



# KPI GREEN ENERGY LIMITED

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Date: November 15, 2024

**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 November 11, 2024**

**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 November 6, 2024 and November 11, 2024, please find enclosed the transcript of the Earning Conference Call held on Monday, November 11, 2024 at 06:30 PM (IST) to discuss the unaudited standalone & consolidated financial results for the quarter and half year ended September 30, 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**

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YUSUFBHAI MOHMED SOHIL  
DABHOYA YUSUFBHAI DABHOYA  
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**Moh. Sohil Yusuf Dabhoya**

**Whole Time Director**

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KPI GREEN ENERGY LIMITED

# “KPI Green Energy Limited Q2 FY24-25 Earnings Conference Call”

**November 11, 2024**



KPI GREEN ENERGY LIMITED



**MANAGEMENT: MR. SALIM YAHOO - CHIEF FINANCIAL OFFICER, KPI  
GREEN ENERGY LIMITED  
MR. SIDDHARTH THAKUR - EXECUTIVE ASSISTANT TO  
MANAGING DIRECTOR, KPI GREEN ENERGY LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to KPI Green Energy Limited Q2 FY24-25 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Thakur. Thank you and over to you, sir.

**Siddharth Thakur:** Good evening, ladies, and gentlemen. First of all, a warm thank you for all of you for joining today's call.

I am Siddharth Thakur – Executive Assistant to our Managing Director – Dr. Faruk Patel. Unfortunately, Dr. Faruk Patel, due to unavoidable circumstances is attending to another important engagement at the moment. However, he's poised to join us later in the call today. Dr. Faruk Patel sends his regards and wanted me to personally convey you his appreciation for your continued support and interest in the Company. In the meantime, we are happy to address any questions and you will direct them the same to our CFO – Mr. Salim Yahoo, handing over the call to him.

**Salim Yahoo:** Good evening, everyone. It's a pleasure to meet you here online today. I would like to extend a warm welcome to all our investors and stakeholders. Thank you for taking the time to join us for our half year H1 FY25 Earning Call.

So, before we begin, I would like to give you a brief overview of our Company's outstanding performance in the first half of the physical year and share some exciting updates on our strategic growth initiative. We are proud of the robust growth we have achieved across key metrics in H1 FY25, a testament to the relentless focus of our team on project execution, operational excellence, and strategic plan.

Speaking about our Financial Performance:

we are pleased to announce that KPI Green has delivered strong results for the half-year-ended 30th September 2024.

Let me take you through the “Financial Highlights”:

Speaking about the revenue growth, our total revenue from operations for H1 FY25 stood at Rs. 711.3 crores marking an impressive 75% growth on year-on-year basis compared to Rs. 406 crore in H1 FY24.

EBITDA growth, when we speak about EBITDA growth, I mean, it's a key parameter in the profitability. So, EBITDA grew by 87% reaching Rs. 266.9 crores compared to Rs. 142.5 crores

in H1 FY24. This performance reflects our efficient operations and strong cost management across all projects.

Moving on to the “Profit after Tax”:

Our PAT doubled, recording Rs. 135.9 crores for H1 FY25 compared to Rs. 68 crore for the same period last year representing a 100% increase. With the profitability growing strong, our EPS also improved substantially. So, our basic EPS for H1 FY25 came in at Rs. 11.03 per share, reflecting a 76% increase from Rs. 6.27 per share last year.

Giving you the “Business Updates and Strategic Initiatives” that we have taken:

In addition to our strong financial performance, I would like to highlight a few of the key strategic moves we have made this year:

Number one, expansion of independent power production:

What we call as an IPP, our segment where we invest our own capital and we set up the plant and we sell power to third party in the utility scale or in the third party C&I customers. Our installed IPP capacity as of H1 FY25 is 171 MW. And we have orders in hand for IPP of around 1.26 gigawatts, which is the biggest order book till date in the KPI’s book.

Moving on to the second business segment, that is our captive power producer, where we set up the plants for others and we sell the plant to them and we also do the O&M of that plant. So, our CPP business continues to show strong momentum with 336 megawatt installed capacity as of half year FY25. And we have ordered for 1.148 gigawatt. So, both the segments have a strong order book and strong execution capabilities also are there. So, we expect this coming year also to be a strong performance as we saw this half year.

Moving on to technological advancement:

We have adopted cutting edge technologies like single access solar tracker, bifacial solar panel, and AI driven robotic cleaner to maximize the efficiency and generation from our solar plant.

One of the biggest achievements of KPI in this particular half year was the net debt zero on standalone basis. So, KPI as on 30th September was net debt zero. So, there was no outstanding debt.

The “Outlook” and “Future Plans”:

I will just give a little bit highlight on that. Looking ahead, we remain focused on expanding our portfolio and enhancing values for our stakeholders. Some key targets that we have taken for the near future is gigawatt scale ambition. We aim to achieve an installed capacity of 10 gigawatt by 2030, driven by a mix of IPP and CPP projects. We also focus on geographical diversification.



We are actively exploring opportunities beyond Gujarat to further diversify our geographical footprint across India. We have already work in progress in Maharashtra for a MAHAGENCO project.

Sustainability commitment, sustainability remains at the core of our strategy, with significant reduction of CO2 emission achieved through our green energy project. To date, we have helped reduce 43,69,449 tons of CO2 emission.

So, this is a little bit brief about our performance in this half year, along with some of the future outlook that we are planning to take.

Now I will open the line. Sagar, you can open the line for question and answers if there are any.

**Moderator:** Thank you very much. We will now begin the question and answer session. Our first question comes from CA Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

**CA Garvit Goyal:** Considering the kind of order book we do have and the order inflows are we expecting, what is the guidance for FY25 in terms of topline?

**Salim Yahoo:** See, I don't know what you have seen, till half year we have already done Rs. 711 crores, which is almost 75% of what we have done in the whole last year. So, we expect that the growth will be in the range of 60% to 70% growth of what we have done last year. We expect that much growth. It can be a little bit more than that also. That is what we are planning. Because order book that we have sufficient order book to execute. So, there won't be any problem in achieving at least 60% to 70% growth. That is the minimum I am talking.

**CA Garvit Goyal:** And like the kind of environment we are witnessing in the industry, so what is the outlook for next 2 to 3 years in the terms of topline and the kind of margins we are currently doing, are these margins sustainable?

**Salim Yahoo:** Yes, Garvit. If we speak about the outlook on the topline, if we look at, there is a lot of order in the sector or what we say the potential in the section as far as India is concerned, because there is lot of projects which are going on at various play, various discoms are taking, private players are taking the projects. So, there is no deficiency of any orders or order in hand for any of the players, you can see that. All the players are sitting with a lot on order book. So, potential on the order side is not an issue, whereas KPI is concerned, we have already explained to you that our order book is already full and there are still a lot of book in pipeline where we are bidding for the tenders, where we are in talks with some of the conglomerate for CPP businesses also. Coming down to margins, if you see, actual margin always is a little bit on the higher side because there are a lot of milestones. What happens in the margin is that we do a milestone billing. So, some of the milestones where there are no costs involved, those milestones also get built because of the rainy season. So, H1 margin will be a little bit higher compared to the overall margin, but we will be able to maintain our margin of 16% to 18% between that on the PAT level.



**CA Garvit Goyal:** 16% to 18% is what you are saying right?

**Salim Yahoo:** Yes, 16% to 18% at a PAT level.

**CA Garvit Goyal:** And sir, you mentioned all the players are having a strong order book right now. So, the kind of competition in the upcoming orders, how do you see that? Like upcoming order will continue to flow in the manner that they have been flowing in recent past or how the picture looks like?

**Salim Yahoo:** Garvit, you need to understand that KPI is one of the players who has more than a decade of experience, whether it is wind, whether it is solar. So, very few player has these kinds of capabilities, both wind and solar, and we have those capabilities. So, execution of order is an important part because all the players have orders as there is a lot of potential in the market, all players have orders. But it is to be seen that who has the capability to execute on a timely basis without any overruns. And that is where KPI's USP is that, it is one of the strong executor. And if you see that all the orders that we have got because of our execution capabilities. So, from a KPI side, I can tell you that, order everybody will have it. Now it's the time that will tell you that which of the players are capable of executing the order on a timely basis. And here it is a track record of KPI that always speaks on itself. So, we don't have to speak because there is a decade experience and a hybrid execution experience, which is solar and wind both. So, we stand out over there. That's what I think.

**Moderator:** Thank you. The next question comes from Sagar Tanna from Alchemie Ventures. Please go ahead.

**Sagar Tanna:** What is our outstanding EPC book sir, in terms of crores?

**Salim Yahoo:** If I tell you, the total CPP, what we call it EPC, it's around 1.1 gigawatt of CPP business, what we call that. Now the CPP business, if I want to calculate, it will be because some projects are along with the material, you can say the panel or the wind turbine, and some projects come without them. So, overall, if you can see that, if one gigawatt approximately if I take, if you calculate 2.5 crores to 3 crores per megawatt that would be the order book you can see that in the EPC site at present.

**Sagar Tanna:** These are roughly 2,500 crores, is that a fair number?

**Salim Yahoo:** Yes, between 2,500 crores to 3,000 crores.

**Sagar Tanna:** And sir, so how much of it would have been won in the current financial year in FY25?

**Salim Yahoo:** As I told you, we do billing on a milestone basis. So, it is very difficult to actually tell you that exactly how much megawatt or something which we will get. So, it is very difficult to depend on the existing. But as I told you, our topline will be 60% to 70% minimum growth over the last year topline.

- Sagar Tanna:** My question was not on the growth, sir. In terms of EPC order wins, how much did we win in the current financial year?
- Salim Yahoo:** So, almost you can say that out of this 70% to 80% has been won in the current financial years in FY24-25.
- Sagar Tanna:** So, out of the 2,500 crores – 3,000 crores of outstanding order book, roughly Rs. 2,000 odd crores we would have won in the first half. Is that correct?
- Salim Yahoo:** Yes, you can say.
- Sagar Tanna:** And what is the order pipeline for the second half?
- Salim Yahoo:** See, out of this 3,000 odd crore of the total order that we have in hand, okay, there will be a lot of overflow from this financial year to the next financial year. So, you can say that approximately Rs. 1,200 crores – Rs. 1,300 crores would be something that out of that, 40%-50% we are planning to close it this year. So, that will be, the remaining would be outflow for the next year.
- Moderator:** Thank you. The next question comes from Aashish Rampuriya, individual investor. Please go ahead.
- Aashish Rampuriya:** I think what the previous participant was also asking, what is the bid pipeline right whether in terms of gigawatt or crores that we have? I am not going to order book but the bid that you would have placed or the conversation that we have.
- Salim Yahoo:** The pipeline that we are looking at present is between 1.5 to 2 gigawatts. That is the bid pipeline that we are looking at, where we are participating and all. Over and above the existing order book that I have.
- Aashish Rampuriya:** And this is across CPP and IPP?
- Salim Yahoo:** Mostly CPP, because IPP we already have more than 1.2 gigawatts in hand. So, IPP we will slowly, slowly build because we already have on the plate. We will try to complete that as much as possible. Post that, we will start moving on to IPP. Because IPP, as you are aware, there needs to be a financial closure. There has to be a lot of factors which need to be taken into consideration on the debt side and equity side.
- Aashish Rampuriya:** There are also some conversations around the international expansion, right? So, along with that, if you can also throw the status of expansion into nearby states of, I think we have shown Rajasthan and MP, if I am not wrong given the investor presentation. So, if you can throw some light in terms of that expansion, international as well as domestic states nearby?
- Salim Yahoo:** First, we will talk about the domestic expansion. We are already, as I told you, we have already moved on to Maharashtra. We have plans to move to Andhra. We have plans to move to



Rajasthan. We have plans to other states also, the neighboring state. But the one which we have close is, one is Maharashtra. Rajasthan and all are at we can say that final stages where we are doing the discussions only. Talking about the international, we are at a nascent state. We have discussions. We have a lot of inquiry from international players. We have spoken to them. But at present, I will not be able to give you any details about that. But I can assure you that very soon you will see KPI at an international level moving on competing with international players also.

**Aashish Rampuriya:** But any nearby state that we're talking about and the fact that you said the focus will be CPP, should I assume that the conversation in the nearby states are the corporates to sort of under the CPP segment?

**Salim Yahoo:** Mostly CPP as I told you because IPP as I earlier also told that we have to look at a lot of factors when it comes to IPP. So, any state entering CPP will be a very favorable segment where I can enter fast. IPP will take a little bit time because there are rules and regulations depending on each and every state, what are the electricity act over there or the state wise. So, that has to be taken into consideration.

**Aashish Rampuriya:** Last question from my side and I will join the queue. KP energy disclosed that they got some order, significant order from KPI Green. Now I think they spoke about phase 1, phase 2, phase 3, but I was surprised that they also spoke about doing solar work for us. Can you show some color on that because I think they specialize in wind, right?

**Salim Yahoo:** Yes. Let me just explain you. We have one GUVNL tender for IPP for setting up IPP of 1 gigawatts. And from that, order has been given to KP Energy, which has experience in wind, which has experience in solar also. They have set up their own plant of solar also. So, we have transferred majority of the order to them, so that they can execute our order faster. Because KP energy we know, they can execute faster compared to any other players. And it is a hybrid order that we have got on the IPP and solar altogether. So, hybrid also has a solar component. So, combined order we have given it to them, except for some components like maybe panel or something, which we might purchase directly.

**Aashish Rampuriya:** Okay, and it was driven by the perspective to meet timelines considering the solar aspect. Wind, I totally understand. Just want to understand the fact that we have given also solar to them is it because it was a combined order so had to be structured together or was it more for the sake of managing timelines and things like that?

**Salim Yahoo:** See two things important, one is that surely timeline, you know our internal Company or a group Company will understand our timelines, deadlines, everything better than any other outside players. Secondly, as I told you, we have a hybrid. So, in hybrid also they are working in that region. So, in hybrid solar also they will work in that region. So, automatically it becomes feasible for us to give the entire order to them because they are anyway have their manpower, everything on the ground. So, why not utilize the same manpower other than setting up another one? So, that was the key idea behind giving the order.



**Aashish Rampuriya:** And I think also there's some private placement that happened in one of the subsidiaries through the promoter of the group, right, if I remember correctly, this was about a month or so back. What was that related to?

**Salim Yahoo:** It is a subsidiary of KPI, Sun Drops Energia Private Limited. In that subsidiary, anyway, I mean, promoter has to infused a lot of unsecured loan to support capex of new plant over there. So, it was said that, rather than returning it back, why not give promoter a small stake in the Company? So, that was a better option rather than curtailing the cash flows and giving it back to the promoter. So, that's where the entire thought came into picture. And then we thought that why not? Because anyway, it is a subsidiary of KPI, where even the promoter has a majority stake.

**Aashish Rampuriya:** So, what percentage stake has been given in the subsidiary on Sun Drop?

**Salim Yahoo:** I think that is there on the public domain. I don't have a figure right now.

**Moderator:** Thank you. The next question comes from Parth Kotak from Plus91 Asset Management. Please go ahead.

**Parth Kotak:** Sir, I have two questions, mainly on the order book and execution. One, as you rightly mentioned, your current order book is around 1.2 gigawatts, which would be about Rs. 2200 crores-Rs. 2300 crores. Could you elaborate on the anticipated timelines for order execution, especially for the large orders from MAHAGENCO and corporate clients?

**Salim Yahoo:** If you see this, 1.1 gigawatt is my CPP order book. So, we have timeline to complete them by, an average timeline is that by September 25, we will have to complete this order. So, that's why I told you that the 50% of the order book will get executed this year, and 50% will flow down to that next year. So, yes, on an average, I will complete it before September.

**Parth Kotak:** Just I am asking this because obviously we've mentioned it in the past that our average execution is about 9 months to 10 months on a conservative basis, but MAHAGENCO would be a separate territory that we would be doing CPP, right. So, that's why primarily the question. So, second question would be on debt and capital structure. With the recent QIP of 1,000 crores and debt prepayment, how does the management view its future funding needs? Will the Company seek additional debt or equity funding for upcoming projects?

**Salim Yahoo:** So, we all know that we already have 1.2 gigawatt of IPP projects. So, naturally, I mean, there will be a debt which will come. But it will not come at one go. It will come in a phase-wise. So, we will be doing our Khavda project, which is already in execution mode. So, a part of that debt will come from the Khavda, which is around 500 crores to 600 crores. And post that, that will also be for the other GUVNL project that we have won, 370 megawatt hybrid & 250 megawatt Solar,. So, there will be a debt which will come, but it will come in a phase-wise manner. But one thing I can assure you, that our debt to equity will never go beyond 2:1. It will be between 1.5:1 only. So, we are pretty gung-ho on that, that we will maintain our debt to equity, even if we go full-fledged expansion CAPEX.



**Moderator:** Thank you. The next question comes from Drishtant, who's an individual investor. Please go ahead.

**Drishtant:** A couple of questions. First of all, on the IPP margin, specifically on the GUVNL order, so given that obviously we are on reverse bidding and a lot of those projects that we've applied have been quite competitive on them. So, the simple question here is, do you think that even on these orders based on your projections, we will be able to maintain similar margins. And overall, you incorporate all of this, and only after that, you are essentially confident that you will be able to deliver 15% to 18% impact margin in the coming 3 to 5 years as well, right which is what you mentioned previously on the call.

**Salim Yahoo:** If I want to give a little bit understanding of our model, so we have IPP and CPP. IPP adds to the bottomline, because IPP margins, EBITDA margins are very high. So, if you look at my GUVNL projects, my EBITDA margin in IPP would be around 85% to 90%. Because after I set up the plant, there is no other cost other than the only O&M cost which is very nominal. So, what overall at the Company level if I want to see my PAT margin is derived by both the segments. So, overall if I see that at present my blended EBITDA would be around 33% to 37%. But as I go forward, when I increase the mix of IPP, my EBITDA, my PAT margin will also improve and my EBITDA margin will also improve. So, if I complete my entire order of GUVNL, after that our PAT margin, which is around 16% to 18%, might go up to 20% to 22%, if I increase my IPP mix in the total revenue. So, at present, if you see last year, it was around 13% to 14% of IPP revenue and rest all 86% was CPP revenue. So, it depends upon the mix. But we will be able to maintain the margins. So, that is sure for us.

**Drishtant:** Actually, the reason behind the question is, I am not sure at what rate you're selling, let's say, units to your current private clients. And based on the reverse bidding, I just wanted to make sure that that price is pretty much in line and given that you see 85% odd EBITDA margins on IPP even on the GUVNL orders that's quite comforting. Thanks for the clarification. Then the next question is in fact on the land that you currently hold on your books. So, I understand you have about something in the range of 3000 acres of land. Any rough estimate you can provide in terms of what would be the current value on an average even on a per acre basis? Just to kind of get a sense of what the value of this land would really be because on books obviously you will be carrying value and one is not aware what the real values is.

**Salim Yahoo:** So, if you see that, in FY25 Quarter 2, what we have mentioned that in our presentation also that we have 3000 plus acre of land. Now in this there are two types of lands. One is the Long term lease land, what we call as 27 to 28 year lease that we do with the farmer and we take those land and another is the own land. Now the own land would be around 500 to 600 acres and the rest of the entire land is a lease land. So, there is no cost for me for the lease land other than the lease that I have to pay for the land. Whereas the other parcel, which is my own parcel, what we call as 500 to 600 acre, that would be at around Rs. 1.5 crores to Rs. 2 crores per acre because this is close to the substation, close to the road, close to the highway. So, that is something which we have, but we have not reassessed the land on our financial. So, in our financials, you will find

the land value of approximately Rs. 100 odd crores. But overall the pricing would be around Rs. 1,000 crores, I can say.

**Drishtant:** That's exactly what I wanted. So, Rs. 1.5 crores to Rs. 2 crores average you're saying per acre of the own land.

**Salim Yahoo:** Yes.

**Drishtant:** That's clarified. The next question sir, on cash flows and specifically very important from an equity investor's perspective, as you know how valuation work on the free cash flow basis. So, this will make some sense on the cash flow from operations, which have essentially been negative at least over the past 2 to 3 years. This first half of course I do see a Rs. 60 crore odd positive cash flow from operations. Any reason behind the negative cash flow of course there's the build up of the trade receivables. But going forward can we expect, let's say an improvement on the cash flow front specifically, I mean on the cash flow from operation than on the free cash flow front or do you expect let's say negative cash flows to kind of continue given that you will be continuing to build receivables because of working with larger clients and on larger projects where obviously credit will be much more favorable for the other party, maybe less favorable. Some guidance over there will be really helpful.

**Salim Yahoo:** If you look at my cash flows, last time I think the question was asked by one of the investors, we clearly told them this is a temporary phenomena, the negative cash flow last time. If you see in the March 24 results which was around 57 crores negative. That was basically because we told that, even Dr. Faruk Patel has told that in one of the event, that this is because we have taken bigger orders and there was some milestones towards the land, towards the evacuation, everything which was investment made and then there was long payments will come later. So, debtors also increased during that period. But now if you see in this first half of FY25, you see my net cash accruals has also improved, my receivables have gone down and other factors which are you know my working capital cycle also has improved, because that point of view, if you see my cash flows have improved. Now we have 60, approximately Rs. 59 crores as a positive cash flow, which was around Rs. 57 crores in March negative cash flow. So, we clearly told last time also that, that was a temporary phenomena. Now, we will be able to maintain this because that was a shift from a small-time customers to a bigger customers and a bigger conglomerate that's the order books are bigger. But now we have delved into that and we expect this cash flow to be maintained positive going forward also and improving further.

**Drishtant:** Okay, and that's very comforting to hear. If there's time, I just ask one more question operator if you allow me very quickly. So, I believe this came out today. So, first of all, what's the idea behind getting a group CEO and how does that change the workings if you could first give me some idea on that front? And the related question is actually on the previous question that was asked by one of the participants in terms of the orders given to KP Energy. I mean, sir you obviously understand the importance of corporate governance in the market. And I just want to be sure that we're definitely keeping everything in terms of corporate governance checks and balances there. And therefore, the margin that even after giving the EPC orders to the other

groups will definitely be maintained. And based on this, another question is on the capital structure and, let's say, the recent announcement of the bonus issue, what's the logic exactly there sir? Because from an economic perspective, it doesn't really change much. So, why this repeated bonus issue? Is it purely to let's say, make the share price more accessible to retail investors? Or is there something else that the board is looking at or considering while making these announcements?

**Salim Yahoo:**

Drishtant, your last question includes the 5 to 6 questions, I think. Nevertheless, as far as order to KP Energy, I think I have already explained that in the previous question, the rationale behind giving the orders and I assure you that all the compliance will be met and everything will be at arm's length because there is no cross-holding also between the companies also. Secondly, moving on to the group CEO. See, as we grow, we need to bring in more intelligent people. We need to have strength in our teams. So, if you see that even the credentials of the person coming are too good, they have seen the industry, they are part of the industry, they have been part of the one of the growing wind sector industry. So, we need to understand that if you look at the KP's board, it's a very versatile board. It includes ex people from GETCO, GEDA, it includes policymaker, it includes somebody like me from ratings, banking. So, all the people are involved in the group. And it's Dr. Faruk Patel's, always thought that the more the stronger the team, the stronger will be the performance. And that's the point behind getting the group CEO on board. What are the last questions on the capital structure?

**Drishtant:**

On the bonus. So, the reason behind that, because economically it doesn't change much?

**Salim Yahoo:**

It doesn't change much, but at least, 2-3 things if you see, KPI being as a Company has always thought about the stakeholders,. From that point of view, Dr. Faruk Patel always had the vision that shareholders feel valued, dividend is one of the part and bonus is another part. So, he thinks that our shareholders should always feel that they are being taken care of. And that is the first thought when it comes to bonus or the dividend. And if you look at we are going expanding, we will require capital but we always keep in mind that our shareholders should always feel that they are being part of the growth and everything. So, that's why we have given that bonus and this will continue going forward. So, whenever we grow, we will keep our share of our shareholders in that every now and then.

**Moderator:**

Thank you. The next question comes from Gaurav Sharma from Anujay Properties. Please go ahead.

**Gaurav Sharma:**

I wanted to know since our growth rate is higher than our ROE, do you think we will have to further dilute equity and take on more debt to fund the current order book?

**Salim Yahoo:**

Gaurav, at present, looking at the order we have, we already have the equity combination that we require for the growth. So, at least I think this year and the part of next year also, we will not be requiring any dilution or anything which needs to be taken because we already have everything in pipeline. So, post that after two years, maybe looking at the growth parameters and what all things and the potential in the market, we will take a call at that time.

**Gaurav Sharma:** And I have one more question. What do you think is the tentative date of completion of our current order book, which comes to 2.41 gigawatt?

**Salim Yahoo:** So, as I told you, the CPP segment we expect to close by September '25. And the IPP segment, we have just signed the PPA. So, two years from now, Mid of FY27 will be the entire completion. It will be done in phase-wise. But the entire final completion of the entire IPP order would happen by mid of FY27.

**Gaurav Sharma:** I have just one more question. The current President, the United States President, he doesn't support renewable energy at all. So, do you think that will impact our Company in a way in the revenue or the raw materials which we purchase?

**Salim Yahoo:** I am getting this question multiple times. But we need to understand, we are not a manufacturer of panel. Majority of the players who might get affected according to my opinion and don't quote me that's my opinion that people who are exporting will be the one who will get affected. We are domestic player, we are developers, we are developing within India and we have strong order book and vision in India is already has a good momentum. People have already been investing in these initiatives and our current Prime Minister Honorable Mr. Narendra Modi has already given go ahead for all the , schemes that there are available and new schemes are coming, and all are supported towards the Green Energy. So, from that point of view, I don't think our Company is anyway going to impact that. But yes, the panel manufacturer and I would say that if there is a price war in the panel manufacturers, we will be the one who will be benefiting.

**Gaurav Sharma:** One small question. Faruk sir had mentioned in an interview with NDTV Profit that the Company plans to add 2000 acres of land bank. So, how do we plan to fund this acquisition of the land bank and is this acquisition for our current order book or our future order book?

**Salim Yahoo:** This is for both, for current and then we will be acquiring 2000-acre land bank. See, land acquisition is a continuous process in KPI because we have order books. And this exercise we keep on having evidence and because you know, you won't get the entire 2 thousand acre in one go at one location or anything. So, we have to keep on acquiring nearby locations. So, that process will be already started and that is something from the day KPI started is always you know focused on two important parameters in the renewable energy which creates an order one is land, another is evacuation. So, if you look at we have 2.3 kind of giga order of evacuation also available with us.

**Gaurav Sharma:** One last question who do you think is your closest competitor in this space? Any listed player?

**Salim Yahoo:** See if I look at any listed player, I won't have any Apple-to-Apple comparison, but there are players. I mean, if you look at, you have Acme Solar, who might be, which is getting listed. We have Waaree. Again, Waaree is also into manufacturing. So, Adani Green is one, which we can say. Sterling Wilson, but Sterling Wilson is only in solar. They don't have capabilities of wind. So, the players are partially, you can compete, but there some uniqueness in our model, which is not available at present with any of the players who have similar model.



**Moderator:** Thank you. The next question comes from CA Amit Kumar, who's an investor. Please go ahead.

**CA Amit Kumar:** So, I can see there is an order book of 2.41 gigawatts. So, you told that this is Rs. 3 crores per megawatt. So, if I convert, can I say that the order book is of approximately Rs. 7,200 crores? Is my understanding correct or please correct me?

**Salim Yahoo:** No. You need to understand again. Our business model is IPP and CPP. IPP is where I set up the entire plant. I invest, I infuse my capital, I set up the plant and I sell the power. So, there is no direct correlation in the IPP to the revenue from execution. It is only post execution whenever I generate the power, I sell that power. And the remaining other as I told you earlier also in the question, that is on the CPP side where we have combination of order book of where we have some portion which is without material only execution, some portion with material and with execution. So, that is what in the earlier question also explained that.

**CA Amit Kumar:** So, how do I convert this 2.41 gigawatt into rupee terms, if you could help me out?

**Salim Yahoo:** If you see 1.2-1.3 gigawatt is something which is IPP. So, IPP you cannot convert into rupee terms because it is 1.2 gigawatt if I want to convert into rupee term it is how much 1.2 gigawatt will generate power and what rate that power that is what should be looked at. So, now coming to the remaining portion, what we say 1.2 or 1.3 gigawatt of CPP. In CPP, you can say we have already discussed that is around 2,500 crores to 3,000 crores of order book.

**CA Amit Kumar:** I am new to the Company still so could you please explain the difference between IPP and CPP?

**Salim Yahoo:** IPP, we call it as an independent power producer. IPP is a segment where I invest the entire capital for setting up the power plant. I sign PPAs with utility skills like DISCOM GUVNL or with C&I customers. And once I set up the plant, those PPAs are 22 to 25 years. I sell power, so monthly revenue I get from the sale of power to those entities. So, it is a PPA that is given 25 years. CPP is where a customer who wants to use for a captive consumption, I will set up the plant for him. So, I will sell the plant to him. So, I get one time revenue from the sale of the plant and I will maintain the plant for next 25 years. So, I get O&M revenue from the plant for next 25 years and also get a lease revenue because the plant is on my land. So, these two revenues. So, these are the two basic model of IPP and the CPP.

**Moderator:** Thank you. The next question comes from Pavan from Fident. Please go ahead.

**Pavan:** Just want you to understand, so far, the execution has been about 65 megawatts maximum in Q4FY24. And if you look at the execution, commissioning, if you look at the last two quarters, this has been like 28 and 34 megawatts between the IPP and CPP. But looking forward, we are saying that we will execute almost 1.15 gigawatts within next 12 months, commissioning. So, how, what has been the challenge in the past? What will enable you to ramp up so quickly in the next 12 months? That's question number one. And coming to the question number two, in terms of the revenues, when I look at the IPP, IPP entire cost is capitalized, right? So, the cost of goods sold, the materials that pertains only to the IPP projects. That's my understanding.

**Salim Yahoo:** See, your first question is that till date we have not done, we have done hardly 30,40 megawatts and that's what you are. See, you need to understand our revenue booking is done on milestone basis and the energy capacity that we count is only when we complete the entire project. So, that's what happened that, you know, I might have counted 60% to 70% of the project or 80% of the project and in that particular project I have not captured the megawatt that I have done, because the entire is entire is not energized enough. So, that is the reason that you see that you know, you might see that we have done Rs. 700 crores but hardly any megawatts which are energized. But if maybe in the next quarter and the quarter after that, you will find that you know, the top line will be same around but the megawatt will increase because what we have done partial will also get energized. So, that is the characteristic of business. Your second question was of the cost of the goods sold. So, I didn't get the question here. Because naturally what we do is...

**Pavan:** Does the cost of goods sold entirely pertain to CPP projects?

**Salim Yahoo:** Yes, it is entirely pertain to CPP projects. any CAPEX that I do, it gets capitalized.

**Pavan:** Then coming to the IPP revenue, so we are at like a per unit revenue of 7.38 in Q1 and 8.13 in Q2. So, going forward, but GUVNL and the order, I am assuming lately the solar part would be around like 2.5 or 2.6. So, how are we looking at the IPP revenues per unit revenues in the going forward and what will be the efficiency at the project level, not at a module level, module probably would be at a 22, 23 level at the maximum. So, but at a project level or at the Company level, what would be the sales and what would be the per unit realizations?

**Salim Yahoo:** So, for example, if you tell me, if you speak about the existing IPP plants which are running, these are done under the old policy and these are C&I customers where we are getting revenue of around Rs. 6 to Rs. 7 per unit or per green electron what we call it. GUVNL PPA that we have signed, they are already on the public domain you can see. On an average what I will be getting is Rs. 3 per unit.

**Pavan:** Solar plus wind everything put together?

**Salim Yahoo:** Wind, I have got a higher rate, Rs. 3.25 to Rs. 3.30 paisa and solar I might get 80 paisa to 70 paisa down. So, if I combine together on an average I will get Rs. 3 per unit.

**Pavan:** So, net realization on a FY25 basis or FY26 basis, what would be the number approximately per unit based on your estimates?

**Salim Yahoo:** See, net realization going forward would be around Rs. 4 to Rs.5 because my IPP in GUVNL is a bigger scale. So, what we have done in IPP in C&I customers at present, we have 177 to 180 megawatts. And GUVNL is approximately will be adding one gigawatt more. So, automatically, you will see that the average, it will come to around between Rs. 4 to Rs. 5.



**Pavan:** So, in terms of execution, are there any challenges that you're seeing in terms of grid evacuation or like in terms of transformer availability? Or you will see there are no risks, and then you're very confident that you will be able to commission the 1.15 gigawatt in the next one year.

**Salim Yahoo:** I told you, right. So, we are a seasoned player. We have a decade experience. And that's why the key hurdles in any project, we cater to them immediately, or we have them in hand. One is the evacuation, and second is the land bank. So, these two, if they're in control, the rest of the thing can be managed, because it then is the execution capability, which we already have. So, looking at the current position, we already have evacuation, we already have land bank. So, we are, comfortable to execute this within the time, before the time line also, which we have done in the past also.

**Moderator:** Thank you. The next question comes from Mayank Manikya, who's an individual investor. Please go ahead.

**Mayank Manikya:** I have two questions. The first one is regarding the operating profit margin. So, recently in recent quarters, we have done around 37% or 38% the OPM, but before that, we were at around 31% to 32%. So, going forward, how will this margin be maintained? How should I look at this margin? Will it be sustainable? Will it reduce or can you please?

**Salim Yahoo:** In previous one of the questions, I already explained that the operating margin, we do billing on a milestone basis. In the first half last year also if you compare it with that the first half we have a higher operating margin because lot of billing which is done, there is lesser you can say the cost of goods sold, the raw material requirement or whatever it is. So, from that point of view, we will have a higher operating margin, but we will be able to maintain what was earlier also, or you can say the full year FY24, what was the margin, this will be in the range of 32% to 33% only.

**Mayank Manikya:** It's 33%, so we will be able to maintain that?

**Salim Yahoo:** We will be able to maintain that.

**Mayank Manikya:** The next question is regarding the orders that we had given to KP Energy. I just wanted to reconfirm that will subcontracting these orders to KP Energy, will be able to maintain the same margin that in the case if we had executed it ourselves?

**Salim Yahoo:** We need to understand that the order that I am giving to KP Energy is my IPP order. My CAPEX order anyway which I have to give outside for wind and everything. And who else is better for me than my group Company KP Energy who has a decade experience and a set up more than 500-600 windmill all across Gujarat. So, from that point of view, the order has been given and as far as KP Energy is concerned, yes I mean we are doing at arm's length, so what margin I am going to give outside the similar margin will be given to KP Energy. So, for KPI, there is no margin issue because it is not CAPEX for KPI. For KP Energy, yes, the margin will be maintained.



- Moderator:** Thank you. The next question comes from Preet Jain from Jain Securities. Please go ahead.
- Preet Jain:** What will be your future revenue mix from private players and total revenue from government? What will be your total percentage of revenue from government and total percentage of revenue from private players?
- Salim Yahoo:** Going forward if I complete the entire order book in the IPP side if I say, okay. Let's speak about IPP and CPP separately. So, on the IPP side, you can say that 80% odd would come from the revenue from government, that is a GUVNL project, and 20% odd would come from the revenue from C&I customers, which we already have signed and some of them will get signed. On the CPP side, it would be around, I presume it to be 50-50, because there are bigger players like MAHAGENCO and all where we are doing the CPP project also, tender based and there are also players like Aditya Birla Group or Ayana which we are doing. So, altogether I can say we might have a 50%-50% on the CPP side.
- Preet Jain:** And if you are investing in an IPP project, so what do you think in how many years your capital is recovered back? How many years it takes to recover your capital in IPP segment?
- Salim Yahoo:** Payback period is around 7 to 8 years. If you call at the project level in the IPP.
- Preet Jain:** If we include in that O&M cost also?
- Salim Yahoo:** O&M cost is an ongoing cost. So, it will be there till the 25 years of the plant. But it is hardly any cost which you can counter into the overall project cost.
- Preet Jain:** Okay, you were saying some debt about you will raise for your Khavda project. So, what will be your total debt at the end of the FY24-25 March?
- Salim Yahoo:** It would be around less than Rs. 600 crores, around Rs. 400 crores to Rs. 500 crores long term debt, not more than that.
- Preet Jain:** You will raise the Rs. 400 crores for that, but what will be the total debt of the KPI Green Energy?
- Salim Yahoo:** That's what I am saying. The Rs. 400 crores to Rs. 500 crores is only in KPI Green standalone books for Khavda project, which we are at present executing.
- Preet Jain:** You were saying that there is no debt on the book currently?
- Salim Yahoo:** No, there is no long term debt on the book at present. There is only lease liability which is there. Standalone as a KPI doesn't have anything.
- Preet Jain:** What was the ROE return on equity at the end of this quarter?



- Salim Yahoo:** ROE currently was around 28% to 29%.
- Preet Jain:** So, when this IPP project will be completed, do you think that these ROE can go up more?
- Salim Yahoo:** By the way, the IPP project will bring in more profitability. The profitability increase automatically, the ROE will increase.
- Preet Jain:** When this GUVNL project will be completed, any timeline?
- Salim Yahoo:** See, as I told earlier also, it will be in phase wise. So, it will be by FY26 end, or by FY26-27, because that is the timeline that we have for the execution. So, it will get over by before.
- Preet Jain:** I had one last question also. You had got some order from IPP, order from I think Maharashtra government also. Is that correct?
- Salim Yahoo:** That is a CPP order. MAHAGENCO, we have got an order for setting up a plant for them in Maharashtra which we have already started working on. So, that is a CPP order. So, we are not investing, we are not selling power. We are just setting up the plant and we are telling that investment is done by MAHAGENCO for that setting up of it.
- Preet Jain:** And you are doing some marketing also. I saw some of your marketing in some mall. So, you are in retail also or you are only in ground mounted solar only?
- Salim Yahoo:** No, we are not into retail rooftop or anything. We are ground mounted only.
- Preet Jain:** Because I saw your marketing of, if you want to adapt solar so you can contact us any marketing at some mall that is what I mean.
- Salim Yahoo:** We also do CPP for smaller customers also.. for example, 2-megawatt, 3 megawatt. But that is ground mounted and that is done for MSME customers who wants to set up their own plant for captive consumption. So, that is also a part of it.
- Preet Jain:** We require land also, right?
- Salim Yahoo:** We already have land bank. So, we sublease that land, what we have taken on lease to the customers for 25 years.
- Moderator:** Thank you. The next question comes from Nishant Sharma from Savitri. Please go ahead.
- Nishant Sharma:** Your target is 1 gigawatt by 2025 March. And currently, you have done 507 megawatts. So, can I believe that you will do 500 megawatts in the next 2 quarters?
- Salim Yahoo:** Target at the group level which we have already achieved long back. Now we will do it in KPI also that much.



**Moderator:** Thank you. The next question comes from Pawan Kumar from Shade Capital. Please go ahead.

**Pawan Kumar:** Most of my questions are answered. Just I missed, like you have mentioned that we have a unique business model, if you really compare with our fears. So, can you again elaborate on that point?

**Salim Yahoo:** One, we have two business segments, that is one is IPP and another is CPP. IPP is where I invest my own capital. I set up the plant. And I signed a power purchase agreement, what we call PPA, for 22 to 25 years with C&I customers, with government also. And in that, I sell the power and I get the revenue from that, which is high EBITDA kind of work. But I have to invest over this. PPA is where any customer who wants to set up their plant, we will set up their plant on our land, we will sell that plant to them, and we will get one time revenue from the sale of the plant and we will also get revenue on the O&M and the lease. So, these are the basic two models that we have.

**Pawan Kumar:** As you mentioned about IPP prices, I think it is coming down from Rs. 6-Rs. 7 to roughly Rs. 3 or Rs. 4. And you also mentioned that whatever this macro changes are happening, the module prices like to come down. Would it be giving us extra room to sign for maybe ongoing or coming PPA at a even more lower prices and maintaining the same I think returns and IRRs at a project level?

**Salim Yahoo:** Yes, see any point of time reduction in the prices of the panels or on the infrastructure that is required for renewable energy it is welcome for us because we are a developer. So, our rate that we are right now what we have got in our procurement of panels is very lucrative. If it further improves it will be, if the costing goes down automatically my IRR increases. We will surely look into it, but at the same time, as I told you that IPP includes, I have to invest the capital. So, I have to bring in debt, I have to bring in equity. So, that has to be taken into consideration because we cannot leverage the balance sheet too much. From that point of view, we will take a collective call. Once we complete this order also, or we are in the phase of completing this order, we will again move on to more of an idea. But at present, we have a good order book that we will be executing in next couple of years.

**Pawan Kumar:** Okay, just a follow up, what sort of typical IRR we really look for when we bid for such projects?

**Salim Yahoo:** I look at around 15% to 16% percent, that's something which we try to look at. But depending upon how the project is, what is the bidding that is happening and all those factors have been taken into account.

**Moderator:** Thank you. The next question comes from Akhilesh Kumar from Adpro Technologies. Please go ahead.

**Akhilesh Kumar:** My first question is about how we account the revenue from IPP segment. Like, IPP, usually we invest our capital. But depending on the milestones, do we report them as a part of the revenue and then bottom line as well, or we wait for the entire completion and start generating electricity.

- Salim Yahoo:** On the IPP side, my revenue recognition depends upon the power that I set. Now I might get a PPA which is that 200 and for example, a 250 megawatt of solar PPA that I have signed. Now if there is a condition that the entire plant has to start and of course that only I can energize, yes, then I have to wait till that plant start and the power getting evacuated at that point of my revenue start. But if I am doing on a C&I customer and for example I am setting up my plant and I have 1 MW, 2 MW, 3MW. As and when I set up the plant, I can start giving the power to particular PPAs or anything because there are what we call as a retail kind of a PPA. It might be ranging from 1 MW to 10 MW to 15 MW different PPAs. So, in that case, I can sell it as and when my 1 MW also gets completed. But in case of utility scale, if the PPA allows, I will surely, if the PPA doesn't allow, then we have to go with the condition in the PPA.
- Akhilesh Kumar:** What you are essentially saying is that for GUVNL project, we might not be showing any revenue right now. We will not be booking them, right?
- Salim Yahoo:** In that case, it's important for me that the faster I execute the entire plan, the faster the revenue will be. So, in that case, partial, what we say, partial execution will not generate any revenue.
- Akhilesh Kumar:** Do you think the real revenue happening maybe next year from GUVNL projects? If most of it?
- Salim Yahoo:** Yes, most of it will be after couple of years, I would say, rather than the entire plant generation revenue will come after couple of years.
- Akhilesh Kumar:** Okay, so whatever right now we are seeing the revenue quarterly there is a portion of CPP or IPP, those are from C&I customers, right?
- Salim Yahoo:** Yes, at present C&I customers that are my existing, which includes L&T, Colourtex, UPL, Meghmani, Tata Motors, . These are strong customers.
- Akhilesh Kumar:** And the profits also what we are paying from IPP, that is the actual electricity sold and then realized, right?
- Salim Yahoo:** Yes. That is monthly billing is done.
- Akhilesh Kumar:** Just one last small question. Like we have a plan for as a group in hydrogen, green hydrogen as well. So, again, sometimes suddenly we see some of our promoters stake moving here and there and we are acquiring our group Company and you have many group companies, many unlisted sales. So, do we have any plan of Green Hydrogens for it from KPI Green or it will be a separate entity?
- Salim Yahoo:** At present, we have a separate Company for the Green Hydrogens. So, we will be setting up a new plant. The only thing that the support at KPI Green, if it has a green power, green electron that is existing IPP plants where from which green hydrogen is required we will set up a plant in KPI and we will sell the power to green hydrogen that might be our first thought depending on. I mean there is a separate Company where we are already moving fast on the green hydrogen

surely you have some good news about starting a prototype or you know working on that on the green hydrogen.

**Akhilesh Kumar:** Okay thank you. Thanks a lot and I hope you continue the conference calls, because I think long back it was there when.....

**Salim Yahoo:** Yes, we are aware of that. We will mostly start, every quarter we will start the conference call now. That's our commitment to our shareholders.

**Moderator:** Thank you. The next question is a follow-up question from Mr. Aashish Rampuriya, who's an individual investor. Please go ahead.

**Aashish Rampuriya:** Couple of more questions from my side. One, I think what the previous participants asked, I think you clarified that the green hydrogen is another group entity. But what about BESS and so on and so forth? Are you looking at such businesses? And will that be set up in KPI Green or will that be setup in other group Company?

**Salim Yahoo:** I didn't get the question exactly. I mean, Green hydrogen, yes, there is a separate Company we are working on it. Other companies that we have.

**Aashish Rampuriya:** Battery energy storage systems and so on so forth, right?

**Salim Yahoo:** No. At present, we have not entered or we are not having any intention for entering into battery storage. But surely, we will look at the sector battery, because you know when it comes to RTC, round the clock, it is one of the key ingredients that has to be a part of that. But nevertheless, we are doing hybrid, so which you can say a natural RTC kind of a thing, not totally RTC, but hybrid plants we are already doing. So, we have not taken any call at present, is at nascent state, we have not entered into batteries, but we have companies we will be thinking over it depending upon what the board decides finally after looking the various benefits and the cause and cons.

**Aashish Rampuriya:** But will it happen to this vehicle of KPI Green or will it be another group Company? Any thoughts on that?

**Salim Yahoo:** It will be a separate Company at present. That's what is my understanding. But depending upon how the circumstances are, if we want to go at a bigger level, then naturally it will require a support from KPI.

**Aashish Rampuriya:** The other question was, I think we mentioned a lot of things about sort of automatic solar tracker sort of improving, the mono-PERC, if I remember correctly, a typical CUF, PLF was about 20% odd in a solar setting, right? Has it improved to 22%, 23%, 24% number now?

**Salim Yahoo:** Naturally, see your tracker system always give you a better output. Similarly, your bifacial we actually are using, giving a better output. So, overall, naturally, we also have robotic cleaning. There is a water less robotic cleaning that also helps us. So, overall, we are working on various

parameters which will give an efficiency because even a percent increase in the PLF will have a very good positive impact on the revenue. We are aware of that and that's why we are working on various other things. And at the same time, we also have a NOC room, a network operation center room, which you rarely found in any of the players except for bigger players like Adani or ReNew. So, there is that every plant, every panel is 24/7, is looked after by our team which will happen 24/7. So, if there is any delay, if there is any hurdle in the generation or something, that gets corrected immediately. So, we try to see that anything that might impact the revenues, we have a close watch on that.

**Aashish Rampuriya:** What I am asking to understand. Salimji, we have seen the impact, I mean what is the percentage gain now? So, typical CUF number is....

**Salim Yahoo:** If we do tracker and all, there will be increase in percentage of between 3% to 4%.

**Aashish Rampuriya:** Are we now seeing projects at 23%-24% CUF?

**Salim Yahoo:** Yes. We are seeing that. The new projects that we are setting up, we are seeing that benefits.

**Moderator:** Thank you. The next question comes from Samrat Shah, an individual investor. Please go ahead.

**Samrat Shah:** Since the last three years, I have been an investor in this Company. I got lost in most of the conversation, you have given a of guidance of 60% to 70% of revenue growth from year-on-year is what I heard. And I would like to know, you had given 2 to 3 notifications about green hydrogen as well as ammonia. And there was one notification last year that you had some agreement with an entity which was outside India. So, geographically I know that you have been present currently in Maharashtra, but out of India what are your plans is what my question is?

**Salim Yahoo:** We have already given that but as I told you earlier also at international level it is still at a nascent state. If something comes up, we will surely put that notification, but we have done MoUs with the like what we have put on the BSE/NSE notifications. We are in talks, but with these things will take a little time to materialize also at the same time.

**Samrat Shah:** Thank you. And my other question is in H1 what was the percentage of IPP versus CPP and in H2 can we expect the IPP percentage to move up, so that the margins can even further improve because the IPP contributes bottomline is what Faruk bhai always says.

**Salim Yahoo:** In H1 I can tell you that 13% to 14% was the contribution of IPP and rest all 86% to 87% was CPP. Since we are doing bigger orders in IPP and this will be GUVNL 240 megawatt and all. So, till the full year I don't think that there will be a drastic change in the mix of the IPP and the CPP. But after that coming years there will be changes which you will see in the IPP and the CPP.

**Samrat Shah:** Because in the recent interview in NDTV Profit, he has given a guidance of IPP percentage moving to 30%. So, can we expect this in the next financial year?





**Salim Yahoo:** Once I complete is 1.2 gigawatt of IPP orders, then the IPP percentage will be in the revenue will be more than around 30%.

**Moderator:** Thank you. The next question comes from Subash from Value Investments. Please go ahead.

**Subash:** From what I have heard until now, just let me know if my understanding is correct. So, the order which you have given to KP Energy, that will be a CPP order for KP Energy. But that's an IPP project for KPI Green, which is a CAPEX cost to them. And you have already assured that KP Energy would get the same margins what they have been maintaining for the outside clients.

**Salim Yahoo:** That understanding is very much correct.

**Subash:** Next one is, so Faruk bhai Patel sir had mentioned in a TV interview saying that, KP Group, I am confused whether he mentioned it as a group or only for the KP Energy or KPI Green, because he said that in the future there is going to be a day when 1-crore PAT will be shown per day. He said something about annuity income. Could you please throw some more light on it?

**Salim Yahoo:** As I told you earlier, there was one question which was on that you had a vision of 1 gigawatt by FY25 which I told you that for the group level we have already achieved and now we are going to achieve. So, similarly you can say that 365 cr for the group level, already PAT is achieved. We are now and Faruk sir when he speaks about, he speaks about group but now he's aiming that every Company should try to reach there as fast as possible, but that vision was at the group level only.

**Subash:** And also like this conference call is very helpful for the individual investors. So, would there be a call for KP Energy also separately in the future or can we ask KP Energy questions also in the same call that you arranged for KPI Green.

**Salim Yahoo:** No, we will be having separate call for KP Energy also. Nevertheless, I mean, I would have allowed you, but in the interest of time, we will do it on the KP Energy call also because KP Energy is going on NSE also on the 14th of this month. So, that will also do a call on the KP Energy.

**Subash:** Also, you said that going live on 14th, it's getting listed on the NSE on 14th?

**Salim Yahoo:** Yes, it is getting listed on the NSE also on the 14th.

**Subash:** So, if at all Faruk sir is on the call, I mean, I have been an early investor of KP Group from many years. I just want to convey my gratitude and thanks to the unimaginable execution from your group, because of which all of our family members have benefitted. All the best for your future.

**Salim Yahoo:** Yes, I will convey your message to Dr. Faruk Patel. And thanks from Dr. Faruk Patel and from our team to you also.



**Moderator:** Thank you. The next question is from the line of Nayan Shah, an individual investor. Please go ahead.

**Nayan Shah:** Sorry if the question is a repeat question because I have joined in late. Current subcontracting order which KPI Green has given to KP Energy. So, is it a part of a bigger contract that KPI Green has received and secondly what is the value of the contract which is subcontracted to KP Energy and what are the execution timelines?

**Salim Yahoo:** As I explained a little bit earlier, I will just repeat that thing that the order that KPI is giving to KP Energy, that order is the CAPEX of KPI. So, KPI is setting up a plant for itself where it is doing a CAPEX. It is bringing equity debt and setting up the plant. So, it is not an order which KPI has got and which is transferring. It is the CAPEX of KPI that will be executed by KP Energy. So, for KPI, it is an IPP, that is its own plant and it will be executed by KP Energy, it will be a EPC contract for KP Energy. Now the total order value depends upon lot of factors. So, it's not conducive right now to tell you the exact order value, but it will be a substantial order value because they will be taking the entire EPC of the hybrid plant and the solar plant also. A solar component would be, for example, panel and everything might be purchased by KPI itself also.

**Nayan Shah:** So, any tentative value per megawatt kind of a thing?

**Salim Yahoo:** It depends upon, the right now the financial closure is in process. So, only after that we will be able to tell you the exact pricing. There are lot of factors depending upon which kind of windmill will be taken, what kind of finance will be taken, what kind of technology, whether it is with tracker, without tracker, which one is more feasible that will be decided and on that basis the costing of the plant is done.

**Nayan Shah:** And sir what would be the execution timeline of the entire order?

**Salim Yahoo:** Within 1.5 to years, we will have to execute this entire order?

**Moderator:** Thank you. The next question comes from Lehar Jain Giriraj, Infocom India Private Limited. Please go ahead.

**Lehar Jain:** See, from my understanding what I get is like now we have some financial constraints and we are forced to give orders, subcontract it to other group concerns or even other concerns. So, going down the lane, in future, we might not be in a position to bid for IPP orders. And so the Company's profitability might come down. So, how you see 3 years down the lane, how you foresee our projections for CPP and IPP?

**Salim Yahoo:** Lehar, I think it is not correct to say that we don't have any financial constraints, because it's a CAPEX. I have already brought in equity, and there will be a portion of a debt, which will be infused. We are already in talks with lot of bigger players. So, there is no financial constraint for this order. We are giving it to our group Company so that our timeline and everything get

executed and they have expertise in the hybrid, and we have hybrid orders also in this. So, that is the reason for giving the order to KP Energy. Now why we are not taking the IPP more projects or tender at present because at present our hands are full with this order. Once we complete this order, because we also have to see how much leverage we can take on the balance sheet and the P&L. We don't want the balance sheet to be too leverage. As I told earlier also, we want to keep debt equity minimal of 2:1, not beyond that. So, from that point of view, we will take a cautious call depending upon the future outlook, after 1 or 1.5 years, which are the orders which we will be bidding out.

**Lehar Jain:** But we see that the bulk orders which come say from NTPC or the likes of that companies these are all mostly on IPP basis. So, the opportunity, probably the peak opportunity might be lost?

**Salim Yahoo:** No, as I told you there is as i told you there is an immense potential in the market. At present KP Energy also has NTPC order for CPP. So, IPP will not be given by players who are there in the renewable market, it can be given by utility scale discoms like GUVNL or it can be given by the other C&I customers, IPP orders. Whereas, CPP is concerned naturally. Aditya Birla Renewables is one of our customers. We have Ayana power is one of us. So, CPP order mostly comes from players who are there into the renewable sector, and they want to offer some of their orders. So, that is what usually we have done.

**Moderator:** Thank you. The next follow-up question comes from Pavan from Fident. Please go ahead.

**Pavan:** Can you give the various milestones and what would be the revenue booking at various milestones? That is one question. And on the GUVNL project, you mentioned that you will be allowed to sell units on the PPA only post the energizing the entire project. But in the interim, are you allowed to sell any units on the merchant basis if whatever commences? Those are my questions.

**Salim Yahoo:** I will take the second question first. In GUVNL project, until and unless I energize, and when the entire plant gets commissioned, only after that the energize, if the PPA allows me, then I can do a part sale. Whereas the milestones are concerned, milestone as I told you, we are planning to complete this entire 1.2 gigawatt within next 1 to 1.5 years. So, milestone will be depending on the IPP side. CPP as I told you, by September 25, we will have to, whatever order book we have 1.1 gigawatt or something on the CPP side will surely close that by September 20th.

**Moderator:** Thank you. The next follow-up question comes from Akhilesh Kumar from Adpro Technologies. Please go ahead.

**Akhilesh Kumar:** This is just a quick one. Wanted you to know about one subsidiary we have absorbed from our promoter some time back. How is the progress there? That subsidiary has been contributing anything as of now?

**Salim Yahoo:** Yes, so that subsidiary was taken with an intention because that subsidiary has an evacuation approval more than 100 megawatt, it had a land bank also. So, that subsidiary was taken with an



intention to set up a plant. So, we have already started, we have set up a small plant of 10 megawatt and we are already setting up a few more plants over there in that subsidiary. So, the progress is already there. It has evacuation and land so it is easy for us to set up the plant faster.

**Akhilesh Kumar:** That land was owned by them or it was lease like how we...?

**Salim Yahoo:** It was in the books of Kpark Sunbeat. Since there are no more questions, we will conclude this entire call. I will just, in conclusion, thank all our stakeholders, partners and employees for their unwavering support and dedication, which has been instrumental in our success. We remain confident in our growth strategy and are well positioned to capitalize on the growing demand of our renewable energy. We will close this session with this, and it was a very good session. I thank everybody. I thank Sagar and the team for supporting us. Anything else, Sagar, you would like to add?

**Moderator:** No, sir, that would be it. On behalf of KPI Green Energy Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.