.

So overall, by end of 31st March 2027, we expect to have a kind of anything in the range of 1,300 to 1,500 crores of, uh, debt will be there on the balance sheet, which is about, uh, 1.5 times of, uh, equity.

Manan Dalal - Analyst, Dalal Family Office
Okay, and so my second question is regarding, uh, like, would we, would we raise, uh, you know, funding through equity or something for funding requirements in future?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Of course, based on the requirements, based on the capital requirements, based on the expansions, and definitely we have ways to raise the funds through equity, but definitely not in the near future. It depends on the requirement. So from existing order book, whatever is there, and for the existing, uh, capital requirements, whatever is there, the entire capital is already set and we don't need any further requirements at this point of time unless and otherwise we get a big EPC contract for which working capital is required, or otherwise if we identify one big IPP project for which terminal is required.

Manan Dalal - Analyst, Dalal Family Office
Okay, okay, thank you, sir.

Operator
Thank you. Next question is from the line of Yash Parker from Patel Investments. Please go ahead.

Unidentified Participant - Analyst
Hi, sir. Thank you so much for the opportunity, uh, and a very good afternoon. Uh, so my first question is, uh, could you provide a breakdown of the, uh, current order book by key customers, particularly from, uh, NTPC and the Adani Group? Also, what percentage of the total order book comes from these groups?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, right now our telecom is around 2,000- one minute, one minute. Yeah, out of total 10,500 crores approximately, Adani is around 1,500 crore order book is there, and around NBPC is 2,800 crore order book is there, and NSC pending order of around 1,500 crore is there.

Unidentified Participant - Analyst
Okay, uh, makes sense. Uh, and so what is the combined contribution of the top 5 customers, uh, in our current order book, uh, in percentage terms, if that would be possible? 70%.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
70? 70.

Unidentified Participant - Analyst
Okay. Uh, and so what, uh, uh, what steps will we be taking to, you know, diversify this customer base?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, we are participating a lot of tenders on, uh, all public sector companies, so like, um, NHPC, SJVN, even Coal India, uh, we have participated. I already answered that actually earlier question of almost around Rs 26,000 crores worth of tenders being participated, which are at various stages in

process. So most of the public sector companies is part of that total tendering effort, and also private customers are there.

Unidentified Participant - Analyst
Okay, uh, makes sense. So thank you so much for the opportunity.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Thank you.

Operator
Thank you. Next question is from the line of Siddharth Soni from Janam Broking. Please go ahead.

Siddharth Soni - Analyst, Janam Broking
Good afternoon, sir. So just had one, a couple of questions. So just wanted to ask, who are the counterparties involved in our large related party orders?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Related party orders are counterparties for subsidiary companies, boss. So on this Onyx IPP 225 megawatt, whatever we are doing, so that, uh, we are actually created an SPV company to create this asset. That the SPV company has given the order to the parent company for its execution because parent company has the complete credentials. So parent company is executing it on behalf of the SPV company. So that, that's the major related purchase transaction. And in case of battery energy storage system which we are creating in Tamil Nadu for TNGCL, parent company has asset.

So the parent company has given that asset, uh, as that, uh, has given the execution, execution EPC contract to one of its subsidiaries by name Bondada Renewable Energy Private Limited. So these, these 2 are the related parties where the turnover is going to be eliminated on the consolidation front.

Siddharth Soni - Analyst, Janam Broking
All right, so fair enough. So the second question was that what measures are we taking, uh, like, you know, to ensure that there's an arm's length pricing and appropriate governance approvals taken for these transactions?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Yeah, always there is a transparency in this. So whenever we are finding the prices, it is we that, uh, the company is inviting bids, uh, to all the vendors apart from, apart from this, apart from this company. Yeah, yeah. So we are inviting bids to all the companies here. We are inviting bids to all the companies who are, who are eligible to get this kind of contract. So based on that, uh, L1 price only, we are allotting all these projects to the subsidiary companies.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
It's not just the

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
Oversight,

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
It is also the bankers who are actually refinancing also put it through a lot of, you know, scrutiny of the- and for this transparency of this transaction between the related companies.

Siddharth Soni - Analyst, Janam Broking
Understood, sir. And so just one last question I had was in relation to receivables. So I mean, could you give some color on that particular- like particularly from the government side and the PSU customers? And has any difference been there in the payment cycle?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, government side, we are getting the payments as per milestones only, but there are few delays are there with some of the customers, but that can be collected during this Q3. But private customers strictly as per the milestones only. Payments we are getting. If your invoice quality is good, actually your payments are good. Uh, that's what actually our fundamental principle. That's the reason huge team of commercial team is working behind this invoicing and invoicing processes. Uh, we are intact actually collections.

We are not seeing any difficulty, uh, except some procedural delays in one or two customers of last quarter. But the rest is very intact, actually. We are not finding any difficulty.

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
That is, that is one thing. And the second thing is the major difference between private customers and PSU customers is in case of private customers, we will have only 2 milestones, 2 or 3 payment milestones, whereas in terms of government customers, the payment milestones will be broken into 5 to 6. So based on that, based on the payment milestone, they will be releasing the payments once we raise the invoice. So, but for that major difference, but otherwise in terms of payments, once we submit the invoices, we are at, uh, uh, we are getting the payments.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
And ideal mix of private orders and then again the government orders gives us an edge to play between these 2 things and balance the receiver.

Siddharth Soni - Analyst, Janam Broking
All right, so, all right, so we are not facing any issues from the government orders, right?

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
No, no, no, no, no, no,

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Wait, not at all.

Siddharth Soni - Analyst, Janam Broking
Okay, so answer just one last question. Uh, apologize if it has been repeated. So give, uh, like, you know, since you are moving towards the asset, uh, and the BES is basically, uh, segment on the fiber segment, I apologize. So, uh, how do we see the revenue mix changing and EBITDA as such in the next 3 years?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, next year, as I told, actually this annuity, annuity revenues and then the new technology will contribute almost kind of 30 to 35%, but whereas today EPC business is contributing almost around 90 to 92%. So that is going to change 70-30 ratio. And, uh, Yeah, as you all know that EBITDAs are in annuity basis is a little higher than EPC business. I think I can give, I can give advice now that actually either we maintain the same EBITDAs or we We are going to improve, improve for sure

going forward.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
The fact that the annuity players use EPC contractors to build the infrastructure and then both of them make their share of profit- if you are just the annuity player, you also have the EPC players, you know, marginize your overall margin.

Siddharth Soni - Analyst, Janam Broking
Understood, sir. Understood. Yes, sir, that, that's it from my side. Thank you.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
Thank

Operator
You. Next question is from the line of Darshil Shah from Nirvana Capital. Please go ahead.

Darshil Shah - Analyst, Nirvana Capital
Hi, uh, given the kind of trajectory and order book we have, and we said we're gonna execute around Rs 6,500 to Rs 7,000 crore in next 24 months, um, We ended up growing around 10-15% in the H1. So what kind of growth in terms of top line are we looking for this year and next year?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, but, uh, always except last year, last financial year, always our revenue mix, revenue, uh, mix between first half year to second half year is almost around- first half year is around 35% of our total targeted revenue of the financial year, and the 65% is coming From second half year. I think this year also we are going to maintain the same.

Darshil Shah - Analyst, Nirvana Capital
Got it. And for next year, sir, what- how much do we intend to grow?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, this is the next, uh, this, uh, this financial year also we are going to grow by another 60, 60, uh, 60 to 55 to 60% growth. Of last year.

Darshil Shah - Analyst, Nirvana Capital
Okay. And for next year also, sir, we do intend to maintain this kind of run rate, or given that we have

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
To do that? Yeah, we have. But otherwise also, you are going to see that actually quarter on quarter. But otherwise also, it is all contractually binded contracts which we have to deliver, uh, without fail. Only thing actually we have to 2 things we need. One is that actually we have to increase our execution capabilities by increasing our manpower, and we have to pull the resources, that is the fund resources, on time. If these 2, these 2 things are there, there is no lack of growing revenues the way we are growing so far.

For both, actually, I'm not- for both, I am not seeing any limitations as of now.

Darshil Shah - Analyst, Nirvana Capital
Got it. And sir, on the IPP project, uh, of 2 gigawatts, what's the schedule like and how much are we going to start with, uh, currently? And what kind of funding would we need for that?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Uh, funding right now, this financially, I'm not looking at any funding for this 2 gigawatts. The status of this 2 gigawatts is actually 50% of the land has been acquired because a lot of delays are happening in land pulling only, as all, as even Jain to Renewable energy companies are also facing at this point of time in India. So, but with this 50% of land also, I am very seriously- we are very seriously working on 2 contracts which we will declare maybe in next quarter. Um, we will conclude the PPAs and contracts maybe in the next half year.

Funding would be requiring based on the quantity. 2 gigawatts is not in one go. First of all, actually, we, we might be doing that 200 megawatts, 300 megawatts, or maybe max 500 megawatts in one go. So based on that, actually funding requirements will be very clear to us by this financial year end.

Darshil Shah - Analyst, Nirvana Capital
Got it. Thank you, sir.

Operator
Thank you. Next question is from the line of Moiz Khan. From Khan and Company, please go ahead.

Moiz Khan - Analyst, Khan and Company
Good afternoon,

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Sir. Good afternoon.

Moiz Khan - Analyst, Khan and Company
Yes, sir. So my first question is regarding the BEST, so viability of BEST. So I've been reading a lot of articles that there are huge crossovers happening in BEST project and companies are not able to make money out of it. So like, what margins are we expecting in BEST EPC and the BEST build-on

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, we have so far, we have order book of almost around 1,250 megawatt-hour project as of now, out of which actually 850 is the annuity-based, which is IRR-based, where we, we are going to realize in next 12 years. We have for this 850 megawatt of order, uh, we have an IRR of anything between 14 to 1,400% is there IRR. So there is no problem because already bank finance is over and projects are under execution. Second, around 350 megawatt-hour is our EPC, which we are getting that regular margins of EBITDA of around 12%, 12 to 13%.

So, uh, if you see that actually, uh, last 6 to 7 months or last maybe 2 quarters We are just slowed down because of this volatility in this battery cells import and battery prices. Our order intake or inflow is slowed down because of this volatility. We are very conscious and cautious that actually about our profitability and executability of the orders, hence a little slowdown. But again, we will pick up from this quarter onwards because we are seeing some stabilization of

Moiz Khan - Analyst, Khan and Company
Thank you, sir. And the next question is regarding the stock performance. So in addition to being the management, you are one of the largest shareholders. So when we got listed in SME markets, the first year the performance was we gave from the IPO price 50 times return, so like almost 5,000%. And after that, it's been downhill. So like now this is the first year of our Post-migration in the main

board, can we expect like better returns for

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
The shareholders? But this is actually- you have- you are the best person to answer this question actually. Instead of me asking, you, you have to give the answer and you have to get the answer from the investor community and then get me the answer actually. So completely it is subject to the market conditions, uh, but as a- as execution point of view or performance point of view, there is no issue as We are diversifying into the very growth sectors for next, uh, 2 to 3 years, and very, very good visibility is there for the- for your company for next 3 to 4 years.

That I am making sure. Uh, share price and then market cap, it is decided by you, not by me.

Moiz Khan - Analyst, Khan and Company
And so if you wear the hat of the shareholder, so as a shareholder,

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
What do you think? Like, is it like undervalued?

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
That's again subject to question, whether it is undervalued or overvalued or fairly valued. That market has to decide here. How can, how can management can decide whether it is undervalued or overvalued?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Otherwise, if you see that actually we are fairly doing okay in PE ratio with our peer companies, but whereas We should, we should have been kept in a different, uh, this thing actually, uh, in PE. But definitely we are expecting to reach that, uh, PE maybe next 2 to 3 years. Definitely we have that, uh, potential to grow,

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
But again, it is subject to the market conditions. And we on our part continue to work on enhancing our execution efficiency. And engineering excellence to be able to deliver value for the- for our customers, then also returns to our investors. Thereafter, it is left to the investor.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, the next 3 years, by 2030, you know that actually our number also, Rs 10,000 crores revenue from now to Rs 10,000 crores, is almost 3 to 4 times of our growth actually. So based on that, actually you can also estimate that actually what is that market cap.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
What we can assure to the investor community, in less than, uh, you know, 18 months after we entered, after we diversified into energy storage segment, today we are an important player. We are a force to reckon with, uh, in the best field. That made a very major Saudi-based infrastructure renewable energy company to choose us as partners to execute their ICT projects. And today, I mean, I can say as the Chief Executive Officer of your company that we can execute and deliver best projects at the most optimal cost in the best time.

Sorry to interrupt,

Moiz Khan - Analyst, Khan and Company
Mr. Khan.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
May we please request you to rejoin the queue,

Operator
Sir, for the follow-up question? Thank you. Next question is from the line of Madhav Das from GN Investments. Please go ahead.

Madhav Das - Analyst, GN Investments
Hi, thank you for the opportunity. I hope I'm audible. So, uh, I have a few questions for you, sir, one being, uh, how are the technology warranty and performance-related risks being managed in the 2 VRSB projects?

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
Yeah, VRFB as a technology for this long-duration energy storage, it is actually- it addresses all the requirements that the nation is, you know, like looking for. In the absence of- before this VRFB technology came in, what we limit for, you know, like nearly 12 years of life and then 2 hours and 4 hours You know, cycle duration of this battery energy is basically imposed- this is a restriction imposed on this energy storage, you know, systems by the technology, which is the lithium-ion technology.

The emergence of VRFP technology on the horizon, it actually removes those restrictions. You can- the plant life, you know, duration, it can be at par with the life of your solar plant. And then the hourly cycle duration is exactly what you're required to address the peak hours. So this is the suitability of the VRFB technology. And then coming to the question where we are, the nation's first 2 largest utility-scale VRFB projects we are executing for 2 different agencies. So how we do this? Is going to set the tone for how the nation addresses its energy storage-

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Long duration.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
-requirements, especially in the longer duration. Coming towards nurturing the technologies along with our technology partner who has already demonstrated a pilot-scale project with NTPC, we are also looking at various other, you know, follow-on technologies. About the backend supply chain and for this VRFB, vanadium electrolyte, and other things. So, uh, uh, the- in the next 1, 1.5 years are going to be very exciting, you know, time for the country to establish confidence on this new technology, which is actually going to address the long-duration energy storage, you know, like requirements of the country.

Madhav Das - Analyst, GN Investments
Thank you, sir. And, uh, a follow-up on the same, on the similar, uh, continuing on the same lines. So how do we, uh, how do the expected margins of this project compare with those of the lithium-ion battery energy storage system in EPC projects?

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
You know, one biggest advantage between these 2 things, margins aside, Uh, when, when you look

at the VRFB technology, or rather when you look at the lithium-ion technology, this comes from the single source, and that single source can actually trigger your, your margins, can actually control your margins. But in the case of a VRFB technology, uh, the, uh, with the diverse sources of this like raw material The control is not there in one single country's hands. That in itself assures you of better margins.

Madhav Das - Analyst, GN Investments
Okay, sure. Thank you so much. So that answers my question. Thank you for answering my questions patiently.

Operator
Thank you. Next question is from the line of Moiz Khan from Khan and Company. Please go ahead.

Moiz Khan - Analyst, Khan and Company
Sorry to interrupt, your

Operator
Voice is breaking, it is not very clear. Request you to please use your handset.

Moiz Khan - Analyst, Khan and Company
Hello, can you hear me now,

Operator
Sir? Yes, please go ahead.

Moiz Khan - Analyst, Khan and Company
Yes, so solar EPC is our core business as of now, and but we are still executing a tiny part of the total addressable market. I think total addressable market every year is roughly around Rs 2 lakh crores, and we are doing very Small part of it. So like, do we have plans towards capturing the larger share in solar EPC in addition to the diversification which we are doing? And also, sir, how do we stand out from this crowded solar EPC space? So there are many companies who do the solar EPC, so what differentiates us from the competition?

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
If requirements are there, is 2 lakhs crore, and even if 30 people, 30 companies like Bondada also, if comes into the market, actually they can choose their own take. So huge, huge volumes are coming. Even if you see that actually NTPC itself is, um, uh, means, uh, uh, declaring the tenders of almost kind of around 50 to 60 gigawatt in next 2 to 3 years' time. In addition to this, actually we are also looking at, with the kind of experience and kind of professionalism and kind of execution capabilities we have, we have acquired in India, we are also looking at now markets like Saudi Arabia, that is GCC countries and as well as even Africa also.

Uh, as I rightly said, if growth needs to be converted into the revenues, I already told actually that is, that is in line with that. The growth is going to be there in both EPC and other new technologies. And also, so there are a lot of news about

Moiz Khan - Analyst, Khan and Company
Reliance building a huge solar park in Jamnagar. So are we also in touch with Reliance Industries for their EPC Yes, yes, they are in touch with us. Oh, great. Thank you.

Operator
Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management for the closing comments.

Rear Admiral R. Srinivas - Chief Executive Officer, Bondada Engineering Ltd
Uh, just to add, a few of our partners have wanted to know in the technology domain how we are going. I'm glad to inform you that your company, while working continuously on enhancing execution efficiency and engineering excellence to remain at the forefront of the ever-increasingly competitive energy segment- uh, this also answers the question asked by Moiz Khan- we've been working on diversifying our footprints in new technology areas. In less than 1.5 years that we announced our entry into the PEST domain, we bagged significant profitable orders and we are on exactly on time to execute these, these projects in spite of the force majeure conditions notified by the MNRE.

And not just that, and then we also, uh, you know, keeping our eyes very open and then looking around, looking around the new technology, again, news in this. We didn't leave an opportunity to foray into VRFB technology and again bag the first 2 grid-scale orders of the country. And we are going to set the tone how this particular technology is going to change. The facade of the energy storage segment in the country. In less than one year after we announced our forays into defense segment, we quickly identified a few areas where we can contribute not just for the top line and the bottom line of the company, and then also towards the self-reliance of the country in the defense segment, and then identify a few core and niche areas where we should be focusing our R&D and developmental activities.

A few of them are, just to, you know, like cite an example, of the, um, of the import substitution of the legacy systems that we have. We have a lot of like Russian, uh, hardware being used in the, in the armed forces, and we can find a very readily available, innovative, and again efficient, and then cost-effective indigenous substitutes for that one. We are in the process of developing these ones, and we've also been shortlisted, uh, to develop these ones by, by major, um, you know, DPSUs to find, you know, substitutes for that one.

And this opportunity is being utilized to, you know, like standardize and provide an array of, uh, you know, like legacy substitute systems which can go into different defense platforms and then also like subsystems. Uh, the not leaving, uh, the opportunity for, uh, you know, they identify the kind of forays that the country is making in the aerospace area And then the space technologies and the space payloads. We, along with our partners, have identified a few payloads which can be utilized in the airspace domain and then on drones.

We are working very intensely in those technologies to develop indigenous systems. And coming towards like data centers, within, I think, in less than about 9 months after our CMD announced our company's forays into data centers, we have, we have concluded a definitive agreement in developing the primary infrastructure for us for a 50-megawatt hyperscale data centers which has the capacity to scaling up to 300 megawatts. And the- we are already, as you know, your company is already in the top uppermost 4th layer, which is in the operations of, you know, data centers.

On the METS part of it, we are already working on the Microsoft data center in Hyderabad. Even the in-between layers also, we are, uh, you know, making- we are creating a space for us and in that area. So these are the areas where your company has, you know, promised, announced its, uh, its, you know, forays and showcase the, the space that they created for your company in those arenas.

And these are a few, you know, like just to update you on new technologies and the new diversification areas that your company has, you know, made a mark For itself.

Dr. Raghavendra Rao Bondada - Chairman and Managing Director, Bondada Engineering Ltd
Yeah, uh, with this, uh, I would like to thank, uh, all the investors who are participating in this call. And your company is, uh, getting into the new technologies, and along with its execution excellence, I think we are all very confident- and then confident that actually it has very bright Yeah, thank you.

Satyanarayana Bharatham - Director and Chief Financial Officer, Bondada Engineering Ltd
To all the- all our investors, stakeholders, as a closing remark, what we can convey you is whatever enthusiasm, commitment, discipline which was exhibited in the last 3 years, the same kind of enthusiasm, commitment, and discipline will be there for the next 3 years, not only for the existing businesses Even for the new technology businesses. We thank you all the stakeholders, shareholders, bankers, investors, and other partners on this occasion, and thanks for your time. Thank you very much. Thank you so much, sir.

Over to moderator. Yeah.

Operator
On behalf of Bondada Engineering Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.