Management Discussion

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Thank you. Thank you very much everyone. Good morning and a warm welcome to Australian Premium Solar first half of '27 earning conference call. Thank you all for joining us today.The first half of financial year 2027 has been a period of continued business expansion for APS. Supported by strong demand across our solar product segment, we have recorded total income of INR439.4 crores, registering year-on-year growth of 45%, while our EBITDA stood at INR52.4 crores and profit after tax at INR33.1 crores.From a business standpoint, APS continued to strengthen its presence across the solar value chain with operation spanning solar module manufacturing, solar pump, inverter, rooftop solution, and EPC services. Our diversified portfolio caters to residential, commercial, industrial, and agriculture customers. We currently have a customer base over 30,000, more than 20,000 successful installation in residential rooftop and over 15,000 agriculture solar water pump projects.One of our key operational milestones has been the expansion of our solar module manufacturing capacity to 1.2 gigawatts. We successfully commenced commercial production of an additional 400 megawatt TOPCon manufacturing line at our Sabarkantha facility in Gujarat on 13th October 2026. This strengthens our ability to cater to the growing demand for high-efficiency solar modules.Our solar pump business remains another important growth driver. With increasing agriculture solarization and government initiatives such as PM Kusum, we see the opportunity to expand our presence across new markets. We are targeting a contribution of approximately 35% to 40% from solar pump to our overall revenue by financial year 2027.Looking ahead, we are also working towards expanding our EPC capabilities and strengthening our geographical presence beyond Gujarat. In addition, we have acquired the remaining 49% stake in Aplus Solar Cell Limited, making it our wholly-owned subsidiary. We are evaluating opportunity in battery energy storage system and captive power as part of our broader objective of developing integrated renewable energy solutions.Our medium-term growth strategy is focused on improving manufacturing scale, diversifying our product portfolio, expanding our distribution network, and exploring new opportunity across the renewable energy ecosystem. We are targeting revenue growth of approximately 20% to 25% CAGR over the next three years. With this, I would like to thank all our stakeholders, investors, and stakeholders for their continuous confidence in the company. I now invite our CFO, Mr. Kalpesh Vakharia, to take you through the financial performance in greater detail.

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Thank you so much, Nikunj bhai, and good morning and warm welcome to everyone. I will now take you through the financial performance of the company for the first half of FY '27. During H1 FY '27, our total income stood at INR439.41 crore compared with INR302.93 crore in H1 FY '26, registering year-on-year growth of 45%. EBITDA stood at INR52.4 crore from INR43.28 crore, representing growth of 21.08%. Profit before tax stood at INR43.59 crore, while PAT increased to INR33.12 crore from INR28.60 crore, registering growth of 50.81%. EPS stood at INR16.43 compared with INR14.19 in the corresponding period last year.Coming to profitability, I would like to highlight our sequential performance. During H2 FY '26, our EBITDA was INR52.32 crore with an EBITDA margin of 12.89%. In H1 FY '27, EBITDA stood at INR52.40 crore with a margin of 11.93%. Similarly, PAT increased from INR29.46 crore in H2 FY '26 to INR33.12 crore in H1 FY '27. PAT margin improved by 0.24 basis points, that is to 7.54. This reflects stable EBITDA in absolute terms and improvement in profit after tax over the preceding half year. For FY '26, the company reported total income of INR708.74 crore,

EBITDA of INR95.36 crore, and PAT of INR58.06 crore, reflecting significant growth in our business over the previous financial year. Moving to the balance sheet, our net worth has increased to INR197.49 crore as on 30th October 2026, compared with INR164.28 crore as on 31st March 2026. And our total assets stood at INR454.38 crore, while fixed assets increased to INR74.98 crore. Our cash and bank balance has stood at INR25.6 crores, while total borrowing comprising long-term and short-term borrowing stood at INR51.04 crores.As our business expands, we remain focused on strengthening working capital management, improving receivables and inventory efficiency, and maintaining financial discipline. Going forwards, our priorities will be to improve capacity utilization, strengthen operational efficiency, and support our expansion plan through disciplined financial management.With this, I conclude my opening remarks. Thank you for your continued interest and participation. We would be now happy to take your questions.

Questions & Answers

Operator
Thank you. [Operator Instructions] We have a question from Mr. Ashish Singh. You can unmute and introduce yourself.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Hi Ashish, I think you are on mute. Vinitha, I think he's on mute. Now it's okay.

Operator
Mr. Ashish, you can join back the queue. We have the next question from Mr. Krunal Patel.

Krunal Patel - Analyst
Hello sir, am I audible?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes.

Krunal Patel - Analyst
Sir, our company's EBITDA was INR9 crores in FY '24 and it is now INR93 crore in last 36 months. Congratulations for this huge profit in SME platform.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Thank you.

Krunal Patel - Analyst
Sir what is planning for mainboard listing after January 2027?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Yes. So we are in the process of going ahead with our mainboard planning. So we have already started the paperwork. So we will be going to the mainboard.

Krunal Patel - Analyst
Okay. Sir, India will reach almost 85 gigawatt of solar cell line till end of FY '27, as per MNRE expectation. It is more than enough for India because our installing capacity -- installing, currently we are almost 55 gigawatts to 60 gigawatts. So what could be the benefit for those company who has an operational solar cell line in FY '28, and what could be the pricing pressure who has not a

solar cell line in FY '28 and FY '29?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Krunal, it depends on where the particular company segment is. If we see the APS, we are mainly as a good size manufacturer. We are also very good in our own EPC projects, especially the -- not the ground mounting project but the residential project and industrial projects. Our residential project size is below 5 kilowatts and there we have enough margin. So our manufacturing margin and also we have an EPC margin. Also the distribution, which take lots of time. It's not just depend on the product ability, also your service ability, your sales team, your marketing and everything.So if somebody have just product itself, it means still it's hard for -- maybe easy for them to sell in ground mounting projects, but it's too hard for them to sell in the residential and commercial projects. So we as APS are operating the small projects in a big scale, and that's what our strategy since last 10, 12, 13 years. And now as we can see It's growing day by day, and we as APS don't feel any pressure of having such type of competition because the company which are doing a similar marketing budget, similar sales team like us, they always have their own cost and they need to charge.And regarding 85 gigawatt nameplate capacity coming which will be even further better for a company like APS who are not in solar cell, because the solar cell prices will go down. And the -- currently, of course, due to our very good relationship with our stakeholder, we are getting enough stock. But we believe the more the stock will be available in future, it will be much better for the company like APS to improve their margin and increase the -- utilize those margin for brand placement.

Krunal Patel - Analyst
Yes. Okay, sir. Sir, in H1 FY '27, our operating margin is declined by 1% from 13% H2 FY '26. Now our operating profit is 12%. Is it, in upcoming quarters there will be more decline in this operating profit margin because of the oversupply of modules as well as there is a MNRE...?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
For we, as APS, why it's reducing? Because now we are expanding in the new states, so we need to put little bit more in marketing, little bit more in the staff as well, because when you start a new state, you need to spend more awareness for the brand presence. You need to have extra staff as well, and they will start giving you the return within three to six months. So -- then of course, the small percentage of the margin will be reduced in coming future, but in main period, as long as the solar cell availability will be good in India, the margins may come up for the better quality and better branded solar panel company in future.

Krunal Patel - Analyst
Sir, BESS standards are coming with 40% Indian BESS containers. So project cost for 1 gigawatt for solar park was almost INR4,000 crore, but now with BESS it reaches up to INR8,000 crores to INR10,000 crores almost 2.5 times. So due to this, is there that any opportunity for our company to grab this more billing in BESS side, sir?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
See, as APS -- see, BESS, again, it's more -- the main BESS demand as on today is on ground mounting utility type of projects. Still, there is not enough demand from the industry and the national level, the policies are not there. So because in residential level, until the policy or benefit will not come, the market will not open. For the commercial project, wherever -- there are some states and some cities or particular area who are burning the diesel and utilizing the electricity, there will be the

first scope where the BESS will start.And also in some state like Maharashtra some particular industry, they are paying INR12 or INR15, or at peak period they are paying INR20 electricity bill. For those industry also, they already started accepting BESS at current price level. I am expecting LFP prices to come down from now onwards, maybe six, 12, or 18 months if the world market will be in better situation than wherever we are at the moment. And I believe it is more positive sign from now. And if the little bit, say like 20% or 30%, battery price will come down, it will be in affordable range.Also, it's at, least for time being, still it's depend on certain policy. There are, you may heard the news, during the peak summer, there are curtailment in ground mounting projects, means they cannot produce the electricity, they cannot sell the electricity. On those projects, there is definitely, by adding just battery itself, you can save that electricity and use night time.But due to certain policy, due to certain ecosystem, because you need knowledge, you need availability. Same like when we started solar panel installation and manufacturing in 2012 at India, it took one or two, three years just to explain the people how to install the solar system. Whichever city we open, we first have to explain the installation team how to install the system. Similar things are happening in BESS, which will be moderate in coming period because it's not just requirement in terms of ROI, it's a requirement of strengthening and continuous supply of electricity to the market.

Krunal Patel - Analyst
Yes, sir. Due to this curtailment, IPPs are currently installing the Chinese BESS containers rapidly before commissioning their solar parks because there is a huge difference between daytime supply rate and nighttime supply rate. So Chinese BESS containers are more viable for that. So currently BESS bill is almost 1.5 times than solar park. So what could be the current possible benefit that we can catch these situations due to daytime and nighttime supply rate, in terms of manufacturing and EPC side?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So in -- see, the manufacturing, the capex is not very high, Krunal. So, just say machinery itself for up to 3 gigawatt cost INR10 crores to INR15 crores, but the -- yes, you are saying many people are buying from China because their technology means they are making BESS since last five years, eight years, 10 year,. So it's always easy to -- for them to make as per your requirement and faster than what we need. So as India, of course, government already started protecting Indian manufacturing by bringing 40% local supply and then slowly and gradually maybe 60%, or maybe same they have done in solar panel before.So definitely there will be a room for Indian manufacturers because one thing, Chinese manufacturer already started supplying, so there is a demand already happening. It's just a matter of little bit extra cost So as soon as LFP cost means lithium price will go down, the government may say no more overseas battery, and automatically the local market demand could come up.

Krunal Patel - Analyst
Sir, what will be our investment size if we want to enter into this BESS container or BESS battery packs and another is battery cell. This is also little bit more probably complex. But in the BESS -- sir for BESS container and we can enter into -- because you said that we have these.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
That's what we are planning and as you have heard me maybe, that's why we take over Aplus Solar Cell limited as our subsidiary, as 100% in Aplus Solar. And we already started a few things, and we will let you know sooner any update on the BESS. Because in Australia, we have seen so much

growth in last 10, 12 to 18 months, and that growth which we have seen, maybe 10 -- whatever we have done in 10 years, we may have done in much longer. Because when BESS requirement comes, it's not just for the new system you will install like 40-50 gigawatts, as you said India is installing.So maybe you need 100 gigawatts too. It's always a double than the solar panel, sometimes 3 times, sometimes 4 times, because the solar system generate 1 kilowatt, solar system generate 5 units a day, and then that means to store that night requirement is 3 units, then you need a 3 kilowatt battery. So 1 kilowatt solar system may need 3 kilowatt battery or 2.5 kilowatt battery if the usage is -- daytime and nighttime usage is similar. So there is an opportunity of almost and also whatever we have installed in last 10-12 years in India, we may need -- those projects may also need battery in coming future.So the demand about to come will be used, but you need -- so some company invest first in large amount and then they will wait for the return. But as an APS strategy, we always invest and trial, test, and then invest more and then trial and test because as a group, our company, our main goal is to try to get 30% ROI of our investment. That's our main goal. That means every 2.5 years our balance sheet should be double. That's what our goal is. So we like to be very conservative approach Even we see the opportunity there, because sometimes it can take five years more or three years more. And if you put so much money in that particular project thinking like it will come, rather than that, of course we put some money there, we see, we will make our own ecosystem.By the time the right time will come, then we can easily expand quickly, because now we have a very good experience And we have a very good team who have more than eight years, 10 years, 12-years experience working in APS. So to extend the BESS, maybe one third or one third time of what we spend to develop the units.

Krunal Patel - Analyst
Sir, got it. Sir, this investment is via the Aplus Solar cell. Sir, is it..?

Operator
Mr. Krunal, can you please join back in the queue as there are many people in the queue to ask questions.

Krunal Patel - Analyst
Okay. Thank you, ma'am. Thank you, sir. Yeah.

Operator
Thank you. So we have a question from Mr. Anshul Sharma. You can unmute and introduce yourself.

Anshul Sharma - Analyst
Hi, thank you for the opportunity. Firstly, congratulations to management on a good set of numbers. Regarding EBITDA margins, so we have almost 12% for H1 FY '27, and last for two FYs we were around 13% 13.5% EBITDA margins. So just want to understand regarding the H2 FY '27, so can we expect around 15% to 16%?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
That's a much better -- I think that's a much higher sided dream because we -- if we want to do the bigger top line, I think we need to negotiate some raw material.

Anshul Sharma - Analyst
Okay. And sir, what can be the sustainable EBITDA margins, let's say, in next two to three years?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
I think it should be at the -- see, sustainability could come -- even if it comes little bit down but I believe we staying at similar level will be easier.

Anshul Sharma - Analyst
Okay. And also...

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So, above double digit will be easier.

Anshul Sharma - Analyst
Okay, okay. Got it. And sir, following the commissioning of the additional 400 megawatt TOPCon line, total manufacturing capacity has reached 1.2 gigawatts. So what is our current utilization level? Is it around 70% to 80% right now?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
65%. But the new one is just came onboard last month. And so we are in process to get the ALMM approvals. We so maybe they usually take four to six weeks to come and check from the MNRE department. So we already applied three weeks ago, so they may come soon. And then they -- because as per Indian regulation, officers comes and they check and then they put it in -- they give the approval of the ALMM because that's mainly for a GPL line. So currently we have a Mono PERC and TOPCon. TOPCon in the -- we are waiting to add on GPL line, means GPL approval sooner.

Anshul Sharma - Analyst
Okay, and so what can be the utilization for, let's say, the end of FY '27?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So because it's only five months, good four months left But as soon as we get the approval, we can bring it on to say first 50% for first quarter and then 60% to 70% within six months.

Anshul Sharma - Analyst
Okay. And sir, regarding the panels, uh, the whole 1.2 gigawatts that we have, it is for n-type, right, N-type TOPCon?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Currently we have Mono PERC, because we are in [indecipherable] business as well. So in that segment, the Mono PERC demand is more, and 800 megawatt is the TOPCon impact.

Anshul Sharma - Analyst
Okay. So, Mono PERC is the same as the P-type, or is it different?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
See, Mono PERC is a different technology than N-type TOPCon. So, see by looking this one, that one could be say like nine bus bar. Then this one will be 12.

Anshul Sharma - Analyst
Okay, got it. All right. That's it from my side, sir. Thank you so much.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes.

Operator
Thank you. [Operator Instructions] We have a next question from Mr. Ashish Singh. You may introduce and unmute. Okay, so we can move on. We have a next question from Mr. Raghav Srivastava. You can introduce and unmute yourself.

Raghav Srivastava - Analyst
Hello sir, I'm audible?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes, sir.

Raghav Srivastava - Analyst
So first of all sir congratulations sir on the great set of numbers. Sir I have this question, what is the current order book or confirmed demand pipeline across solar modules retail, wholesale and EPC and how much revenue visibility does the company has for second half of FY '27?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
See the revenue book, if we see it's close to INR250 crore, which we have to do before this financial year, and what was the question, second question rather?

Raghav Srivastava - Analyst
No, no, I just wanted the revenue visibility for second half of FY27. Across, across solar modules, the retail, wholesale, and APC?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes, we are expecting to grow, but I think in solar industry usually H2 is better than H1. And that's even if you see all our -- if you see our balance sheet, that's how you will notice the H2 is always better than H1 due to our financial year ending, due to weather, due to certain -- maybe so many -- execution deadlines and many different things. So we are expecting our H2 to be much better than H1.

Raghav Srivastava - Analyst
Okay, got it. Sir, due to increasing competition and pricing pressure in the solar module industry, how does we plan to protect our margins seeing at this competition and pricing pressure?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
See, we were knowing this will happen before, three, four years ago, or even since we started the APS in India. And that's why we selectively choose our business in a small market, like residential segment or industrial segment. Also, it's like directly if we see in retail and the government and the pump business. So we have divided our business in three different -- actually three, four different segments.One is the wholesale distribution, one is our pump business, and one is our retail EPC. Even we are -- we haven't even started the ground mounting project supply, whereas overall India -- as India, we are installing 40-50 gigawatt solar panel. Almost 70% is the ground mounting installation, which even we are not concentrating, or because we couldn't concentrate in past because our capacity was just enough to cover our existing demand. So maybe now we will look into -- again, our main focus is to expand the existing channel, because we don't want to depend on the larger projects.And I think it's working. We selectively make sure we haven't spent so much in machinery, and we spend as we earn. Even our capex also, we selectively spend as we earn. So

rather than putting -- if business was good, we put means if there's a good demand, then we haven't put like, okay, let's expand 10 times in one year. We as APS never done that. We always selectively grown.

Raghav Srivastava - Analyst
I get you, I get you. Sir, I have two more questions actually. So, it's about the newly commissioned 400 megawatt TOPCon line. So what, uh, revenue and EBITDA contribution are you expecting in FY '27 and for FY '28 and FY '29 from that new line?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
I'll say the new line is 50% more than what we have at the moment, and it may take around 20 to say to get it full operation, we may need six to nine months, but definitely in three months we can put another 25% out of that. EBITDA, so the EBITDA, we'll be -- again it should be 25% higher than - if turnover goes higher than EBITDA should -- you want to answer something...

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Okay Raghav this is Kalpesh here. So, EBITDA margin probably because of the new system I mean the emphasis [indecipherable] that we have, it is already utilizing for pump and retail. Now the next 400 megawatt which has gone online, and we will be utilizing it for bigger projects as Nikunj bhai said, and plus our CR is going to expand our wholesale distribution. So the wholesale distribution at the mid-segment, I mean, the EBITDA margin is little lesser than the pump and the retail.So I expect probably it should be in the range of 11% to 12%, which is currently 12%, but it should come down to 11%, and in between 11% to 12%. Top line will increase, but the margin will come down a bit because of the -- we have to utilize our capacity to the larger extent.

Raghav Srivastava - Analyst
Got it, sir. Great, great. So one last question. Sir, our finance cost has increased from INR1.56 crores to INR3.2 crore in H1 FY '27. So what has driven this increase?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
So basically, uh, as you know that we have got a new line and we have taken a new loan also. That was -- we have also developed our building, machineries, everything.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So earlier last time, once we had a 400 megawatt line and then we have put a new building, then we have added 800 megawatt utility and 400 megawatt machine. And now the last machinery just got a in operation in last month. So due to all those expansion we have done in last 12 to 14 months, we have taken some loan.

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Not Borrowing basically for the machinery.

Raghav Srivastava - Analyst
Okay, yeah. Yes sir. So that's all from my side and all the best, sir.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yeah, thank you, Raghav.

Raghav Srivastava - Analyst
Thank you.

Operator
Thank [Operator Instructions] We have a follow-up question from Mr. Krunal Patel. You can unmute.

Krunal Patel - Analyst
Sir, our -- sir recently said that our expansion will be through Aplus Solar Cell from our subsidiary, is it preferential or debt or equity dilution?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
I think we don't need to do any preferential or a -- because I think we will go some in -- from recurring profit and remaining from long term model. So, at this stage we don't need any further strategy.

Krunal Patel - Analyst
Okay. So, how...

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Maybe in future, maybe yes.

Krunal Patel - Analyst
Okay so our current profit, how we are utilizing that profit into upcoming expansion?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So, currently we are increasing the topline As you can see, the top line have increased compared to last year to this year. So we need the working capital and everything, but maybe we are expecting by next year December, the additional profit we will have, we may have to utilize in another business expansion. So as I told you earlier, like we are looking to expand BESS also, we are looking to expand it once the additional profit will come, then we are looking to expand in the ground mounting projects investment where we will sell the electricity.

Krunal Patel - Analyst
Okay, so in IPP side, that's a great. Sir, currently some companies have expanded their capacity like in the gigawatt, like we maintain our financial discipline and maintain our debt-to-equity below 0.5 and around 0.25. So this is a great part of our company because those companies who expand rapidly via debt, now they are struggling to maintain their margin even less than our company's margin. Those operating margin, profit margin are below 8%, 7%. I can see that in balance sheet. So our debt-to-equity is more benefit for our future growth. So that's a great part. Thank you.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Thank you. Thank you.

Krunal Patel - Analyst
Thank you sir. Thank you. That's it from my side.

Operator
Thank you. [Operator Instructions] We have the next question from Mr. Harsh Agarwal.

Harsh Agarwal - Analyst
Hello? Yeah, first of all, congrats for the great set of numbers. So I had a question regarding the inventory. So the inventory has increased from INR57.2 crore in FY '26 to INR87.6 crore in the first half. Is this related to higher production or are we procuring ahead of a new expected demand, or is just that the manufacturing line is on a ramp-up or anything?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Usually in solar industry you need one month worth of inventory. So whatever your turnover is, if you divide by 12, that has to be your inventory. As the business grow up, the inventory requirement is higher. So this is a natural business expansion. You see the turnover last year compared to turnover this year, if it is increased, then inventory has to go up. That is as per the -- it's a requirement.

Harsh Agarwal - Analyst
Okay. And when is this inventory expected to convert into sales?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Usually within four to six weeks. Because it's like, you give the order, we have the raw material ready, stock ready, then by the time you pay money, by the time you come and pick up the stock, or maybe you come one week late, two weeks late. So that's how usually we consider four to six weeks worth of inventory on hand is the safest inventory.

Harsh Agarwal - Analyst
Okay, and the short-term borrowings have also increased from INR21.7 crore, and while the long-term borrowings also stood at INR21 crores. So are there any particular reason why we have increased our borrowings?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
So basically, short-term borrowing comprises of -- we have got facility with portals like financial portal like [indecipherable] and InvestSmart. So they give us -- they give us credit probably for about two, three months, 60 to 90 days, and that is -- it is a short-term borrowing of INR21 crore compared with that figure.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
And usually, the months when we are increasing our solar pump business where we are a little bit higher margin, we try to utilize those facilities.

Harsh Agarwal - Analyst
Okay. And -- so what progress has been made on the geographic expansion beyond Gujarat and export opportunities, particularly in the U.S. and other international markets?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
We are not thinking to export at this stage because for now we are supplying in Gujarat, and then we have started -- now we are established in Maharashtra as well in last six to nine months. Even MP, we are growing. Rajasthan, we were already established then, you know, two, three years ago. So, and now we are looking over, keeping our eyes on South India and North India, especially in market.

Harsh Agarwal - Analyst
Okay. So, local expansion is on the plan, international...

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yeah, that [indecipherable] for next, because whatever our two to three years plan is, we believe the local expansion will cover, or we can utilize our cash flow, our ability, just from a local expansion point of view.

Harsh Agarwal - Analyst
Okay, and earlier on the call you had said the we are expected to grow at a CAGR of 20% to 25% over the next three years. So what are some key growth drivers that you are expecting will contribute to this?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
As my colleague Kalpesh Vakharia said, the new capacity coming, we are planning to expand in the -- our wholesale distribution division and also the ground mounting project supply. So -- and BESS will be the growth -- as soon as I am expecting very soon the BESS will come more in picture as well.

Harsh Agarwal - Analyst
Okay. Thank you. That's it from my side. All the best.

Operator
Thank you. [Operator Instructions] The next question is from Mr. Virat Sanghvi. You can unmute and introduce yourself.

Virat Sanghvi - Analyst
Hello, am I audible?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes, Virat.

Virat Sanghvi - Analyst
Thank you, sir, for giving me this opportunity. Sir, I wanted to understand the current revenue contribution from the solar pump segment and what is the roadmap for achieving that stated 35% to 40% contribution by FY '27?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Okay, so current contribution is INR439 crore turnover. INR121.61 crore is the current turnover of pump. And as Nikunj bhai also said, and you know, H2 is always better than the first half. If you see the last year result too, I mean, in the first half, we have achieved about INR100 crore, and in the next half, we have achieved about INR200 crore. So we are in line to grow at 30% 35% of the turnover. Pump should achieve probably in the next half.

Virat Sanghvi - Analyst
Okay, understood, sir. Sir, one more question is, how is APS positioned to benefit from the government-led solar pump programs such as PM Kusum? And what is the current tender pipelines and project visibility right now?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
As we said, we have a pipeline of INR250 crores. And out of that, INR200 crores is already from the pump, mainly in Maharashtra. We already have a tender in Maharashtra. In Gujarat, we are working,

we do have a tender start. Karnataka and Bihar also, but some states are very little in terms of giving the new work, but I think Maharashtra is -- they have so much work.

Virat Sanghvi - Analyst
Okay and sir last question from my side. What is the current revenue contribution from EPC services and what targets has been management set for this segment over the next two or three years?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So, usually we try 50% from wholesale distribution and 50% from retail and pump leads. So 30%, 35% from pump, then 10% to 15% from the retail, and remaining from wholesale distribution.

Virat Sanghvi - Analyst
Okay. And sir, what is the target from this EPS service for next two years?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Which one?

Virat Sanghvi - Analyst
EPC, EPC services.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
EPC is the 10 to 15%, that's what we say.

Virat Sanghvi - Analyst
Okay, understood, sir. Thank you, sir. That's it.

Operator
Thank you. [Operator Instructions] The next question is from Mr. Pranav Shah. You can unmute and introduce yourself.

Pranav Shah - Analyst
Am I audible?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes.

Pranav Shah - Analyst
Yeah, so thank you for the opportunity. So my first question was regarding the trade receivables. Like, the trade receivable increased from INR168.54 crore at the FY '26 end to INR207.09 crore in H1 FY '27. So what is driving this increase in the trade receivable?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
So, basically I just you know if you that thing H1 FY '26 we had achieved turnover of about just INR100 crore in a pump after that in the last twelve months we have achieved turnover of more than INR300 crore INR320 crore. So, basically obviously as you know that pump is a little longer cycle. It is about 90 days, 90 to 100 days and that is why you can see these data are...

Operator
Okay, all right. Sir, I have more questions. So regarding the acquisition, like following the acquisition of remaining 49% stake in the Aplus Solar Cell Limited. So, what is the strategic roadmap for

developing the battery manufacturing business?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
So, initially, we are -- means we are looking at up to 3 gigawatt facility, but we will start with 1 gigawatt BESS, and we want to go in all three segments like residential, C&I, and the ground mounting utility scale projects for BESS with 314 [modules].

Pranav Shah - Analyst
Okay, sir. So I have one last question. Like, if -- could management elaborate on BESS business model? So what is the proposed investment we are going to make on it? And what is the target customer segments regarding the same? And what will be the expected timeline for the commercial operations?

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
We are expecting INR15 crores to INR20 crores worth of first stage 1 machinery. And maybe -- but in BESS, compared to capex, opex is always higher. To do the fully 1 gigawatt operation up and running, that means you need another INR250 crores to INR300 crores in terms of the opex.

Pranav Shah - Analyst
Okay, sir. That's it from my side. Thank you so much.

Operator
Thank you. We have a question in the chat box from Mr. Ravi Shaw. Why is our receivable so high despite the fact that in H1 FY '27 majority of our revenue comes from wholesale?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Yeah, so I just now shared that -- so if you see that H1 FY '26 had a turnover of just about INR100 crore from pump side, and in the last 12 months the turnover has significantly increased to more than INR320 crore. So the pump cycle is more -- like time-consuming. It is like a 90 to 100 day cycle, and that is why you see the data is constantly growing as we are growing in the pump segment.

Operator
Okay, thank you. And we have another question from Mr. Anshul Sharma that could you elaborate on the targeted revenue contribution from EPC over the next two years for H2 as well, please?

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Nikunj sir already said that like probably it would be in the ratio of -- our EPC turnover would be in the ratio of probably 40% to 50%, and the rest will come from wholesale distribution. And our EPC comprises of solar farm and residential rooftop and commercial.

Operator
Okay, sir. So as there are no further questions, now I would like to request Mr. Nikunj Patel to address the closing remarks.

Nikunj Patel - Chairman and Executive Director, Australian Premium Solar (India) Limited
Yes, thank you. Thank you very much everyone for taking your precious time and coming to meet us. Once again, we look up, look forward to meet you again in the future. Thank you.

Kalpesh Vakaria - Chief Financial Officer, Australian Premium Solar (India) Limited
Thank you.