



# KPI GREEN ENERGY LIMITED

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**KPI/MAT/FEB/2025/624**

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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

**Scrip Code: 542323**

**Symbol: KPIGREEN**

**Sub.: Transcript of Investors/Analyst Earnings Conference Call held on February 11, 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 February 6, 2025 and February 11, 2025, please find enclosed the transcript of the Earning Conference Call held on Tuesday, February 11, 2025 at 11:30 AM (IST) to discuss the unaudited standalone & consolidated financial results for the quarter and nine months ended December 31, 2024.

The said Transcript is also available on the website of the Company at [www.kpigreenenergy.com](http://www.kpigreenenergy.com).

We request you to take the same on your record.

Thanking you,

Yours faithfully,

**For KPI Green Energy Limited**

MOHMED SOHIL  
YUSUFBHAI  
DABHOYA

**Moh. Sohil Yusuf Dabhoya**

**Whole Time Director**

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Encl.: a/a

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**KPI GREEN ENERGY LIMITED**

**“KPI Green Energy Limited  
Q3 and FY '25 Earnings Conference Call”  
February 11, 2025**



**KPI GREEN ENERGY LIMITED**



**MANAGEMENT: MR. ALOK DAS – GROUP CHIEF EXECUTIVE  
OFFICER – KP GROUP  
MR. SALIM YAHOO – CHIEF FINANCIAL OFFICER  
– KPI GREEN ENERGY LIMITED  
MR. SIDDHARTH THAKUR – EXECUTIVE  
ASSISTANT TO CMD -- KPI GREEN ENERGY  
LIMITED**

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



**Moderator:** Ladies and gentlemen, good day, and welcome to KPI Green Energy Limited Q3 and FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the star, then zero on a touch-tone phone. Please note that this conference is being recorded.

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

**Harsh Patel:** Thank you, and good morning, everyone. Congratulations on a good set of numbers. On behalf of Share India Securities, I welcome you all to Q3 FY '25 Earnings Conference Call of KPI Green Energy. We are pleased to have with us the management team represented by 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, sir.

**Siddharth Thakur:** All right. First of all, a very warm welcome to our investor con call for KPI Green Energy. I'm Siddharth Thakur from CMD office, and I'm delighted to have you all join us today.

Over the last 10 years, KPI has been at the forefront of India's renewable energy transition, evolving into one of the country's leading integrated players in the sector. With a strong focus on solar and hybrid energy projects, we continue to expand our footprint domestically.

As of today, if you look at our overall group level, we have a robust portfolio of 5.2-plus gigawatts with 1.4 gigawatts already commissioned and a strong 3.8-plus gigawatts order book. Our expertise spans end-to-end EPC services, O&M capabilities and the RESCO model, ensuring that we deliver reliable, sustainable and scalable renewable solutions.

With a solid execution track record, a robust project pipeline and a growing presence in India's renewable energy landscape, we remain committed to accelerating the clean green energy transition, scaling capacity and strengthening partnerships and delivering long-term value for our stakeholders.

Today's discussion will focus on our recent performance, ongoing projects, strategic initiatives and growth outlook. To take us through the updates in detail, I'm also pleased to announce Dr. Alok Das, who is our Group CEO. Dr. Alok Das brings extensive leadership and experience in the renewable energy sector, business strategy and project execution.

A senior leader with over 30 years of experience in the renewable energy sector, he brings an exceptional track record in this industry from giants like Suzlon Energy, Reliance Energy, and NEPC. An esteemed alumnus of IIT Kanpur, who has earned his Ph.D. in Renewable Energy. I will now hand over the podium to Dr. Alok Das.

**Alok Das:** Good morning, dear investors. I'm glad to be here in front of you. Basically, I want to give the preview of where KPI Green is today. See, basically, now the future is green. Probably you all know that the country is moving towards net zero. And our Prime Minister has given a set target, 500 gigawatts by 2030 and net zero by 2070.



As on today, 200 gigawatts has been installed and there's a solid gap of over 300 gigawatts. That means, every year country should witness about the value addition of 50 to 60 gigawatt that consists of solar, wind, hybrid and other things. So, looking into the trajectory and year-on-year connection, so we are, KPI Green, in a better position because any project requires 3 things: number one, resource creation; and number two, project execution; and supply. And we are here in a position for all kind of resource creation and project execution.

You know that what Siddharth told just now, 3.8 gigawatts under the pipeline. And at the group level, we have a target about 10-gigawatts participation up to 2030. So that means our future process is very clear for the stakeholders, what we want today. And latest, by whatever the present budget declared, there are also 3 positive things have happened.

Number one, there are manufacturing facilities through PLI scheme under Make in India initiative. Number two, there is export possibility. Number three, green corridor creation, world infrastructure development, like the transmission line or other things. And we are all there to create every kind of support on behalf of KPI Green.

In a nutshell, today, we are doing solar, we are doing wind, we are doing this hybridization. And also in future we are adding some more verticals. So from time to time, we will let you know that what KPI Green is venturing into. So with this trajectory, we are all positive. And in a nutshell, the future is very much great.

With this, so let us start our discussion today for all kind of deliberation with you, and we can clear all of your queries. Thank you very much.

**Siddharth Thakur:**

Now I hand over the call to Mr. Salim Yahoo, CFO at KPI Green Energy.

**Salim Yahoo:**

Thank you, Siddharth. Thank you, Dr. Alok. Good morning, everyone. Thank you for joining us today for KPI Green Energy Limited investor con call. I'm Salim Yahoo, the Chief Financial Officer of KPI Green Energy Limited, and it is my pleasure to present the financial performance and key highlights of our company for the quarter ended and for the 9 months ended December 31, 2024.

We are proud to report another outstanding quarter, marking record-breaking results as we continue to achieve our highest-ever turnover for the third consecutive quarter. This consistent growth underscores our strong market positioning, strategic execution and operational efficiency. Over the past quarters, we have delivered strong results with total revenue of INR 466.1 crores, a superb 40.6% increase compared to the same quarter last year.

Our EBITDA for quarter 3 reached INR 144.54 crores, reflecting a 38% year-on-year growth, while our profit before tax surged to INR 114.94 crores, marking an increase of over 60%. Most impressively, our profit after tax climbed to INR 85.15 crores, up by 68.26% compared to the previous year's quarter. These figures underscore the effectiveness of our operational execution and strategic financial plan.

Expanding our focus to the 9-month performance, we have truly set a new benchmark. Our total revenue for the 9-month period has reached INR 1,177.35 crores, representing a 59.5% increase



over the INR 737 crores in the corresponding period of the previous fiscal year. And let me highlight that what we have done in the previous fiscal year, the entire full year, we have surpassed that also.

This robust performance is further highlighted by our EBITDA, which grew to INR 411.44 crores, an impressive 66% increase. That already surpassed the full year EBITDA again for FY '23-'24. Our profit before tax for the 9 months stood at INR 302.2 crores, a significant 93% increase from the last year, while our profit after tax reached INR 221.1 crores, reflecting an 86% growth over the previous period. So, in short we have surpassed all our previous financial year figures in all the parameters, whether it is topline or profitability.

In quarter 3 alone, we have secured major contracts with Coal India Limited for a 300-megawatts AC ground-mounted solar PV project, reaffirming our leadership in large renewable energy projects. As you are aware that we have entered Maharashtra through the biggest MAHAGENCO project which we have undertaken. So, we have also started our execution in Maharashtra with 100-megawatt AC solar project. And further, we have expanded our renewable portfolio through strategic MOUs with the government of Rajasthan and Odisha.

Notably, our flagship project, 240-megawatt DC solar project at Khavda in Gujarat is progressing ahead of schedule, which is a trademark that we always try to close our project before the schedule that is given to us. This shows that our integrated advanced technologies are contributing to the local employment that we always keep in our mind.

On the operational side, as of January 15, 2025, installed capacity has grown to over 533 megawatts, supported by a strong order book of 2,869 megawatts, that is 2.86 gigawatts. With a power evacuation capacity of 2.59 gigawatts and a land bank exceeding 4,180 acres, we are well positioned to capitalize on future opportunities and drive our expansion in the renewable energy space.

Our performance in both quarter 3 and 9-month period reflect our commitment to excellence and our strategic focus on sustainable growth. We continue to build on our strong foundation by optimizing our operations, expanding our project portfolio and entering new markets, all while delivering increasing value to our investors.

With this, I thank you all for your continued trust and support and now open the platform for question and answers.

**Moderator:** Thank you very much. The first question is from the line of Garvit Goyal from Nvest Analytics. Please go ahead.

**Garvit Goyal:** Sir, congrats for a decent set of numbers. I have 3 questions. One is on our IPP segment. In this segment, I was looking at your PPT and what I found is both installed capacity and OIH number for this particular segment are similar to last quarter. So, is there any specific reason for it? And if yes, can you please help us to understand like are we facing any challenges in this particular segment?



**Salim Yahoo:** So, if I correctly understand your question, you are saying the installed capacity in the last quarter and this quarter were the same, right?

**Garvit Goyal:** And order in hand also for IPP segment?

**Salim Yahoo:** Yes, IPP segment, we have already considered -- you need to understand, in IPP, we have to invest our own capital and set up the plant and sell the power. So that is our IPP segment. So, in IPP segment, we already have sufficient order book, for which we have tied up with the bankers and the financial institution for the debt capital which is required.

Now we have a lot of inquiries where we want to do IPP, but we have to keep in mind our leverage and we have to keep in mind our repaying capacity, , our rating and other factors So that's the reason -- we have enough book right now for IPP.

Once we see that this book starts getting executed and completed to a certain limit, then we will start adding more and more IPP. That's why in IPP, we have taken approximately 1.3 gigawatts from GUVNL itself. So, we will start working on that we have already started working on the first 50 megawatt, then 370. So, once we start moving progress in that, then we will add up more IPP.

**Garvit Goyal:** So, we are not facing any challenges in execution, right?

**Salim Yahoo:** Not at all. Not at all. In fact, we are welcomed by the institutions and by the customers also to add more and more IPP.

**Garvit Goyal:** Understood. And second thing is just a clarification on this year guidance. Like in last concall, you mentioned 60% to 70% at least revenue growth for this particular year. But in recent interview, Faruk sir has given a number of 50% to 60%. So, what is the right number for this year, sir, and years going ahead as well?

**Salim Yahoo:** Yes. So, I said 60% to 70% in the last and Faruk sir said 50% to 60%. So, both have 60% common. You can take 60% as a common factor in both.

**Garvit Goyal:** Okay. And thirdly, like looking at the geopolitical tensions, and we all know that we are having our old plants in India and our customer base is also based out of India. So, we are having no connection, as far as revenue is concerned, with the rest of the world. But looking at the supply chain things, like are we facing any issues related to supply chain that may impact our margins going ahead or a shortage of the components that we use in our project execution or anything like that, sir?

**Salim Yahoo:** We do meticulous planning before taking the orders for the CPP side. And on the IPP side, if there is an increase in the module cost, the tender allows increase in the rate is also equivalent. So, I don't think we will face any problems on the supply chain side also. As far as the execution is concerned, we are well geared up for executing. And supply chain, we take care of that. We do a proper planning for that. So, I don't think -- neither the price will impact us, nor the availability will impact us.



- Garvit Goyal:** And sir, this quarter, our margins showed a dip Q-on-Q basis. So, what is the specific reason for it? And what is the guidance for the rest of the year and years coming ahead?
- Salim Yahoo:** Right. If you see, the EBITDA margin has gone a little bit low compared to the previous quarter. The reason is that if you see trend in the previous quarter, that's when the seasonality, of rainy season is there. So, in this quarter, a lot of our billing is on the service side, which includes less of material and other components like liaisoning, land collection and all those things are done. So, we do a lot of billing on that side.
- So, in that thing, the margins are a little bit higher because there is no major ,material component. And this quarter, we have done a lot of material purchase. So again, you will find a little bit shrinking there. So, it's a seasonality factor. It is not that the margins have gone down.
- It is just that you see the trend of last year also, you'll find similar. If you see last year, we had around 33% to 34% in the second quarter, and third quarter, again, 30%, 31%, again, something like that. So, it will be a small dip because of the way the billing is happening. It's because of milestone billing that we do.
- Moderator:** The next question is from the line of Hrishil from PINC Wealth. Please go ahead.
- Hrishil:** Congratulations for the great numbers. Sir, my first question is that what is our portfolio PLF as on 31st December, plant load factor?
- Salim Yahoo:** Yes, I'll tell you. See, in IPP, we have 2 kinds of plants. One is fixed in the solar side and another is tracker based, okay? Because when we started long back, at that time, fixed was something which was in thing, so we have done. So, some portfolio is fixed. On the fixed, we have around 18% of PLF on an average. And the tracker base, you'll find we have at least 23% to 24% kind of, depending upon the location and everything. And as far as the wind portfolio, we have hybrid also. So, the wind itself will give you 34% to 35% of PLF
- Hrishil:** And sir, what is this tracker based? Like can you explain this?
- Salim Yahoo:** So, there are 2 types of, what we say, solar plants. One is fixed that it has a tilt which is fixed. The panel doesn't move. And one is tracker based. It is run by a motor, which tracks the sun and always remains perpendicular to the sun. So, the generation is higher because the panels are always perpendicular or direct in parallel to the sun. So, it gives a better quality. So, it keeps on moving. It's a moving and it's a non-moving, you can say, in a simple language.
- Hrishil:** And sir, then currently out of 171 megawatts, which we have solar installation capacity. So, can you like tell how much will be tracker based and how much will be the fixed?
- Salim Yahoo:** I think you can say -- in terms of...
- Hrishil:** Yes, installation megawatts.
- Salim Yahoo:** At present, it's 75:25.
- Hrishil:** 75% is fixed and 25% is tracker based?





- Salim Yahoo:** 75% fixed and 25% would be the tracker based.
- Hrishil:** Okay. And sir, let's say, last year, we generated 21.3 crores units KWH. So, what will be their PLF? What will be the PLF of that? Because since this year, we must have added, so on an average, our PLF might have come down, portfolio PLF, because we added some -- so if I see that...
- Salim Yahoo:** Sorry, it is difficult to arrive at an exact PLF of all these 21 crores units. The reason is that we have different plants. We have hybrid plants, we have tracker plants, we have fixed plants. So, all will have a different, different PLF. So now you have to calculate the weighted average and even it will not give you a picture which you can decide on anything. But believe me, all the 3 plants are giving one of the best PLF that we have.
- Hrishil:** Okay. And sir, what will be our realization in IPP, blended, as on today?
- Salim Yahoo:** See, as on today, I have approximately INR 6 plus kind of a realization that is at the gross level.
- Hrishil:** Gross, sir. And net level, sir?
- Salim Yahoo:** Sorry, I'm saying net, that is at a net level, INR 6. Gross will go around INR 7 plus something. Sometimes it goes up to INR 8 also. There also, you have different factors. So, if it is not utilized, then we get APPC rate also, and we also get the customers' minimum utilization rate. So, it's a different calculation that has to be done.
- Hrishil:** Okay. And sir, going forward -- like since a lot of capacity is coming under IPP also. So, going forward, do we believe that realization will be the same or we'll see some dip in realization?
- Salim Yahoo:** See, going forward, what we have -- we are setting up the IPP for GUVNL, where the rates are fixed. So, on an average, INR 3 unit kind of rate for the GUVNL project, and the GUVNL projects are bigger. So, if I look at the entire portfolio, which I'm getting INR 6-odd today for my existing portfolio, if I combine both of them, I would reach at around INR 4 or INR 4.5 unit, because then the INR 3 per unit also will play in.
- But believe me, my IRR won't reduce because the plant that we are setting now are at a lower cost compared to one which we have set earlier. So automatically, my IRR is better. And the earlier plants all are debt free, so that revenue is free cash flow.
- Hrishil:** Okay. And sir, this INR 3 per unit will be like that we don't have to pay any transmission charges, nothing. It will be like pure net. So, government will bear it like transmission loss and all, right?
- Salim Yahoo:** Yes, it will be pure net, and it is signed with GUVNL, one of the best paymaster. So, all payments will come mostly in advance.
- Hrishil:** And sir, like second question is that recently, we have been seeing there is an anti-provisional duty on glass. So, do we see that going forward, the solar module price will rise and that might impact in our EPC contract as well as in IPP?





**Salim Yahoo:** See, in the IPP, as I just highlighted on one of the questions earlier also that in the tender itself, there is a clause which allows you to increase the price or the rate depending upon the change in the prices of the modules. So, through that, the rate will automatically adjust -- so I'm not going to get hit by the change in the module prices, because ultimately, the glass price will increase the module price.

So, there we are safeguarded on the IPP side. On the CPP side, we always do back-to-back tie-up with the module manufacturers whenever we book an order. So that mitigates to some extent our risk on the CPP side also.

**Hrishil:** And sir, just last question is that we are looking to different geographies now, Odisha and Rajasthan. So, like since Gujarat, we had a good hold like in terms of land acquisitions, in terms of finding land and setting up the plant. So, like going now out of geography, like going to other geographies where we'll be like starting from scratch. So, do you see like -- like do we find any land-related challenges to set up the plant or to do any CPP product like what we have been able to do well in Gujarat?

**Salim Yahoo:** Yes. So, as I told you that in Maharashtra, we have already started execution and, we have already acquired majority of the land. See, over a period of time, we have learned and have all the expertise now with respect to the acquisition of land, with respect to the ROWs.

I understand there will also be a challenge, but we will face those challenges because we have that experience on how to resolve ROWs and land issues and other issues. At present, it is told that 4,000-plus acre of land bank is there in KPI itself. At the group level, you can count, it will go more than 10,000 acres. our team that team has that expertise, and there is a strong team member which looks after all these things.

We take support from the locals also when we go to any states. So local tie-up will also be there and we'll try all our expertise, and we'll rope in the locals to get these issues also resolved. Because if you have to grow, you have to expand to different territories, not only in different states, and hence we will be going internationally also very soon.

**Hrishil:** And sir, any strong order inflows we are seeing in CPP segment or the EPC segment?

**Salim Yahoo:** So, as I told you, CIL order is already on the book. We have already signed the final contract with them. We are bidding for all the new upcoming orders also, like there are upcoming orders from SJVN and others. So, this is a boom time for renewable energy, and we'd like to make hay when the sun shines. So, we believe in that.

So, we will surely expand on the CPP side. On the IPP side, as I told you, we have already undertaken orders. Once we start progressing these particular orders to an extent, we'll again start adding more and more IPP base. Smaller size IPP will keep on adding, but the bigger size will be adding shortly, once we show progress

**Moderator:** The next question is from the line of Rajat Gupta, an individual investor.



- Rajat Gupta:** Sir, congratulations on the fine set of numbers. [inaudible 0:23:43] overall macroeconomics with the new U.S. President assuming the office and the overall tariff war going on, I want to know if it is going to impact our business in any way? I mean...
- Salim Yahoo:** See, you need to understand -- let me just explain to you.
- Rajat Gupta:** Sorry to interrupt.
- Salim Yahoo:** Rajat, we lost you. Moderator, can you just ask Rajat to repeat his question?
- Moderator:** Mr. Rajat, can you repeat your question again?
- Rajat Gupta:** Yes. U.S. President assuming the
- Moderator:** The line is not clear. Can you just rejoin the queue? This participant left the queue. We will move to the next. The next question is from the line of Aman Soni from Nvest Analytics Advisory. Please go ahead.
- Aman Soni:** Sir, I missed on that CPP part, like how we are protected on margin side in CPP segment?
- Salim Yahoo:** See, on the CPP segment, I mean, profitability margin at EBITDA level would be around 20%
- Aman Soni:** No, you mentioned we are protected on that particular side, raw material prices.
- Salim Yahoo:** So, there are 2 ways we mitigate the fluctuation in raw material prices. One is by -- the moment we decide to take an order, we back-to-back sign a contract, or we confirm with our panel manufacturers or turbine suppliers, and we hedge that pricing accordingly.
- Aman Soni:** Got it. So that means it's our internal department, which is hedging the prices, right?
- Salim Yahoo:** Yes, yes.
- Moderator:** The next question is from the line of Hardik Gandhi from HPMG Shares and Securities Limited.
- Hardik Gandhi:** Sir, congrats on a good set of numbers. Sir, I just wanted to know a few fundamentals about the IPP model. So, if you could help me with the cost of putting up just 1 megawatt?
- Salim Yahoo:** So, one megawatt cost, right? Is it fixed or it will be a tracker based?
- Hardik Gandhi:** Just tracker based since that's more efficient for you guys. So, I'm assuming you would be putting up that one.
- Salim Yahoo:** you can say that depending upon the customization, depending upon the size of land and everything, the design, it might go from INR 3.25 crores to INR 3.95 crores depending upon how the land is. If it is a straight land, it will be less cost. If it is a land which is not totally straight, then it will be a little bit costly, because then every row will have a different structure and you have to put a tracker for every row,.



- Alok Das:** Yes, and this is a pure technical question you have asked. Basically, what happens, based on the land that is identified, we have to see that what is the transmission line distance is up to the local power execution center. So that distance matters, and land where it is situated and transmission line length and all. Based on this, our transmission cost to the capex will be added. So, what Salim was telling, it varies. That variability factor depends on the exact site which is coming up for the project execution.
- Hardik Gandhi:** Understood. Understood. Sir, and what would be a good payback period for the IPP projects which we are taking up, since we are purchasing the land also, along with that we are putting -- I'm assuming this INR 3.5 crores, approx cost, depending, it excludes the land also, right?
- Salim Yahoo:** At present, we are taking all land on lease only. So, we are not investing in land. But the payback period ranges from 7 to 8 years for IPP projects.
- Hardik Gandhi:** Okay. So, what is the actual useful life? I know that -- I've read it online that the useful life of a solar module, given the latest technology, they mentioned it as a 20-year frame. But on reality, it's somewhat different. So, what would be the actual useful life of a panel?
- Salim Yahoo:** See, there is a lot of simulation which is done on the panel. There are machines which test the simulations and everything. Because at present, I don't think, Dr. Alok can also help here, is there any plant which has passed 25 years, right?
- Alok Das:** So, the thing is like solar industries, which was first installed in the commercial scale setting of Gujarat, 20 years generally is the design life. So, after the design life, based on the depreciation of the panel, so we have to just see the survival, whatever these things. So not a single panel crossed 2 decades design life. So, it is going on.
- This is for the solar part. But generally, government is also very clear. Suppose after 20 years or 25 years, CPA reason, so they want to see the healthiness of the connectors of the solar panel as well as the wind machines. Based on that healthiness, they will recertify for next couple of whatever the residual time, they generally permit. So that is the trajectory phase for wind industry. Solar, because it is not cross-state, obviously, time will tell us how to deal with it.
- Hardik Gandhi:** Understood, sir. Understood. So, since you mentioned there's a long 8-year payback period and along with that, the asset keeps on depreciating and since we don't know, so is there a possibility that in the sixth or seventh year, there's a drastic reduction in the output of the solar panels?
- Alok Das:** No, I don't think...
- Salim Yahoo:** See, there is a linear degradation which happens on the panel, which is tested, and which is being factored. That's why I told you, there are a lot of simulations which are done on the panel. And that's the reason they give a warranty of 20 to 25 years kind of a warranty. And 8 years is a very small period for the panel to have a drastic change or something. Usually, they don't, because we have panels which are set up 6 years back and they are still generating the kind of a PLF that we expected.



**Hardik Gandhi:** What kind of PLF would be, just on an approx basis, post 8 years, if you have that number for us?

**Salim Yahoo:** As I told you that what we are getting on our running plants on the fixed is 18%, which have been set up 6 years ago, which is one of the best in the industry, I can tell you.

**Hardik Gandhi:** Okay. And for a brand new one, what is PLF, just in order to compare?

**Salim Yahoo:** The linear degradation is for brand new also. I mean, it depends upon brand who might give us some couple of point bps more. The degradation happens, it's very small degradation that happens over a period of time.

**Hardik Gandhi:** So, you mentioned 80%, Is that correct?

**Salim Yahoo:** No. 18% is the PLF.

**Moderator:** The next question is from the line of Kush Pranao from Banff Brothers Finance.

**Kush Pranao:** Many congratulations to Faruk sir, you, and entire KPI group for a fantastic set of results and always walking the talk. I had a couple of questions, sir. First was, any plans to reduce the pledging and also to get into a positive operating cash flow?

**Salim Yahoo:** Yes, see, pledging, let me be clear on this. This pledging is a collateral. We have given a collateral long back, even before the listing of the company. We had given collateral when we had taken funds from PFC, Power Finance Corporation. So, it was a collateral which is still there.

There is no fund raise through pledging of shares. Let us be clear on that. Because a lot of rumors go in the market where people say that since the prices have gone down, the banks are selling because of pledging, let us not get into those rumors, because a lot of people don't understand the business and they start spreading rumors.

So, pledging, we have already given a letter to SBI. Now those loans are with SBI. So SBI has already shown a positive, and they said that they will start releasing this pledge in a peaceful manner. Slowly, they will start releasing. So that proposal is already in discussion with State Bank of India for the release of the pledge.

**Kush Pranao:** Right, sir. And regarding operating cash flow.

**Salim Yahoo:** Cash flow. See, cash flow will be positive. And if you see, this quarter, we don't put the balance sheet. So next quarter, we'll surely see cash flow positive. I think last year also cash flows were positive only.

**Kush Pranao:** Right. And I wanted to know, sir, if there is any government policy which can have an adverse effect, which we should be wary about?

**Salim Yahoo:** See at present, there is no such government policy. I think all the policies are pro renewable energy. In fact, in the latest budget also, they have shown indication toward increasing the



renewable energy. And as we all know, our honourable Prime Minister, Shri Narendra Modi sir, is also very keen to increase the renewable energy portfolio in India and want to project to the world that India is one of the leading players when it comes to renewable energy and reducing carbon emission.

**Alok Das:**

I want to add in here, you see, now in renewable energy formation of policy, the country is telling about one country, one grid. If you have a project in one state, you can take the power to other state also. So, some type of facility is being created by the government so that, suppose let's say for Rajasthan, there's a lot of solar, and Tamil Nadu, there's a lot of wind. So how that wind and solar can be transferred to another state like Odisha. So that type of situation is coming to the green corridor. So that is what I've been telling in the opening speech. The future is very green. So, what Salim is really emphasizing on that point. So may not be worried for that, yes.

**Kush Pranao:**

Right, sir. And one final question, sir. I noticed that in the last 3 months, the pace of land acquisition has increased from September to December quarter. So how do you plan on this land acquisition, the speed of it? Is it as per the future contracts which are coming, or you just keep collecting and then you bid for contracts?

**Salim Yahoo:**

So, see, we have Dr. Faruk Patel, our CMD, Chairman and Managing Director, has a vision till 2030, and we have those plans set up. So, this all mathematical calculation is done by our CMD sir. And accordingly, he gives us guidance that how much land will you require then. So, it is not a gut feeling or something, it is a mathematical calculation done by him, and he guides us to that and accordingly, we work on that, and that's the reason you have seen such a growth.

And the land bank, as you know, the order book is there, so naturally, the land bank will increase - we don't want to create land as a hurdle, so we have the resources of the land bank and evacuation, up accordingly to the order book. And similarly, we bid for the orders also, depending upon the availability of resources also. So, all this guidance is done by Dr. Faruk Patel and he himself guides the entire team for all this resource allocations.

**Moderator:**

The next question is from the line of Akhilesh Kumar, an individual investor.

**Akhilesh Kumar:**

My first question is regarding our IPP projects where we do PPA for 25 years, mostly with GUVNL and I think NTPC as well. How strong those PPAs are there? Like, say, tomorrow, if module prices come down and generation cost comes down, do they have provisions for cancelling out our PPA with some certain notice? How we are placed for that kind of thing?

**Salim Yahoo:**

PPAs are not cancelled. These are long-term PPAs signed by the institutions and state government institutions. These are power institutions. Secondly, I would also say that the price parity has come into the solar per unit prices. So if you see that PPA prices, I don't think they will go further down. This will be the price which is feasible for the operator, for the developer, and for the institutions or the DISCOMs also.

So this is a win-win situation because for any business to prosper, there should always be a win-win situation for the customer and for the seller also. So accordingly, I think this is the right prices, which will not go further down. Nevertheless, there is no such condition in the PPA which



says that we can cancel it until unless there is a we keep on supplying them the power that is required and committed to them.

**Akhilesh Kumar:**

Okay. One more question I have is we did a couple of time QIPs. And both times, we have noticed that I think we have done road shows and management might have invited a lot of investors. And I think they were very well-known FIIs. But I am not able to understand why they keep jumping immediately after getting allotted, you might be in touch with them, like, say, Morgan Stanley and all. They get allotted in August, they start dumping in September itself in the loss. What may be the rationale? I'm not sure like you are the right person, but...

**Salim Yahoo:**

See, we keep on doing calls with them, quarterly calls. Every call, when we do, we do with a lot of bigger players, whether it's Morgan Stanley, whether it's other bigger players also. Now you need to understand the international sentiments of the sector also, as somebody was asking about the U.S. and everything. So sometimes they have that mandate that this particular sector, we will not increase or we'll try to exit this sector.

So internationally, these institutions have their different own calculation on the sectors and everything, depending on that. But I would like to highlight over here that KPI Green is not a manufacturer of panel. Because if you see, a lot of bigger players which are hit, majority of them are the manufacturers. We are developers, and majority of our contracts are within India at present also.

So, there is no impact on us -- you have seen our results. We have given a superb result. And if you see, compared to other players, we have recovered whatever price we fell down also because of those sellout. We have recovered that also, and we will surely.

But it is a sentiment, because as we all know, the market is depending upon the supply and demand. So, if somebody has demand, automatically, once they are out, then automatically other people also will buy. So, we still have a lot of bigger players like Vanguard, which is one of the international biggest investors. They have portion with Morgan Stanley. We have other bigger players which are far more bigger than the people who have dumped also. So, they have entered because they understand the business and that's why have entered into.

**Akhilesh Kumar:**

Okay. That sounds great. And I think that is excessively like unrelated thing people are putting to the KPI, which we are totally domestic oriented, and nothing related to that U.S. acquisition. Last thing, as we are presenting that we are well ahead of time for that IPP project for 200 megawatts of GUVNL. So, can we expect that thing to be happening in March itself, this quarter, like if we are ahead?

**Salim Yahoo:**

We are quite ahead of that. Depending upon the work progress, we will try to execute majority of the portion by March. Because the substation, the GSS, is in the scope of the GUVNL - the government institution.

And first time ever it has happened that we have completed the project and they are still struggling with the substation. So automatically, the clause says in the PPA that if they are not completing, they will have to pay us, without taking the power also, they have to pay us because our plant is ready. So we are in a win-win situation over here also.



- Akhilesh Kumar:** Okay. That's great. And the plant will be, like say, deemed operational only when we have the entire 200 megawatt energized, or it will be in phases?
- Salim Yahoo:** So, plant will be 240-megawatt DC. It will be energized depending upon the phase also, there might be some -- depending upon GSS again, I'm telling, GSS, but we will complete the plant before and the majority of the plant will be completed before March.
- Akhilesh Kumar:** Okay. Congratulations for the great performance.
- Moderator:** The next question is from the line of Ashish Rampuria from Family Office.
- Ashish Rampuria:** Congrats once again for the wonderful performance. Sir, a couple of questions. This land bank that you show is the land bank, which is free for us to put plants or it includes the land bank where we already installed our solar plants?
- Salim Yahoo:** No, No. This land bank includes everything, what we have installed also, but installed is not too much. You'll still have a majority portion is available for us. And land bank is something which we keep on adding. It's a realtime exercise. We keep on adding as and when because these are not one land parcel.
- These are multiple land parcels which have taken over a period of time. So we keep on adding and that is one of the key USP of KPI group that as I told earlier also in the guidance of Dr. Faruk Patel, that we keep on adding these resources so that it -- we have them ready for use whenever the need arises.
- Ashish Rampuria:** So out of this 4,000 acres, right, what percentage will be today free to be deployed or not used at this point in time?
- Salim Yahoo:** Approximately, I think 2,000 acres would be utilized and 2,000 acres, which is yet to be utilized. And we are adding more and more. So, now you'll see a rampant growth in the availability of land bank because we are taking big, big projects so we'll keep on adding at a faster pace.
- Ashish Rampuria:** Got it. This MOU we have done with Rajasthan government and Odisha government, can you throw some light in terms of the capacity we're talking about? Is it IPP, CPP, what time duration and so on and so forth?
- Alok Das:** Yes. Basically, we have first signed an MOU with Rajasthan government with an extension because Rajasthan government, we want to go for local small and medium-scale industries, those who are needing power and local employment generation.
- So, we have done that whatever your local substation available, we have requested government to list down all the land availability. Generally, in Rajasthan, government revenue lands are available on a lease basis and local substation where I can feed into the power. So, we have -- during our MOU and followed by 2- 3 meetings with the government body.
- So, they said that, okay, we are under study and give it to us. And after once we get the power litigation and land facilities, we want to measure some other facilities also to be incurred. We





have already created one of our establishments in Jaipur already. So, we want to create this job maybe by next 3 to 6 months.

And not only that, what the progress is happening, CMO office is regularly following with us. What are the development, what kind of support they require. So that means the willingness of the government, political will is also there and followed by our -- on a fortnight or a monthly basis follow-up. So we are going ahead for our target. We have signed almost 500-megawatt kind of wind, solar at the beginning and followed -- that is to be escalated. So these jobs that are going on as far as Rajasthan is concerned.

Odisha, recently we have signed. So we have also done the similar kind of approach for wind and solar and some part of the other technologies. So we have requested at least 1,500 megawatt kind of solar potential that state. So they are also -- that GRIDCO, which is a local body, they said that we want to call in after the Utkarsh Odisha happened recently. So they will call all sort of investors who have signed the MoU, and they will give us the resource where it's available. So accordingly, we will even plan for the state of Odisha also in a similar way what we are planning for Rajasthan.

**Ashish Rampuria:** And this will be CPP or IPP for each of the states, Rajasthan and Odisha.

**Alok Das:** Both.

**Ashish Rampuria:** It will be a combination of both. Understood. Fair point. I also see that we have marked out Madhya Pradesh, Telangana and Andhra Pradesh in the PPT that we released in that light blue color, right? So where are we on that -- is there some tie-up that was already happening in those states? Or that is a work in progress?

**Salim Yahooo:** Yes. Until we finalize everything, we'll not be able to disclose on that. But yes, we are venturing into those states also.

**Ashish Rampuria:** Understood. And Salim, you also mentioned about that soon we'll hear about international. Any color that you want to share right now? Or should we wait for your disclosure?

**Salim Yahooo:** I think it's better to wait. We'll give you a surprise on that.

**Moderator:** The next question is from the line of Sudhir Beda from Beda Family Office.

**Sudhir Beda:** Congratulation on the solid set of numbers. Sir, just one question. So see, we are growing at, say, 100% on top line, maybe a little less than, I'd say, 70%, 80% on the bottom line since last 3 years. So now I just want to ask whether there is enough opportunity for next 2, 3 years that we can show good growth on a higher base. So just wanted to know the opportunities in the next couple of years so that our growth momentum can continue with this kind of growth, we can continue?

**Salim Yahooo:** Right. So on the opportunity side, you are able to see that in the market itself, there's a lot of boom for the renewable energy. And there are multiple tenders, multiple orders from the



government institution from private conglomerates, from private players, individual MSMEs, mid-corporate kind of companies also.

Everybody wants to go for renewable energy. So there are a lot of opportunities. It's only that how much you take because we believe that just taking opportunity is not important, but executing them before time or on-time is an important part and KPI is known for that. So we are cautiously treading into that.

As far as the opportunity concerns, believe me, I mean, we can get double or triple of this order book also if we keep more and more bidding and if we go to the market with full force. So we are cautiously stating that we have to execute also. So from that point of view, we are a player who will keep up to the commitment and we'll execute.

On the IPP side also, as I told earlier that it's a decision of also on the leveraging because IPP will require capital. So we cautiously do over there also. But I think the growth will continue with the opportunity that we have taken. We have taken the option thinking that we will keep on maintaining the growth level that we have committed to the market.

**Moderator:** The next question is from the line of Vaibhav Lohia from Commercial Freight Movers.

**Vaibhav Lohia:** Sir, I wanted to understand two things, sir. Sir, firstly, when we are tendering for the newer CPP projects, are we facing any margin issues over there?

**Salim Yahoo:** See, margin is a factor of various input that we take, whether it's execution. We have expertise in execution. We have expertise because we have our own plants, we are doing it for. Again, you can say a little bit our group company is supplying us the infrastructure, which is on a timely basis and again.

So as you have seen that and the margin has always been... I mean, on the CPP side, there will be other players also. But also the market looks at who is a player, who will give me a long-term commitment, who is a player who will maintain the quality, who is a player who is capable of executing within the timeline that is committed.

There, we stand differently compared to other players. And that's the reason you are seeing that we might be pricing higher, but people are still coming to us because of our ability to execute because of the resources that we have, because of evacuation as we also provide evaluation. We also provide land sublease. So from that point of view, we stand aside and we are able to maintain the margins.

**Vaibhav Lohia:** Okay. So as we are going forward, like more portion of our revenue will be from IPP segment. So what type of PAT margins can we expect at blended levels for FY '26 and going ahead?

**Salim Yahoo:** PAT margin -- we'll be able to maintain the PAT margin because our business is a combination of CPP and IPP. I can tell you that going forward, our IPP component, which at present, I think, is 13% i.e. 13% is IPP this quarter and 87% is the CPP, which we plan to take it to the level of 22% to 21% kind of going forward. So automatically, once my CPP increases, both of them increase, so we will be able to maintain the margin.



- Moderator:** The next question is from the line of Mitesh Vora, an Individual Investor.
- Mitesh Vora:** I wanted to ask regarding the pledging that the earlier person told. Regarding the pledging, do we see all the pledging would be removed? And also what is the pledging percentage currently? And the second question is regarding -- I know there is a separate subsidiary, KPI Green Hydrogen, but do we also plan to take the orders for the hydrogen as well as the orders for biogas coming to us?
- Salim Yahoo:** I think pledging question, I already answered that this is not pledge for raising fund. It is just a collateral given and that was given long back in 2019, '20 when our first plant was setting up and Power Finance Corporation at that time wanted a little bit comfort because we were a smaller player at that time.
- And the same pledge is being carried on till now by SBI because that loan is already paid and also, but SBI is giving new loans but we have already given a letter and we have approached SBI also, and they have given a positive response that they will start releasing the pledge also. So at present, the pledge that is there, I think it's 45% of what Faruk sir's total share is.
- So it would be around -- on the total pledge, it would be around 21% to 22%. But this is, again, I'm highlighting, people are getting that this pledge is not for fund raise. It was earlier given and it is just a collateral.
- So the price of the share will not -- because the loan that we have from SBI at present is around INR 400 crores to INR 500 crores for the new Khavda project. And the amount of pledge, you can understand, is around INR 3,000 crore to INR 4,000 crores of that. So there is no margin issue or anything which are going into the market.
- Mitesh Vora:** And the second question regarding the hydrogen.
- Salim Yahoo:** On the hydrogen, yes, you will again see a surprise on the hydrogen side. We'll be shortly, I mean, giving you a smaller plant, we will be setting up. We'll be doing the prototype and everything. But we are coming very strong in the hydrogen space also. I mean, I request you to keep watching KPI for the hydrogen space also.
- There is a lot of surprises on the hydrogen space because the vision of Dr. Faruk Patel, our CMD and Chairman, is that if there is a new technology, they're saying KPI has to be there in that particular segment also, and we are keen on increasing that. So we have a lot of things. But right now, we have kept them under cover because we would like to give surprise to the market also.
- Moderator:** The next question is from the line of Rajat Gupta, an Individual Investor.
- Rajat Gupta:** Yes, we have shown improvement in December quarter in 2023. And later then our EBITDA and revenue fall in March quarter. So is that any seasonal factor affecting?
- Salim Yahoo:** No. I explained this particular question that you need to understand that we do billing on the milestone basis. And some milestones are there where the service component is built. And



mostly, these components are built in the middle where there is a slack flat period where the materials or anything take a slack.

So in those milestones, we put the service component as billing is done. So automatically, you can see that the EBITDA during that portion, that is the second quarter, usually goes up, then it tapers down to third and fourth. So there is no pressure on the EBITDA. It's just the cyclical. If you see the trend, it has always been a little bit cyclical on that second quarter and then taper down in third and fourth quarter because majority billing then is done in the fourth quarter.

**Rajat Gupta:** Similar challenges in upcoming quarters due to the same problem?

**Salim Yahoo:** So these are not -- this is not a challenge, I would say. This is just a characteristic of the business. It is not a challenge. We know that these are going to taper down because when we take material component in the billing, so at that time, the margin reduces a little bit and service component, you have a better margin.

**Rajat Gupta:** But it is going to be the same like the last year, right?

**Salim Yahoo:** Yes. But our margins will be maintained year-on-year, if you see, our margins have been maintained, and they have been strong. One of the best margin in the industry, you can say.

**Rajat Gupta:** Okay. And one other question is regarding the macro-economy that U.S. President seen -- doesn't have a very positive attitude towards the renewable energy sector. So is it going to affect our business model considering that our peer competitors might shift their competition towards our domestic trade?

**Salim Yahoo:** See, you need to understand the U.S. market major decision will impact the manufacturers. We are not manufacturers. We are developers. We set up the entire plant and all my contracts at present are within our country, okay? So there is no direct or indirect link to the U.S. market or anything. But I understand. The sentiment is there and that's why the market has got hit. The sector has been hit.

All the players in the sector have got hit. But we are not linked to the manufacturing of panels or anything. And majorly, these people i.e. the panel manufacturing will get hit or something. So from that point of view, we are very much safeguarded. And that's why you have seen the better results compared to all other players in this quarter also. So I don't think any impact on the U.S. will impact our business or the operations metrics.

**Rajat Gupta:** No, sir. Perhaps my question wasn't really clear. My concern was that hypothetically, if our competitor faced any challenges due to the tariff plan or whatever the U.S. President's attitude toward renewable energy, and they might -- can shift their trade towards competing in the local domestic segment. So is it going to affect our EBITDA margin or trade in any way?

**Salim Yahoo:** No, no, no. In fact if -- for example, if one of the panel manufacturer, has the competition between the manufacturers of panels. And if these manufacturers have a cutthroat competition between them naturally, the prices of the raw material will go down, and they will cut down their prices and everything.



And it will be a benefit for me rather because I'm a developer, I'm not a manufacturer. So naturally, it will be a benefit for all the developers if the prices go down. So I see it from a different point of view that if there is a cutthroat competition between the manufacturers and the U.S. impact is on them, they will cut the prices, and I will be beneficial for that particular.

**Alok Das:**

This is number one. Number two, I want to add, Salim. Today, you know that India is reeling under Make in India initiative whereby, today, what is the production capacity in India? The solar manufacturing capacity over 40 to 50 gigawatts, that is the target for next 2 to 3 years. Today, there could be 16 to 20 gigawatts.

What pace we are going today in India market, there is -- last year, we have completed solar and wind both together 23- 24 gigawatt. So under Make in India under PLI scheme and that target of 500 gigawatt, India is a self-reliant India making their own target. So whatever the policy regulatory or tariff imposed by U.S. government, in our opinion, in India will be self-sufficient.

And what Salim is telling if some manufacturing is facing some tariff issues. Obviously, they will be floating that panel here in India. We being a developer, we are not a manufacturer. So we are in the best position to deal with.

**Rajat Gupta:**

Noted. Noted, sir. And one more last question. Regarding the IPP segment, the revenue seems to be started generating as per the PPA after 7, 8 years, as you mentioned. So the earlier project we have set up, is that the revenue has started from our earlier project that is being set up under IPP?

**Salim Yahoo:**

No. What we have said is -- it's not revenue generation. It's the payback period. Whatever we have invested - the entire payback happens in 7 to 8 years. After that, it is only the profits you can count out, right, So in the earlier projects, we have already -- as you are aware that the QIP that we raised on and we have repaid all our loans on the earlier projects are now just cash generating cash cows for me because there is no debt or anything or repayment on those earlier projects.

So we have cleared all those and the company is getting a good -- unencumbered or untied up cash flow from those projects. And the new project that we are setting up, they have, what we say, the payback period or the breakeven point of 7 to 8 years. So then after that, now there's a life of 20 to 25 years. So automatically, those also will be very big cash cows as we go forward.

**Moderator:**

The next question is from the line of Govinda from Natverlal & Sons Stockbrokers.

**Govinda:**

Firstly, congrats on a good set of numbers. My question is -- I mean, as you said that you have good orders in IPP. But due to the capex amount you are looking forward for raising the debt. I mean, you have strong cash flows and I can see that it will be going to sustain. So why don't you execute -- start executing now onwards? And what would be the capex amount on each plant in the IPP segment?

**Salim Yahoo:**

We have already started execution. As I told you, one of our Khavda projects is ahead of schedule. So we'll be energizing that plant done ahead of schedule. The other plants also like 50



megawatts, again, we have started the plant. Even before the financial closure, we have invested our own equity, and we have started working on that plant also.

So believe me, usually, the gestation period or the period for construction given by the PPA is 2 years from signing the PPAs. We target that we will close it within 12 to 15 months. So we are ahead in all our execution. There are a lot of things which are -- need to be catered, right from the land to the evacuation substation, evacuation permissions and everything. Just because we are very much ahead in the collecting the resources, we are able to execute before time. And believe me, all those will be done before time.

**Govinda:** Okay. So secondly, I wanted to know that any geographical impact because you are exploring new regions, right? I personally think that Gujarat is one of the hottest states out there. So any views on that?

**Salim Yahoo:** See, there is no impact because we are not a new player that are entering the market for the first time. We have been in this industry for more than decades. And we are the only player which has capability of wind as well as solar. So, very few players have these capabilities in development. And we have done a lot of bigger projects, more than -- almost 3 gigawatt of projects we have done overall in this industry.

So we have those expertise. And I understand there will always be challenges, but we are well prepared for those challenges, and we have a good team, which includes ex GEDA, GETCO, retired IPS officers, IAS officers, which give us the guidance and they help us in facing these challenges. So there will be challenges, but nothing that cannot be handled.

**Govinda:** Okay. Lastly, may I know the total order book value at present?

**Salim Yahoo:** It is very difficult to value because orders are different. Like at present, I have more than 2.86 gigawatt of order book, which is there as shown in the presentation. Out of this, there will be orders which are some orders like conglomerate like Aditya Birla order, which will be without materials like panel and anything. There will be orders without windmill and anything. And there will be orders with windmill with panels also like Mahagenco or anything.

So exactly bifurcating them is not -- because the figure will not tally up with that because every order has a different, what we say, calculations. But I can give you a megawatt that we had shown in the presentation, we have approximately 2.86 gigawatt of as on Jan 15.

**Govinda:** Okay. Okay. Any expansion strategy on CPP? Like what would be the cost reduction? And what would be the power evacuation, grid transmission cost, and how that would come down as you will grow with orders in the CPP side?

**Salim Yahoo:** As I told earlier, our CMD, Dr. Faruk Patel, has always guided us to leveraging on the latest technology. So we are working on latest technologies for the reduction on the cost also. We have robotics. We have network operation system, which is one of the -- a few big players only have this network operation system, which shows us everything. So it helps us also to check which panels give a better generation and everything. All those history is there with us.



This helps us to work on a lot of things on acquiring more clients, on reducing the cost. A lot of designing also happens on that. So we are working on that cost reduction and everything, and we play it in the market while acquiring the new customers. These all things play as a USP of our company.

**Govinda:** Okay. Okay. Fine. That's it from my -- or one more, one more. The capex on each plant in the IPP segment?

**Salim Yahoo:** You mean to say capex on each plant, like there -- IPP, we have different plants. We have hybrid plant, we have solar plant.

**Govinda:** On average. It would be?

**Salim Yahoo:** See, hybrid, I mean, if I say, around INR 6 crores to INR 8 crores for the wind portion, you can say, INR 6 crores to INR 8 crores per megawatt for the wind portion. And when it comes to the solar portion, it ranges from INR 3 crores to INR 3.75 crores, INR 3.85 crores depending upon the land and everything. All factors are there.

It's just a ballpark figure. But exactly, it depends upon the land and depends upon the evacuation, how far, as Dr. Alok Das has told us that evacuation -- all these factors play a role when it comes to the pricing of the IPOs.

**Moderator:** The next question is from the line of Agastya Dave from CAO Capital.

**Agastya Dave:** Sir, you have answered most of the questions that I had. One question was -- this is remaining was -- probably at the earlier part of last year, mid- to early part of last year, a lot of bottlenecks started appearing in the supply chain. So there was shortage for particular ancillary parts.

For example, transformers was an issue. There were a number of issues. So how are we placed now? How do you see the supply chain and the suppliers of various components that you need for execution? How is that place as of now?

**Salim Yahoo:** Yes. Yes. See, as I told you earlier, a lot of planning goes into this. When we set up these plants and everything, we do thorough planning. We are guided by Dr. Faruk Patel, our CMD, that how to manage the supply chain impact and everything.

So we are always proactive when it comes to the execution because we have a target that we will complete all our execution beforehand. So accordingly, we plan for the supply, and we plan for our other components of execution also. And as I told you, on the supply side, also the major portion of supply component, which sometimes takes more time is the infrastructure. That is the MMS structure, windmill towers.

These are built in-house by our KP Green Engineering, our own factory. So there, we have that leeway that we can get it at any time kind of line. And that's why this gives us an upper hand compared to our competitors that we can execute projects within timeline or before timeline.

**Agastya Dave:** I have full faith in your capabilities. My question was slightly different. So let's suppose you get a brand-new order today and you start working on it. So how long will it take for you to execute





the entire project? Let's say, the project is 100 megawatts solar with tracker and you have the land available with you. So with that, how long does it take for you to execute that for you?

**Salim Yahoo:** See, executing, if we go full fledge and we put all our resources, we can do within -- if it is pure solar, it can be done within 6 to 8 months also. This is very short period depending upon all other factors. If the evacuation is on the other side. Like if you see, Khavda project, we are, again, doing it in a record timeline. And that is also a tracker base.

**Agastya Dave:** Right. Right. Sir, another thing that you mentioned in one of the answers was that -- if you want, you can bid and win 2x the number of orders that you already have on your hands. So again, sir, in terms of demand going forward. So the execution side is very clear. You have the order book, you have everything planned and whatever your targets are for the next 2 to 3 years, you will execute those.

But in terms of further demand, is that -- what is the state of the demand? Is it accelerating? Because from where I stand, I see that the renewable side is the biggest source of private sector capex as of now in the country. Every industry is going for it. So is there a let up in demand or the demand do you see it continuing at the current pace? Or do you see an acceleration?

**Salim Yahoo:** No, I see the demand rather increasing in this space because a lot of players are entering into it. A lot of benefit. Government's push is more important. You see light of government has started on the renewable. They are also thinking of going into offshore windmill and everything.

So demand, I don't think will reduce or something. In fact, I see it to be increasing going forward because bigger projects are coming because our target, the national target is so big that we have to accelerate the demand to achieve that target within the timeline specified.

**Agastya Dave:** There was one particular allocation which was made in the budget this year, which saw a substantial jump, and that was the rooftop project that the Prime Minister has been speaking about. And the government has actually committed a lot of funds in the budget.

So I was just wondering, sir, since you are a large-scale EPC developer -- I was just wondering, sir, are you going to be part of that project, the entire program, the rooftop solar -- I don't remember the name, sir, whatever the Prime Minister has given?

**Salim Yahoo:** Yes. See, there are two programs where the government is giving assistance or a subsidy for that. That is for Har Ghar Solar. That one project program is there. From that program, we are also setting up a couple of orders over there. But we are KPI, we are basically more on a ground mounted and bigger projects.

**Agastya Dave:** Understood, sir. I just wanted to clarify, sir. Thank you very much for conducting the call again this quarter. I hope you also do it for KPEL.

**Salim Yahoo:** Surely, surely. We'll be, surely.

**Moderator:** The next question is from the line of Parin Gala from SageOne.



- Parin Gala:** Salim bhai, I wanted to understand that module prices, what percentage of the capex per megawatt?
- Salim Yahoo:** It depends. I mean around 60%, would be the module price.
- Parin Gala:** Okay. So I'm just a little curious that module prices over the years are significantly corrected, right? So I still wonder bidding still happens at, at least the government levels of IPPs at INR 3.10, INR 3.15, INR 3.25. Why would per unit costs not come down?
- Salim Yahoo:** Can you repeat the question? I'm not clear. I mean you want to understand why the prices of the tender not coming down or why the prices...
- Parin Gala:** Yes. In the reverse bidding or whatever in the auctions, when the module prices over the last few years have crashed almost 60%, 70%. And in the 2020 time, we have seen NTPC and SECI orders bid at INR 2 also. I understand at that time, module prices were high and you would not be able to make money. But today, at that price, it is a possibility. I'm just trying to understand why the unit prices in the auctions are still at INR 3, INR 3.5 or whatever it is. 60% of the cost is module cost at the end of the day.
- Salim Yahoo:** Yes, I understood. When earlier, if you say, there were very less offtakers for those projects. If you see earlier a lot of tenders were not allocated because of the disparity between the module prices and the rate that was there. Now with the module prices coming down, there are a lot of offtakers have added and there should be also a win-win situation for the buyer and the seller.
- So if there is profitability, only then the people will enter and then the sectors will progress..
- Parin Gala:** The profitability of the sector is a little too -- I mean, too generous I see sometimes the kind of margins that everybody is making, not just our company, the kind of margins are being made, the kind of ROEs that are being made, I think it's more than generous actually, isn't it?
- Salim Yahoo:** Naturally, see, because we are creating differentiation in the market. See, there are players who will get. But until unless -- I think a lot of players will take the orders, whether they will execute within time period, whether they will give the same quality, whether they will use the same design what they have been. So a lot of factors derive the margin. We are doing a good margin because of our...
- Parin Gala:** Sir, margin part is not special, sir. I was saying -- and when there is a lot of competition, there are a lot of bidders for one particular project itself and reverse auction, still the prices are pretty high. I'm just trying to understand that when cost of per megawatt has come down, the unit prices, in fact, instead of going down have gone up. That is what I'm trying to understand that logic.
- Salim Yahoo:** If you see on an average, INR 3 crores to INR 4 crores per megawatt is the cost. And the unit prices that government tenders and everything is giving around INR 2.75 to INR 3, which is in parity, which has been -- because I know the sector long back when government started the subsidiary through JNMRE, Jawaharlal Nehru Mission Renewable Energy.



So at that time, the cost per megawatt was INR 15 crores, and the cost per unit was INR 15. Today, they are in parity again. The cost for megawatt is around INR 3.5 crores to INR 4 crores, and the parity is, on an average, we get INR 3 per unit.

**Alok Das:** I can add like what Salim was telling. I'll just tell you. Previously, your question was why the reverse auction price is not coming below because your panel cost is coming reduction, right? That's your question. So now...

**Parin Gala:** So that is the largest part of, sir -- biggest part of your capex.

**Alok Das:** Yes. So now today, whatever the reverse auction is coming based on the developer who are bidding, there are 2 components. One is panel cost and other for the balance of plant cost. Now this balance of plant cost, previously, whatever the BOP cost was there, today because of the competition, the component price is going high.

So that is what all the bidders, those who are bidding in a sustainable manner, on a levelized cost manner. So they are coming on -- in a reverse auction. You can see it's coming to INR 3, INR 3.12, something in that range. So, that is coming to on a levelized cost.

If it is coming sudden kind of fix, the FDRE where you are telling the name of the NTPC and all -- they need certain firm power. Obviously, you have to plan it in your system design. So that is why that rate is coming over INR 4 as a reverse auction, . So that costing is coming based on life cycle basis, you have to come with the power -- kind of firm power you have to get.

So that is what that costing which is coming previously, B component is coming high, even the A component, little reductions with the value addition. So that is what it is coming towards the EPPC value. And if it is not coming to the levelized cost nearing to that EPPC value of that distribution company.

So that is to be approved by regulator. So regulator also see that why the prices should not cross beyond the EPPC value. So that is why it is coming in between INR 3 to INR 3.25 something like that.

**Parin Gala:** Sir, is cost of land a major component for the cost being high also?

**Salim Yahoo:** Sorry, we didn't get the question.

**Parin Gala:** Cost of land. See, land is on lease.

**Salim Yahoo:** We are taking land on lease.

**Parin Gala:** It is on lease, but even lease prices are higher, right?

**Salim Yahoo:** No. So private -- I mean, still, I don't think it is a major component of the entire project cost. Majority goes towards the panel only. So panel derives the profitability also to an extent, I can say.



- Parin Gala:** So my other question is, Salimji, in this entire order book of 2.8 gigawatts that we have, what portion of that order book also has O&M component to it?
- Salim Yahoo:** I would say 100% of the order book includes O&M. On the CPP -- see, IPP is my own, so I can, I mean, that is my O&M only. CPP side, the initial 3 years -- the condition always is there that minimum 2 to 3 years O&M has to be handled by us. And later on, they will think. But believe me, we have technologies and everything which are robotic cleanings and everything. So naturally, they will continue to O&M with us only, most of it.
- Parin Gala:** So sir, in the next 2 to 3 years, what kind of O&M revenues can we expect out of whatever we will execute, approx?
- Salim Yahoo:** See, for what we say, C&I CPP, our revenue for O&M, I charge approximately INR 4 lakh to INR 5 lakh per megawatt per year with an escalation of 2% to 3% year-on-year. So at present, for example, if I have a CPP installed capacity of 362 MW, you can say that per year going forward, you'll see around, because a year or something we give free O&M.
- So from -- you can say once this all matures, you will have around 362 megawatts which will give you INR 36 crores of O&M and lease because we also charge INR 5 lakh for lease per annum per megawatt. So approximately INR 36 crores which would be what we can say a ballpark figure for this 362. And Whatever we add will keep on adding to that.
- Parin Gala:** No, sir, land is over and above the INR 5 lakhs?
- Salim Yahoo:** Yes, land is other. INR 5 lakh lease and INR 5 lakh O&M.
- Parin Gala:** Understood. And sir, last question. Are we doing something on the battery storage side? I mean, not maybe the manufacturing side, obviously, but any orders where we -- I mean, in the press release, I have not heard anywhere where there is a battery storage component to the option. But are we looking into that vertical as well?
- Salim Yahoo:** Yes, we are at nascent stage. We are looking to that. See, as I told you, if the technology needs to be supported, we will leverage on this technology. So we are in discussion. But at present, they are at a nascent stage, and we will shortly be coming in public domain once we finalize all those things.
- Parin Gala:** Sir, last question, this INR 5 lakh of land lease is also per year per megawatt, right?
- Salim Yahoo:** Yes, yes. Sorry, per megawatt I'm saying, that is around 3 acres or something what we get.
- Moderator:** The next question is from the line of Krishn Kumar from Lion Hel Capital.
- Krishn Kumar:** Congrats, sir. And a lot of questions have been already asked. Just one point, if you could talk about, sir. You talked about efficiency in terms of timeline on projects. So if you take CPP projects, what kind of timeline do you kind of complete projects from signing contracts to compared to other competitors, sir? Can you give some color of the advantage which you have?



**Salim Yahoo:** Yes. Krishna. See, every project has its own characteristic. So if the project is pure execution without any land, without any evacuation or anything, I might compete, as I told you, within -- I put full force and I can complete 100-megawatt within 6 to 8 months also, not an issue before that also.

But when it comes to land, when it comes to -- so usually like Mahagenco, we have got 18-odd months or something. We have to complete the land collection and evacuation is also an important part. So any project timeline, major time goes into the evacuation of the land. Whereas the solar projects, I would say, setting up a solar project will not be a big challenge.

So our execution capabilities are very fast. We have done projects in record times, whether it's us whether it's customers also. But only thing that what kind of project is that, that depends upon the characteristic of that project.

**Krishn Kumar:** Sir, second question is, there are some states, like, for example, in Tamil Nadu, the land is also acquired basically. There is nobody kind of leasing out land at this point in time. So would you be interested to work in such geographies also, sir? Or you would only like to work in areas...

**Alok Das:** So you talked of your questions about Tamil Nadu, right? Very specifically, you're asking?

**Krishn Kumar:** Yes, sir.

**Alok Das:** Tamil Nadu, if you see the geography of Tamil Nadu, there is only private land acquisitions available. So government land, probably they are not having. Near term, we are attempting a demography where government is supporting by way of a long lease of their government revenue land. So Tamil Nadu is not our first priority as on today.

**Krishn Kumar:** Sure. Understand, sir. So you wouldn't like to invest into land basically as a model. You would like to have more leasehold than to where you can work basically.

**Salim Yahoo:** See, we have resources. We need to allocate those resources accordingly. I mean buying land would curtail my capacity of expanding further. So I don't want to put that on the debt side. And accordingly, we are going with the lease because that will be a little bit asset-light model for us.

**Krishn Kumar:** Sir, you talked about 2 MOUs with Rajasthan and another government. So these are exclusive to you? Or can the government also open up another MOU with some other player also similarly? How do you see it evolving, sir, in these 2 states?

**Alok Das:** No. Basically, what happened, those who have signed for MOU with that particular state. The state has got certain moral obligations to provide the resources. What we have asked out of that MOU, we need certain resource creation to establish the projects, these 2 states.

So government is proactively working how to allocate the resource to the developer so that project can be developed. So this is as of today, this stage is happening. So we are trying to first create a resource. And after that, we'll be doing both, like CPP, IPP projects there also.

**Moderator:** The next question is from the line of Pawan Kumar from Shade Capital.



- Pawan Kumar:** Most of my questions are answered. Only one question, like you have mentioned that you are looking for opportunities in overseas also. So could you tell me the reason behind this, considering you are telling like already there are a lot of opportunities in the domestic market?
- Salim Yahoo:** Pawan, your voice is cracking. Can you step a little aside from the mic because it's bursting. I'm unable to get the clear question.
- Pawan Kumar:** My question is like you mentioning that you are looking for some international opportunities also. So what is the reason for that just to understand?
- Salim Yahoo:** See, as I told you, international opportunities -- we are approached by international players. We are looking out for international. We are doing study on international markets also. But all these are at a nascent stage. We will not be coming out in public domain until unless we have some constructive road map for that.
- Pawan Kumar:** Okay. And do we see some advantages vis-a-vis the domestic markets?
- Salim Yahoo:** Naturally, until and unless there is an advantage, we'll not step into those markets. So there is an advantage. There is a benefit for which we will be pouring into those markets.
- Moderator:** The next question is from the line of Ashish Rampuria from Family Office.
- Ashish Rampuria:** One follow-on question. I think you mentioned that there's something also in green hydrogen that might get announced. What will be the KPI Green's play in that green hydrogen opportunity?
- Salim Yahoo:** It's a KP Group, right, So we will be under - but wherever it is like, for example, you understand KPI Green is a power generator, okay, and green hydrogen, biggest raw material is what power, green power, right. So naturally, if KPI has the biggest raw material for the hydrogen automatically, KPI will play a role. But at present, we will not disclose anything more.
- Moderator:** The next question is from the line of Samrat Shah, who is an Individual Investor.
- Samrat Shah:** First of all, I would like to congratulate the entire team, especially Faruk bhai and Salim sir for giving such a robust quarter. I've been an investor of the group since the last 3.5 years now and have immense faith in the group.
- I have a couple of questions. Firstly, regarding the milestone billing, which was talked about. I wanted to know for the big orders, like the Khavda and Coal India project, what kind of milestones have been completed? And when would the billing be accounted for? Like how much has been accounted already? And what percentage would be accounted for in the coming quarters?
- Salim Yahoo:** See, for Coal India Khavda project, which we have taken, till third quarter, there is no billing done in Coal India. We will be starting billing from the fourth quarter onwards for the CPP Coal India project.
- Samrat Shah:** Okay. And regarding the Aditya Birla project, sir?



- Salim Yahoo:** They are being executed according to the milestone that is set up, and we have been billing, whatever completion of work, we do billing. Various milestones are there. So according to the milestone, we are doing the billing.
- Samrat Shah:** So on a rough basis, approximate basis, the Khavda project is of INR 900 crores, coal India is of INR 1,300 crore and Aditya Birla is of INR 450 crores. If you add up, it comes to around INR 2,000...
- Salim Yahoo:** Khavda project, INR 900 crores we are talking about is the IPP project. That is my own project. That is my capex. So I'll not do the billing for that, okay? Now Coal India, as I told you – for Coal India. Aditya Birla, again, I mean, it is an EPC contract. So we are doing billing. It spread over more than 1.5 years.
- So your billing will be also spread over those periods. Exact billing how much, I cannot disclose the exact how much billing we have done for because Aditya Birla will object on that, how much billings and all those things. So those details, we will not provide.
- Samrat Shah:** So I just wanted to have a rough idea of the revenue figures in the coming quarter and the year, that's why I...
- Salim Yahoo:** See, we have given -- we just spoke in the beginning that...
- Samrat Shah:** 50%, 60%.
- Salim Yahoo:** We will be minimum is 60%. We'll surely surpass.
- Samrat Shah:** Yes. And one last question, sir. The land bank which you have is around 4,000 acres. I would like to know what is your target land bank in the coming, say, 2 years?
- Salim Yahoo:** See, the target depends upon my target of the orders that I have, okay? So we keep on adding land bank. Land bank is -- acquisition of land bank is a realtime process. We keep on adding to that. So it depends upon how much orders I have. And accordingly, we plan the land bank.
- Samrat Shah:** Right, sir. And one last part, sir. A personal request. Whenever Faruk bhai is free, I would like to fly from Chennai and meet him because of creating immense wealth for me and my family. So just from your end if you would arrange this.
- Salim Yahoo:** I'll surely pass on the message and I'll request him also from my side. Yes.
- Moderator:** The next question is from the line of Pavan from Fident.
- Pavan:** So IPP capacity went up from 140 megawatt in Q3 FY '24 to 170 megawatt in Q3 FY '25. But the power generation went up only from 5.7 crore units to 6.1 crore units, which is like a 7% growth versus 21% growth in the IPP capacity. What is the reason for the difference in the growth rate?
- Salim Yahoo:** See, when we set up an IPP project. For example, if the quarter 3, immediately on the first day of the quarter 4 starting that you can see that on 1st of October.





- Pavan:** Megawatt has been live from Q1 FY '25?
- Salim Yahoo:** Yes, Period so your revenue generation depends upon the period, how much period that plant was energized. For example, if a plant is energized from December, so automatically, that capacity will get added, but the generation will not get added because it gets energized from December. So some energized from October. So it's a linear calculation that is to be.
- Pavan:** What I mean to say is that the 171-megawatt has been live from June quarter end at least. So for the entire...
- Salim Yahoo:** It was not live from June quarter. It was live in September. If you say that earlier one, previous quarter, whatever capacity we saved, that was live on the last day of that. So it can be started from earlier also. It can be in the starting of the September.
- Pavan:** 171 megawatt has been live for the full of Q3 FY '25. And similarly, Q3 FY '24, at least 137 megawatts has been live full quarter, if not 145. So there is a growth in capacity by 21%, but the unit generation grew only 7%. What is the reason for the fall in the production?
- Salim Yahoo:** That's what I'm saying, sir. 130 MW you are saying that previous quarter 130MW was live. So 131 was already live for the entire **quarter**, the additional capacity may have started in the month of December itself. So there is no addition to that unit because it has started in December. It was not there in October or November. So it depends upon when I start the plant.
- Pavan:** From the quarterly presentation that you have shared, 171 megawatt has been live as of at least June 2024 end. So for December quarter, this has been live.
- Salim Yahoo:** Sir, let me explain you. IPP installed capacity till Jan 15, we have mentioning in the presentation that we have shared, right, this quarter. So it is still -- that is as on that date, it is 171. But it's not that, that 171 started from the 1st day of October. So that was...
- Pavan:** Q1 FY '25 presentation, which is as on 30th June 2024 end. As on that day itself, 171-megawatt has been live. So for the full quarter, the 171 megawatts has been live?
- Salim Yahoo:** Right. But see, plant gets live. And then also there are factors like your generation depends upon availability of grid and everything. So all these factors also taken into consideration.
- Pavan:** Sir, just trying to understand what are those factors?
- Salim Yahoo:** See, that's what I'm saying. The growth cannot be linked to the new plants when they add the capacity. You cannot add it until and unless at least I think 6 to 8 months or 1 year, you understand that the plant capacity because there are lot of things which needs to be corrected and everything and the plant generation, again, is taken into consideration, the grid availability is taken into consideration.
- So there will be a growth, but it's not that it will be very adjacent or proportionate to the growth of the capacity in the initial phase. Factors can be your grid availability. Factors can be your seasonality. Factors can be your offtakers also. So all the factors have been taken into consideration.



- Pavan:** Sir, my question was because the 14% seems like a large drop? That's the question. But I understand. Sir, the second question is Coal India order is of 300 megawatts AC, right? How much would it be in DC?
- Salim Yahoo:** DC Coal India would be around 400 MW plus.
- Pavan:** So 30% will be the 1.3 is the conversion ratio.
- Salim Yahoo:** Yes. 1:1.3.
- Pavan:** Okay, does the entire 100% of the order book has PPA signed?
- Salim Yahoo:** PPA, Yes, the PPAs are signed for my IPP.
- Pavan:** What about the CPP project, sir? Are you aware whether all the projects are signed?
- Salim Yahoo:** CPP project, I do the EPC. So the PPAs are signed. For example, Coal India has signed PPA with GUVNL. And after that only, they have given us the orders. So all CPP projects, PPAs are signed and after that only they give us the order.
- Pavan:** Got it, sir. The last question from me. What are the module prices for what right now that you're procuring approximately?
- Salim Yahoo:** The pricing is a very, what we say, confidential information from, I can tell you, we buy from Tier 1 companies like Waaree, Emmvee, we purchase. But pricing is something that even my supplier will not allow me to disclose his pricing in the public forum.
- Pavan:** Okay. Sir, you can tell us whether it is above 14 per watt or less than 14 per watt.
- Salim Yahoo:** No, sir. There's different. We have long-term relationships.
- Pavan:** No, on an average.
- Salim Yahoo:** I'll tell you. And the average whatever the module prices in which the market are doing the same prices, they will offer, but there are a lot of things which will play in the quantity that we give. We also take into consideration timeline by when they will be giving us. All the factors are taken into consideration for the module prices. So exact prices, I will not be able to disclose in this public forum.
- Moderator:** Thank you, ladies and gentlemen, in the interest of time, we will take that as the last question. I would now like to hand the conference over to the management for closing comments.
- Siddharth Thakur:** Thanks, everyone. Now -- Siddharth Thakur this side. I would like to thank all the investors and all the dignitaries part of this meeting. I believe it was a very fruitful meeting. We have answered all the key questions. And we appreciate your trust in our growth and in the investment that you have made with us, and we'll continue to deliver these strong returns going in the next quarter as well. And until the next time we see, signing off from KPI management. Thank you.



**Salim Yahoo:** Thank you.

**Moderator:** On behalf of KPI Green Energy Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.