



KPI GREEN ENERGY LIMITED

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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

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Sub.: Transcript of Investors/Analyst Earnings Conference Call held on May 19, 2025

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

Dear Sir/Madam,

Further to our communication dated May 14, 2025 and May 19, 2025, please find enclosed the transcript of the Earning Conference Call held on Monday, May 19, 2025 at 4:00 P.M. (IST) to discuss the audited standalone & consolidated financial results for the quarter and year ended March 31, 2025.

The said Transcript is also available on the website of the Company at www.kpigreenenergy.com.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

For KPI Green Energy Limited

Moh. Sohil Yusuf Dabhoya

Whole Time Director

DIN: 07112947

Encl.: a/a



“KPI Green Energy Limited Q4 FY-25 Earnings Conference Call”

May 19, 2025



MANAGEMENT: **DR. ALOK DAS – GROUP CHIEF EXECUTIVE OFFICER,
KPI GREEN ENERGY LIMITED**
**MR. SALIM YAHOO – CHIEF FINANCIAL OFFICER, KPI
GREEN ENERGY LIMITED**
**MR. SOHIL DABHOYA – THE WHOLE-TIME DIRECTOR,
KPI GREEN ENERGY LIMITED**
**MR. RITWIK CHAUHAN – AGM (INVESTOR
RELATIONS), KPI GREEN ENERGY**

MODERATOR: **MR. HARSH PATEL – SHARE INDIA SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the KPI Green Energy Limited Q4 and Full Year FY '25 Earnings Conference Call, hosted by Shared India Securities.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Patel from Share India Securities. Thank you, and over to you, sir.

Harsh Patel: Thank you, and good evening, everyone. Congratulations on a very good set of numbers. On behalf of Share India Securities, I welcome you all to Q4 FY '25 Earnings Conference Call of KPI Green Energy.

We are pleased to have with us the Management Team represented Mr. Sohil Dabhoya – the Whole-Time Director; Dr. Alok Das – Group CEO; and Mr. Salim Yahoo – Chief Financial Officer of the Company. We will have the Opening Remarks from the Management, followed by the question-and-answer session.

Thank you, and over to you, Ritwik.

Ritwik Chauhan: Good evening, everyone. This is Ritwik Chauhan – AGM, Investor Relations for KPI Green Energy. I am pleased to have everyone join us today to go over KPI Green Energy's very strong quarter, Q4 FY 2025 and full year 2025 Results.

Just to give you a brief overview:

We have, in addition to the 950-megawatt of renewable energy already commissioned, added another 2.6 gigawatt of orders in hand. Our financial results in terms of revenue, PAT, EBITDA, have all been tremendously successful. So I am really excited to have our Management talk you through those numbers today.

I first want to introduce our Group CEO – Dr. Alok Das.

Alok Das: Good afternoon, everybody. I am very glad to share some of the information. I think it was as big as already told that what is KPI numbers, and today, actually, that while the KPI is leading through our renewable energy space, this market is very dynamic and the growth of these renewable energy initiatives both for wind and solar are very, very encouraging.

And while going through we can know that in India, total 500 gigawatts are there and almost 220 gigawatt is completed. So probably market demand is more than 40 to 50 gigawatts per year. And there's a conducive policy prevailing. So we are the right path while going forward to harness renewable energy and for the society as a whole. And I think that is what we can to deliberate some new projects also coming up. So during conversation, we can share that also.

So with this, I can hand over to our group CFO – Mr. Salim, please.

Salim Yahoo:

Thank you doctor. Good afternoon, ladies and gentlemen, and thank you for joining KPI Green Energy Limited Quarter 4 FY '24-'25 Earnings Call.

I am Salim Yahoo – I am Chief Financial Officer, and I am delighted to report that in Quarter 4 FY '25, we have delivered yet another record quarter with a total revenue of INR 577.80 crores, up 97% year-on-year from INR 292.97 crores, driven by accelerated project execution and higher capacity utilization.

While EBITDA rose 76% to INR 169.43 crore on the back of improved operating leverage and cost efficiency. PBT, that is profit before tax rise by 131 % to INR 138.70 crores, thanks to our strategic debt repayment, reducing finance costs; and profit after tax climbed 142% to INR 104.18 crores, underscoring our disciplined financial management for the full year FY '25. We achieved total revenue of INR 1,755.16 crore, a substantial increase of 70.3% over INR 1,030.82 crores.

Again, EBITDA of INR 580.87 crores- up by 69.1%. And profit before tax of INR 440.90 crores- a 103% rise. And PAT of INR 325.28 crores, up by 101%, reflecting the strength of our project pipeline and robust demand for clean green energy. Various other things that we have achieved other than the financials.

During the year, we've successfully raised INR 1,000 crores through qualified institutional placement which includes some of the marquee institutions, including Morgan Stanley, Goldman Sachs, Societe Generale, BoFA, Motilal Oswal, strengthened our credit profile. It also upgraded our rating to ICRA A positive , secured a landmark EPC contract of 300 megawatts AC from Coal India Limited; 100-megawatt AC from MAHAGENCO, all on track for early commissioning.

And on the technology side, advanced our network operations to deliver 24/7 monitoring and predictive maintenance that has lifted fleet availability to 98.5%.

While moving on to other states, we have signed MOUs with states like Odisha, Rajasthan and Madhya Pradesh to set stage for a larger scale solar and hybrid project. As you all know, we remain committed to the disciplined capital allocation and further delivering in year-on-year.

Thank you, everybody. Now I open the forum for question and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of CA Garvit Goyal from Nvest Analytical Advisors Limited, LLP. Please go ahead.

Garvit Goyal: Congrats for a decent execution. My first question is on the CPP part. Given that the CPP currently contributes 87% of the revenue and tends to offer higher near-term EBITDA margins due to faster execution cycles and low capital intensity. So how do you expect the overall margin profile to evolve as your IPP portfolio scales to over 1.5 gigawatt?

And we are also talking about BESS project begin contributing. Specifically, so can you help us understand the margin differentials between the IPP, CPP and BESS in your operating context? And how the shift in the business mix might actually impact the consolidated margins in FY '26 and '27. So that is my first question.

Salim Yahoo: Right. So Garvit, if you see this year, our total mix of revenue from IPP and CPP, IPP was 13% and rest was the CPP. And the margins have slightly improved compared to last year because of the CPP.

Now as we go forward, you must have seen our presentation that we are going to install 1.5 gigawatt of IPP capacity. Now this will take a year or a couple of years. It will go in a phase-wise manner. So it will keep on adding to the IPP side.

Our final goal is to at least take this IPP portfolio to 25% and the remaining to our CPP portfolio. With that increase, naturally, the margins will improve because, as we all know, that IPP brings in a strong EBITDA margin around-85% to 90%, and the CPP brings around 20% to 22%. Combined EBITDA margin would be around 32% to 33%.

So as we go forward, if we add more of IPP naturally, the margin will shift to a stronger position compared, but it depends upon how much portion of CPP simultaneously gets added. But our goal is to add more and more of IPP as we increase the CPP also.

Moderator: Thank you. The next question is from the line of Rajat Gupta from Rajat International. Please go ahead.

Rajat Gupta:

Thanks for the opportunity. And congratulations for the fine set of numbers. Sir, my question is addressed to Mr. Salim Yahoo. There is no debate that we have attained commendable numbers and very commendable growth. But it seems like from the last 3 years, we are attaining the growth via either liquidating the equity or raising the debt. So it has started to look in the depleting ROCE and ROE as well. So in this quarter, we are seeing the EBITDA margin is slipping as well

Salim Yahoo:

Yes, Rajat, I got your question, Rajat. Let me give you a perspective that when you look at our results, you are looking at the decrease in the ROC. But it is not because of the performance decrease. It is because our net worth has increased substantially with the QIP offset. And understand, you are saying diluting.

But you need to understand that we are into a business which is a very capital-intensive business. The IPP segment is a very capital-intensive business. And for that, we require huge funds, which are required to build up the assets. Now these assets are long-term assets, 25-year assets. So you are getting an annuity income of 25 years, which you are infusing into the asset base. So I would say, if I have been an investor, I would always like to have a long-term annuity revenue

As we go on, we add more and more assets. It will strengthen our profitability. The drop in the ROC or ROE this year was because of the infusion into the equity, or you can say the net worth. You have to also see that the debt-equity has substantially improved.

Last time, it was around 0.5. It has come to 0.33, which should also give comfort that we have reduced also interest burden. So overall, it is good because until and unless we show growth, and the growth is going to come from infusion of funds or adding more and more assets, because CPP will bring to us an extent of profitability. But beyond that, it is the IPP that is going to drive the future in renewable energy. So that's the reason we have taken a cautious call, but we are not overdriven by increasing too much debt. In fact, debt has reduced compared to last year, if you look at the debt equity ratio.

So this is the nature of the business characteristic, where you will have to infuse, if you want to grow, you will have to infuse more and more IPP so that you get a continuous income. That is more important.

Moderator:

The next is from the line of Rohit Singh from Nvest Analytics Advisory LLC. Please go ahead.

Rohit Singh:

Sir, you talked about improvement in the EBITDA margin. So I would like to ask 2 questions. One is, what is the guidance for next year? And whatever the top line that we are looking to grow in FY '26 and if the IPP contribution is on the higher side. So that means the bottom line is going to be outperformed as compared to top line?

Salim Yahoo:

See, as far as next year is concerned, we have already multiple times, our CMD Chairman, Dr. Faruk Patel has also given that we are committed to at least 60% to 70% growth year-on-year. And we have done this year. We are very positive that we will improve the same in the next year also.

IPP. Yes, IPP, we have already got 1.5 gigawatts as I told you, which is under the pipeline of execution. Now this will come into a phased manner. So we see to it that is 1.5 gigawatts will totally be operational in next couple of years. So you can see from the third year, you can see the revenues of this IPP flowing strongly from the third year. So if you can say FY '25-'26, '26-'27. So '27-'28 will be the first full year where we will be able to get the entire 1.5-gigawatt revenue.

Simultaneously as we keep adding capacity, there will be some portion which will get energized and will start flowing in the revenue. Naturally, if I add more and more IPP, my EBITDA margin will also improve, my PAT will also improve. But we expect this major impact coming from the third year onwards, where the entire 1.5 gigawatt and something new, which will be setting up, which will win. But we will be able to maintain our margin of 17% to 19% margin at a PAT level.

Moderator:

Thank you. The next question is from the line of Rushil from PINC Wealth. Please go ahead.

Rushil:

Congratulations, sir, for a great set of number.

Salim Yahoo:

Thank you, Rushil.

Rushil:

Sir, my question is that in the EPC part, since we have seen one of the players have been filed for the NCLT. So do you think that the competitive intensity in the EPC segment has reduced, and the pricing segment must have improved, and we might also get some order from them if their order is pending?

Salim Yahoo:

See, Rushil, as we were saying that one of the competitive player has moved out of the race. Nevertheless, whatever orders that particular entity has taken, it will come back again into the market for some others. See at present, I have a CPP order book of 1.76 gigawatts which is quite comfortable for our installed plus upcoming. So 1.76 is the new order book that already have, which is quite big, compared to what we'll be executing, and we are adding more and more.

So naturally, yes, we will be adding more and more of this and competitive market. Because still, there are a lot of players who are bidding for it. The test is about who will be able to execute within the time line that is given.

- Moderator:** The next question is from Ashish Rampuria, who is an Individual Investor. Please go ahead.
- Ashish Rampuria:** Thanks and congrats for the result once again.
- Salim Yahoo:** Thanks, Ashish.
- Ashish Rampuria:** Sir my question, see also sort of Faruk ji also gave a couple of interviews towards the result, right? And he spoke about that all the current order book should get executed within this financial year, right? At least that's what he spoke about, maybe the entire IPP might not happen. I am just trying to understand the order book and pipeline for FY '27 and something for FY '25,? Because ultimately we are talking about 60% to 70% CAGR till FY '30. So do we have any visibility beyond FY '26? FY '26 is sorted, right? So beyond that, if you can throw some color for us.
- And also I think linked to this question before other person stops me. In that India map where you have shown set of Odisha, MP and Rajasthan. You have also shown, if I am not wrong, Andhra Pradesh, right, as well as highlighted states. So if you can also talk about that, any plans around that.
- Salim Yahoo:** First, I'll speak about the order book. So if you see that the order book that we have given when it comes to the CPP, we have already 1.76 gigawatts of the upcoming order book that we already have.
- Other than that, there are also new orders. some I cannot disclose right now, which we have already won or where we are going to bid. So I think within the next 6 months or the next quarter, you will see a substantial increase in the order book, which will cover the entire FY '27 also. So the order book is not a problem, because the sector is very booming and there is lot of orders and work which is available for a good player like us. So we are very confident that we will be able to close FY '27, also entire year in first or second quarter max to max. That will have help us give enough time to close that out. In fact, FY '28 also will portion will be slowing down because that's substantial, we have already bided and we are confident we'll close it.
- Moving on to the opening in the other state, I would request our Group CEO, Dr. Alok Das, to just throw some light on this also.
- Alok Das:** Yes. Regard to your questions and just about beyond our Gujarat. See, basically, we have signed up 3 MOUs of the new 3 different state government. One is Rajasthan, there is another for MP, another for Odisha. So where we are clear cut, we have signed our MOU for execution. Now at present in every state, there is a basic requirement of renewable projects, and there's a creation of resource in terms of power evacuation and land acquisition. So we have already signed a

document for land acquisition and PE creation, all 3 states. And all 3 states administrations are in close touch with us for the resource creation.

So if it is wind-related project, we have to have some data management and all. It will take 1 to 2 years completely for the data management and creation of power evacuation is also taking an equal time like 1.5 years. So whatever the other states activities will be coming probably after 2.5 years onwards. So that is what 3 states we are just under status of progressing to other states, what we are planning for that.

Moderator: Thank you. The next question is from the line of Rakesh Banerjee from RAP Capital. Please go ahead.

Rakesh Banerjee: Yes. Congratulations for the wonderful set of numbers. My question is on your unit generation. Like when I did the Y-o-Y comparison, I found that in this year, our unit generation has increased only by 16.9%, whereas in the last few years, we have been growing our unit generation by almost more than 40%. So is there any specific reason that the unit generation has slowed down? And what will be the color for the unit generation in FY '26, if you can give some color on that.

Salim Yahoo: Yes. So Rakesh, if you see that in FY '24, we did 21%, and this time, it is 24.9%. We have set up IPP projects in this year, but they were done in the fag-end of the Quarter 4. So the generation will come up in the next year. So approximately, if you see, we have given you that entire 1.5 gigawatts, which is going to set up. That will generate approximately 300 crore units per year.

So going forward, you will see a substantial growth into unit generation. This year, we have added the capacity, but it was throughout the year we had worked on adding the capacity, and it got energized in the month of March. So automatically, what happens is that the unit will start flowing, and these are only IPP units. Our own plant units that we are counting what we have generated. So next year, you will find substantial growth. After that, it will be further more substantial growth from what the previous year is.

Moderator: Thank you. The next question is from the line of Parth Kotak from Plus91 Asset Management LLP. Please go ahead.

Parth Kotak: Thanks for the opportunity. Salim sir, I just want to get some color on our CPP realizations. In FY '25, we reported INR 1,500-plus crores of revenue from CPP on 160 megawatts energized, implying a realization of about INR 9 crores per megawatt, which is significantly above the standard of INR 4 crores to INR 5 crores per megawatt range. Last year's realization was more aligned with this norm. So the elevated figure this year appears exceptional.

Sir as we look ahead, should we expect CPP capacity addition to outpace revenue recognition, thereby normalizing realization per megawatt closer to INR 4 crores, INR 5 crores going forward?

I am sorry for the slightly longer question, sir. If you can clarify this year's higher realization include the elements like land, BOS or turnkey EPC that may not be directly tied to megawatts energized? Thank you, sir.

Salim Yahoo:

Yes. Parth, the calculation that you did is not what the calculation we do. See, in our CPP business, our billing is done on a milestone basis. So there are 10 to 15 milestones for any particular project, milestone depending upon the supply, milestone depending upon the work contract like piling, installations and everything.

So our billing is done on the milestone basis, but we add the capacity only when we energize the entire plant. So there will always be a disparity between your top line and your the energized capacity.

As far as the range of per megawatt, we are not different. We are not different from what others. So our range is also around the same INR 3 crores to INR 3.5 crore, INR 4 odd crore of per megawatt, that is what on the solar side and INR 6 crore to INR 7 crore per megawatt around the wind side.

So the industry what is doing, we are also doing the same thing. It's only the calculation that is done on a milestone basis. So we book revenue. So maybe there is any particular project where we have completed 80% of the project, but the capacity is not added because we have still not energized that project. So the revenue will get added to the top line, but the capacity only gets added when we complete the entire project. So that's why you're finding it difficult to match it up with.

Moderator:

The next question is from Anil Sarin from K16 Advisors. Please go ahead.

Anil Sarin:

Yes. So I am curious about the economics of the IPP business. Somewhere in the call I had heard 18%. So if you could throw some light, like what are the assumptions? Like do you get a certain amount of rupees per unit? And what is the cost and what is the debt equity ratio such that one can get to the equity IRR?

Salim Yahoo:

Yes. So Anil, first of all, in our presentation, if you have seen, we have given you an average rate per unit. That's what we have because it is coming from the actual LOAs that we have. So average rate per unit is around INR 3, which includes hybrid plant, which includes solar and wind also. Altogether, that's what we will be earning as we go forward.

Moving on to the debt equity, we usually go with 75%-25%, 75% of our debt from the lender and 25% equity portion. So if you look at the average IRR that we get on any project, it would be around 12% to 13% IRR for any IPP project when I am talking about IPP project.

Anil Sarin: Or is this the total project IRR, I am looking at equity IRR?

Salim Yahoo: Equity IRR would be around 17% to 18%.

Anil Sarin: 17% to 18%. So if it is like that, would it not drag down the overall ROE? In terms of what it looks like, I am aware that 17%, 18% for 25 years is a very, very good number. But just how it appears optically? What I mean to say is, when your ROCE comes down to around 17%. So the blended numbers just for an analyst looking at it on a snapshot basis, the ROCE, etc., would start looking lower?

Salim Yahoo: See, the EBITDA margin in this what we are earning is very high. But when the PAT margin comes after the payment of all the debt and everything, the IRR that what we earn is around 17% to 18% on the equity. So your return on equity, the reason is that if you see ROCE, return on capital employed, naturally, the debt portion, as I told earlier also, we are capital intensive business. So this will be going forward will have an impact on the ROCE, but the size or the volume that we will be working with will be huge as we go forward. So the absolute term, it will be huge. Percentage-wise it will slightly move a little bit up or down.

Moderator: Thank you. The next question is from the line of Pranjal Soni from RRR Investments. Please go ahead.

Pranjal Soni: Hello. Congratulations on the great set of numbers. I just have 2 questions. So the first is, what opportunity does KPI Green see in battery energy storage system? And sir, in PPTs, it was mentioned that KPI would start first with captive, and accordingly, we'll participate in tenders. So just trying to understand how does the BESS actually work. And is there any BESS mandate for PSU companies? So that was the first question.

Salim Yahoo: Yes. So Pranjal, I would request Dr. Alok Das to pitch in on the BESS, because he's an expert on that BESS, battery energy storage system, he'll give you a little bit brief on that.

Alok Das: Hi Pranjal, basically what is there because nowadays, you can see that renewable energy penetration is coming more. So there is a good discipline coming into the picture. So during daytime, there are lot of solar pumping is there and wind is also coming, and there is hydel and other thermal projects are coming. So grid is getting indisciplined.

So, major smart grid concepts have come to India, and now they are telling that whatever extra generation that cannot be disturbed to the grid, and you can store it in the battery which should fulfil the load pattern.. So that couldn't be discharged in a particular time, for example, nowadays, every state government, because mostly projects are coming on the specific states demography.

So now state like Rajasthan, they have said that all the solar projects should come with a 5% BESS mandatory. That means what? So whatever the solar generation can be stored it should be mandated. And whenever the peak time requirement, that battery can be discharged. So now this is becoming a very mandatory grid requirement, where power can be generated based on the resource available, and when the demand is asking, then that time it will be discharged.

So like that BESS is this upcoming technology, which can be used for hybrid projects, both wind and solar, they stand together. So that is a mandate that is coming for all states together. So that is what the future for us, and that is why, all the companies are going for the BESS applications.

And your second question, what was there, Pranjal?

Moderator: Sir we have lost the connection of the current participant. We will move on to the next question. That is from the line of Kunal Mehta from Pinnacle Capital Advisors. Please go ahead.

Kunal Mehta: Yes. So just a couple of questions. Regarding the IPP business, sir, this 1.2 gigawatt of GUVNL. So do we plan to commission this project in phases and start generating revenue phase by phase? Or it will be the totally at the end of the year when the entire 1.2 gigawatt is energized. That is one. And secondly, out of the 1.76 order book gigawatt in CPP, what is the plan? How much can we energize in the current year?

Salim Yahoo: Okay. So Kunal, on the IPP side, the project that we have already uploaded on the BSE website is that. We have 50-megawatt hybrid. We have 250 megawatts solar. We have 370-megawatt hybrid. So these projects will come in a phase-wise manner as we start completing. Like 50 is already completed, 250 will be completed, then 370, then another 150. So in a phase-wise manner, depending upon the LOA or what we say the PPA we have.. 1.5 gigawatt will not come altogether on a one fine day. It will be in a phase-wise manner.

The second question you asked was on the CPP, right? Hello, Kunal?

Moderator: Yes, sir, Mr. Kunal? Sir, he's disconnected. You can continue.

Salim Yahoo: Yes. Yes. So second question on the CPP side, the 1.76 gigawatt, majority of that will get executed this year itself and a part will flow down to the next year.

- Moderator:** Thank you. The next question is from the line of Gaurav from Anujay Properties. Please go ahead.
- Gaurav:** Hi. My question has already been answered. Thank you so much.
- Salim Yahoo:** Thank you, Gaurav.
- Moderator:** Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities. Please go ahead.
- Hardik Gandhi:** Congratulations on a good absolutely amazing set of numbers. Just wanted to know some economics about the IPP. I know a majority of the questions have been around that. But just to quantify, if I were to start 1 megawatt of IPP, how many units will I generate in a year? And what is the decline over the period of the next 20 to 25 years, given that there is a depreciation in the output?
- Salim Yahoo:** Yes. See, 1 megawatt IPP, you will generate units approximately 15 lakh to 19 lakh units depending upon, whether it is tracker base, whether it is a fixed base and all those different factors that the panel that you use all those things. The degradation would be at around 0.42% year-on-year for the next 25 years. That will be the degradation.
- Moderator:** Thank you. The next question is from the line of Vaibhav Lohia from Commercial Freight Movers. Please go ahead.
- Vaibhav Lohia:** Sir, I wanted to understand 2 things, sir, how are the margins shaping up for the CPP segment for the new bid? And how is the payment collection efficiency right now? Like are you facing any delays or something?
- Salim Yahoo:** Vaibhav the CPP segment, margin, as I told, it's around between 20% to 22%. And as we move forward, if we get into more utility scale, it will be in that range or a little bit lower from 18% to 20%. Payment has never been a problem. We also get advances in these cases if we furnish with the ABG and all those things. So we are able to get our payments on a timely manner and execute the project also in a timely manner.
- Moderator:** The next question is from the line of Manjunath who is an Individual Investor. Please go ahead.
- Manjunath:** Hello, sir. I have 3 questions. Sir, are we trying to enter in green hydrogen through KPI Green? And by which year will the same will show in our revenue total? Are we currently trying to enter into any international contract? And what is the KPI Green target of installed capacity till FY 2030? As in the presentation only KP Group 10 gigawatt target is mentioned.

Salim Yahoo:

Manjunath, on the green hydrogen, yes, we are going to get into the green hydrogen segment. And as you know that if you want to get qualified or want to bid for that, we will require a strong entity. So as KPI has been a strong entity, we might use KPI Green for getting into green hydrogen also. Though we have a separate entity for green hydrogen, there will be a support required from the big brother of the group, you can say.

On the international side, we have already opened an office in Saudi Arabia. And we are also in discussion with other countries. So we are checking into that, we would like to go with an EPC or a PPP model, and then slowly as we establish ourselves, we will go into an IPP mode.

Moving on to the target of FY 2030. As you are aware, the 10 gigawatt is at a group level that we have given. But looking at the way we are growing, more around 60% to 70%, sir, would come from KPI and its subsidiaries, and we might surpass also this target, depending upon the way it is moving on.

Moderator:

The next question is from the line of Jitender Ranga who is an individual investor. Please go ahead.

Jitender Ranga:

First of all, congratulation for this solid result. I have queries related to IPP revenue share in the overall revenue mix. So I find the presentation, Financial '25 total IPP was like 13%, like which translate to INR 25 crores of revenue. And for Financial '24 like it was 17% which translates to INR 74 crores of revenue. So as per the latest presentation, the current IPP portfolio is like 500 megawatts. So will it translate to around INR 600 crores of revenue for this year or like full plant will not be commercialized yet?

Salim Yahoo:

See, the 503 megawatts if you calculate, which includes my existing 170 and the new 240 Khavda that we have energized, another 50 megawatt, which we have energized. So we expect that the revenue, we will add a realization of around INR 50 crore, INR 60 crore on the other side also. So you can see that it will go up to INR 350 crores to INR 400 crores this year. If we add more this year and we start the plant early, we will add up to INR 500 crores plus thing.

Moderator:

Thank you. The next question is from the line of Suman Kumar who's an Individual Investor. Please go ahead.

Suman Kumar:

So this question is to Mr. Salim. Somewhere around on IPP and given that the blended ROC is at around 17% to 18%, which means that if we are targeting to grow at 60% to 70% growth over the next 2 to 3 years does it mean that there will be a shortage of capital and hence, we'll have to raise capital either through debt and equity? And hence, although the overall profit growth would look like 50% to 70%. But in terms of EPS, if the capital was to be funded by raising

gross equity, then probably EPS wouldn't be far more muted than the 60% or 70% growth that we are looking at in overall net profit?

Salim Yahoo:

Yes. Suman, the 1.5-gigawatt IPP what we have shown in our presentation and all, for that equity is already tied up. Whatever funds we have raised and internal accruals that we have earlier, those are kept aside for increasing the IPP portfolio.

So now this 1.5 giga is going to happen in the next couple of years. Once we complete that, after that, we'll look into whether going further into the IPP segment after a couple of years, we will look into whether how much is more addition to the IPP. And at that time only we'll be thinking of increasing the equity portion. But the debt, we have already factored for this 1.5 gigawatt and accordingly, we have already gotten in principal sanction from a majority of the lenders also. So EPS will not fall down, because we are not adding any more equity portion or raising equity for this 1.5 gigawatt.

Moderator:

Thank you. The next question is from the line of Mitesh Vora, who is an individual investor. Please go ahead.

Mitesh Vora:

So last year, in the last con call, there was a discussion that SBI had that collateral pledging that we had in discussion to have that removed, to get it back. What about the progress about that? And the second question regarding the trade receivable, we see that it is consistently increasing. Throw some light on this?

Salim Yahoo:

Okay. So first of all, on the pledge side, let me explain to you that the pledge, which was given to SBI, we have already given a letter, they are already working on it, because all our proposals go to the SBI Board. So it has to pass through a process which is set up by them. So we are awaiting confirmation on that. So we expect that to get over as early as possible and close it.

As far as trade receivable is concerned, I think receivables have improved. If you see the number of days, we were at 150 plus receivable days, we have come down to 120. So that is a substantial improvement in the receivable. It's only the number, if you see absolute term that might because the growth has gone substantially. If you compare it with the top line, then it is improvement in the trade receivables, you can say.

Moderator:

The next question is from the line of Sanjeev Marda, who is an individual investor. Please go ahead.

- Sanjeev Marda:** It's really heartening to see such a good set of numbers, once again beating the expectations. And congrats to Management for it. My question is on battery energy storage system win, which is for the first time found place in your earnings presentation. Sir, as the Company participated the tenders for battery and offshore and for what capacity amounts? And will battery energy storage system be manufactured by KPI Green itself or it will be tying up with some manufacturer for other another Company for its manufacture? What role basically will KPI have in it?
- Alok Das:** Yes. I want to pitch in here, Dr. Alok, speaking. See basically, battery energy is coming up and KPI is planning to enter this field. But if you know, because there are certain technicalities . We are in the process and exploring the market, because there's a policy there. So KPI is planning to enter this field, some proto model development..
- So after having developed everything, then after that, we can see that what is the market demands. Accordingly, we will plan. But yes, this type of diversification we have is on planning for that.
- Regarding your second question of offshore, we are already in the planning to this stage, and we have certain development already. And you know that offshore, there's a policy are in place and governments are declaring certain resources. So, in future, we will disclose the same. Thank you.
- Sanjeev Marda:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Soham from RV Investments. Please go ahead.
- Soham:** Thank you. Sir, what is the revenue potential of this 1.76 gigawatt of CPP order book?
- Salim Yahooo:** The 1.76 gigawatt. If you see this includes order where we have the entire scope, whether it is panel, whether it is windmill, everything under our scope. There is also other utility scale project, where the key component like panel or wind mill will be in, what we say, the Company scope, not our scope, the developer scope. So it depends upon different, different projects. To specifically mention that, what total per average or something. But altogether, the order book can go above INR 3,000 crores.
- Soham:** Okay sir. Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Pranjal Soni from RRR Investments. Please go ahead.
- Pranjal Soni:** So my question is when will be the IP of Sun Drops Energia be launched?

- Salim Yahoo:** Shortly, ma'am, we already have things, we are in the phase of applying also to the main Board. We are also discussing that. Just waiting for some things to improve, the margins to improve a little bit because we want to be successful, doesn't want to get into troubled waters,. We just wait for the water to still down. And then after that, we will come up with an IPO. We have done that in the past, and we will surely not let you down this time also.
- Pranjal Soni:** And what tentative time, like?
- Salim Yahoo:** Sorry, ma'am?
- Pranjal Soni:** Tentative time, like 4 months - 6 months?
- Salim Yahoo:** See, I cannot give you tentative time, but most probably, by the end of this financial year, we would like to come out, depending upon the various other market sentiments and factors which will drive our decisions.
- Pranjal Soni:** Okay. And just wanted clarity on, you told that 5% BESS mandate in Rajasthan, is it already mandated? Or is it going to be mandated?
- Alok Das:** No, it is under the present policy, which is declared in the last month. It has been mandated that whoever is going for the solar investment, so the 5% base is that embedded facility to be provided.
- Moderator:** Thank you. The next follow-up question is from the line of CA Garvit Goyal from Nvest Analytical Advisory LLP. Please go ahead.
- Garvit Goyal:** Hi. Thanks for the follow-up. Sir, I just want to ask on the outlook in respect of the further order inflows that will drive us through FY '27 and onwards. Because looking at the current order book, we are pretty much confident and you are also providing the guidance for FY '26. But if you can put some color on the order inflow that we are expecting in FY '26?
- Salim Yahoo:** Yes, I just answered this question a couple of minutes back, Garvit. But just to highlight that we already have bid pipelines where we are confident we will be winning those pipelines. So I think by end of first or the second quarter of this year, you will be able to see that the entire FY '27 is also, will be booked.
- Garvit Goyal:** By the end of what, sir?

- Salim Yahoo:** By the end of first or second quarter of this year. You see that the entire order book will be further going up, because we have a lot in the pipeline, and we are very positive that we'll be winning these tenders.
- Garvit Goyal:** Got it. Thank you very much. Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Rajat Gupta from Rajat International. Please go ahead.
- Rajat Gupta:** Thanks for the opportunity. My question is until when we hope to start generating free cash flow? And what shall be the CAPEX this year? And what shall be the possible source of that CAPEX? Thank you.
- Salim Yahoo:** So free cash flow, if you see this year also, we have generated positive cash flows, okay? And as far as CAPEX is concerned, approximately around INR 4,000 crores of CAPEX is expected to put into the IPP of 1.5, which will be in phase-wise manner. This year, a portion will go and next year, some portion will go.
- Rajat Gupta:** No. This year, I don't think we have free cash flow, sir. Is it?
- Salim Yahoo:** We have INR 200 crores of free cash flow, if you see the cash flow statement.
- Rajat Gupta:** That shall be the net cash flow, perhaps, but the free cash flow, that means that...
- Salim Yahoo:** No. No. That's what, if you see the cash flow from operating activity is INR 208 crores. This year, we have done.
- Rajat Gupta:** Yes. But that's already infused with the working capital requirement, and we have already liquidated with the QIP. That is also invested and infused with the working capital and capital expenditure.
- Salim Yahoo:** No. No. If you see cash flow from investing activities is INR 1,587, that is major investments IPP plant. And cash flow from financing activities, the QIP and everything is INR 1,806 crores. That is a separate cash flow. And only from operating activities we are seeing. So if you see the net increase in the cash and cash equivalent has been INR 427 crores. If I add the opening of the last year, altogether, we have INR 597 crores of cash and cash equivalent at the end of the year.
- Moderator:** Thank you. The next question is from the line of Meherwan Kotwal, who is an individual investor. Please go ahead.

- Meherwan Kotwal:** Good evening, sir. Congrats on the strong set of numbers.
- Salim Yahoo:** Thank you.
- Meherwan Kotwal:** Sir, my first question was a little technical. So if you see, in our presentation you said that we produced about 25 crores units, and our realization was about INR 3.8 per unit. So that would take me to about INR 75 crores of revenue?
- Salim Yahoo:** No, no. I'll just explain you. We have 170-megawatt of plant, where we have signed PPA with C&I customers, that is Corporate and Industrial, which includes some of the top line names L&T, Colourtex, UPL, Tata Motors, Indian Air Force.
- These PPAs are differently designed. They are like whatever unit rate, the Company pays, we will give them 7% to 8% to 10% discount, so in those PPAs, I am earning INR 8 to INR 9 at a gross level. And the other PPAs, which I am doing with government, there I am earning 3% odd. That's why if you see that's a huge jump that we see vis-a-vis the revenue from those units.
- Rajat Gupta:** Right, right. Because it seem to be like a mismatch. And the second thing is in a long-term vision when we are looking at 10 gigawatts, how much do you see this coming from out of Gujarat?
- Salim Yahoo:** See majority will be from Gujarat, because we are placed in Gujrat, we are one of the leading player in Gujarat. But I think at least 30% to 40% should come from out of Gujarat, state like Odisha, Rajasthan, Madhya Pradesh where we have signed the MOUs, and Maharashtra also.
- Moderator:** Thank you. The next follow-up is from the line of Rohit Singh from Nvest Analytics Advisory LLP. Please go ahead.
- Rohit Singh:** Sir, you mentioned, we are going to receive big orders in Q1 and Q2, which will drive the growth for FY '27. So can you put some color on in which area are these orders going to be? And what margin profile are we expecting from these orders?
- Salim Yahoo:** See, these are utility scale projects, where we will be, we call it EPC or a CPP business that we are going to add. IPP is already tied up. So 1.5 new IP is going to come. And the margin would be in the range of whatever we are looking at 15% to 18% at utility scale project. And this will be majorly from either any big government entity or some conglomerate.
- Rohit Singh:** Got it. And for next year, we are going to execute IPP contracts. So can we expect a further improvement in net margin in FY '26 over FY '25?

- Salim Yahoo:** No. As I told, naturally the moment I energize the IPP contract, IPP plant, and it starts generating revenue. The IPP EBITDA is around 85% to 90%. So it will naturally strengthen my margin as I keep on adding more and more, but only that there is a mix of IPP and CPP. The CPP is EBITDA is lower compared to IPP. So automatically, it gets diluted and overall EBITDA, what I get is around 30% to 33%. So the more I add IPP, naturally, it will strengthen the EBITDA and PAT. The more I add CPP, it will a little bit reduce the margin as such to a smaller extent.
- Rohit Singh:** Got it, sir. Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Kunal Mehta from Pinnacle Capital Advisors. Please go ahead. Mr. Kunal, I would request you to unmute your line and speak, please. Due to no response from the current participant, we will move on to the next participant.
- The next question is from the line of Rakesh Banerjee from RAP Capital. Please go ahead.
- Rakesh Banerjee:** Sir recently, we came across one report from the Ministry of Renewable Energy. Thereby, we found that there are around 30 gigawatts of renewable energy, which are lying and yet to be used, because no power purchase agreement has been signed.
- Now in that context, we know that we have around 1.5 gigawatts of IPP forthcoming. So do we have any definitive contract? If you have a definitive contract, is there any cancellability clause within that? So wanted to have some color from you regarding that, especially considering the 30 gigawatt of excess capacity in IPP where PPA could not be signed with any discounts or other counterparts?
- Salim Yahoo:** Yes, Rakesh. Rakesh if you see, we have 1.5 gigawatts where we have already signed the PPA. And these are signed with GUVNL which is one of the best paymaster or you can say that is A-rated discom compared with other discoms. So we are selective. We signed where we know that the counterparty is very strong and is cash rich, then only we sign the PPAs with them, so that we don't get into, because there's a lot of CAPEX investment that has to be done.
- As far as IPP segment is, I understand there is a 30 gigawatt, but we have to take decision depending upon the other factors like how much equity has to be infused? How much debt has to be taken? And how it will impact our profitability margin, the ROCE, ROE, that's what we have been hearing. So we have to trade between all these factors and then only take, but at present, we are comfortable enough with 1.5 gigawatts. As we start completing that slowly, slowly, we'll take a call on the availability of what extra is there in terms of the sector has to play.
- Rakesh Banerjee:** Fine, fine. Regard the IPP...

- Salim Yahoo:** Yes, Rakesh, just Dr. Alok Das also what to add.
- Alok Das:** So yes, Rakesh ji, just to clarify that rightly, you have pointed out about 30 gigawatt. There is some sort of news there. Obviously, KPI, as Salim ji was telling that we are very determined for the local utility Company, where we are going for a bidding process and all. 30-gigawatt probably based on the market demand, obviously, it could be CPI connectivity, where the power sale that agreement, PSA is under discussion. Probably that could be a figure where 30 gigawatts are coming in midyear.
- Rakesh Banerjee:** Okay. Okay. And sir, regarding the IPP of 1.5 gigawatt that you're going to do. Sir has already alluded that we'll be requiring around INR 4,000 crores of investments overall. And we see that INR 1,800 crores has been already invested. Our bank balance or cash equivalent is almost around INR 597 crores, so which makes it INR 2,400 crores. So what is the source of the rest of the INR 1,600 crores? How is Company planning to bring this additional INR 1,600 crores to complete this IPP projects?
- Salim Yahoo:** Yes. So Rajesh, we have already induced the equity portion, or we already have equity portion that is 25%. We go with a mix of 75%-25%, 75% as a debt and 25% as an equity portion. So for the rest of the 75%, we already have in principal sanction from some of the top lenders of the Indian economy, you can say, or the infrastructure lenders, which are there. So we are quite confident that we'll be able to get these funds also released in the short period.
- Moderator:** Thank you. The next question is from the line of Samrat Shah, who's an Individual Investor. Please go ahead.
- Samrat Shah:** Good evening, sir. Hearty congratulations achieving INR 100 crores plus PAT for a quarter, and it is a tremendous achievement for investors like me that have been invested in this Company since INR 180 crores of market cap. And now the Company has grown up to INR 8,000 crores. So it gives me great pleasure. Congratulations for that, sir.
- Salim Yahoo:** Thank you, Samrat. Thanks for the very good words.
- Samrat Shah:** I have a couple of questions, sir. Firstly, regarding, if you see the 2020, 2021 interviews of Faruk Bhai. He has told that you will be achieving 1 gigawatt of capacity by Calendar Year 2025, which is this year. So out of that, you have done 950 MW as per the investor PPT. So whether that 1 gigawatt would be achieved as guided is my first question in this candidate.
- Salim Yahoo:** Yes. Let me answer your first question. What Dr. Faruk Patel always speaks about, he speaks about at a group level. Like 10 gigawatts is also spoken at group level. So 1 gigawatt, which he

spoke at the time was at group level. So at a group level, we have already surpassed that long back in FY '24 itself. So the commitment is usually at a group level that we have done.

Your second question?

Samrat Shah:

Yes, second question was on, sir, the risk associated with this business. The context is a couple of months back, there was a BSE filing that 66-megawatt order got canceled from Sai Bandhan Infinium. I wanted to know not about this particular Company, just the reasons for which an order gets canceled. Like you have long-term PPAs with, so the orders are not easily cancelable. So how can you expect an order to get canceled? Or is it just a one-off case?

Salim Yahoo:

See, Sai Bandhan was not an IPP project. There was no PPA signed. It was an EPC project, okay? So we call it as a CPP.

Sai Bandhan, we canceled it from our side because of the issues on the designing side. The customer changed the design, and there were issues on his funding because he was tying up for a funding and the financial closure was not happening. So we didn't want to get stuck in the middle where we have completed a part of the project, and the entire project is held because of his incapability of raising funds for his project.

So that's the reason we saw that it is not forthcoming in a proper way. So we said that, we should cancel this order. And this is one of the orders that we have canceled, on account of the end-use customer's inability to raise the funds and other facts.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Ritwik Chauhan for closing comments.

Ritwik Chauhan:

Thank you, Sejal. And once again, I'd like to thank all the investors and participants who joined us on this call. We are very pleased to have had a very strong quarter and a strong year. Thanks again to our group CEO – Dr. Alok Das; and our group CFO – Salim Yahoo, for taking us through this. Please reach out to us in case you have any further questions. We'll see you again soon.

Moderator:

Thank you. On behalf of Share India Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.