



K.P. ENERGY LIMITED

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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited

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

Scrip Code: 539686

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Sub.: Transcript of Analyst/ Investor Earnings Conference Call held on February 13, 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 13, 2025, please find enclosed the transcript of the Earnings Conference Call held on Thursday, February 13, 2025 at 11:30 AM (IST) to discuss the Unaudited Financial Results (standalone and consolidated) for the quarter and nine months ended December 31, 2024.

The said Transcript is also available on the website of the Company at www.kpenergy.in.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

For K.P. Energy Limited

Affan Faruk Patel
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ISO 14001:2015, ISO 9001:2015 and ISO 45001: 2018 Certified Company

NSE BSE Listed Company



KP ENERGY LIMITED

“KP Energy Limited Q3 FY25 Earnings Conference Call”

February 13, 2025



MANAGEMENT: **DR. ALOK DAS – GROUP CHIEF EXECUTIVE OFFICER –
KP GROUP**
**MR. SALIM YAHOO – CHIEF FINANCIAL OFFICER – KPI
GREEN ENERGY LIMITED**
**MRS. SHABANA BAJARI – CHIEF FINANCIAL OFFICER –
KP ENERGY LIMITED**
MR. SIDDHARTH THAKUR – CMD OFFICE – KP GROUP

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

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call of KP Energy Limited. 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 your touch-tone phone. Please note that this conference is being recorded.

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

Harsh Patel: Thank you and good morning, everyone. On behalf of Share India Securities, I welcome you all to Q3 FY25 earnings conference call of KP Energy Limited. We would congratulate the management on reporting a strong set of numbers at the outset of a great execution capability.

We are pleased to have with us the management team represented by Mr. Alok Das, Group CEO, Mr. Salim Yahoo, CFO, KPI Green Energy, Ms. Shabana Bajari, Chief Financial Officer, KP Energy. We will have the opening remarks.

Siddharth Thakur: Dear all, a very warm welcome to the investor con-call of KP Energy Limited. I am Siddharth Thakur, part of the CMD's office at KP Group, and I'm delighted to have you all join us today. KP Energy has been a key player in India's wind energy sector, providing end-to-end balance of plan solutions for wind power projects. Over the year, we have built a strong reputation for developing, executing, and commissioning wind power infrastructure, ensuring seamless integration of renewable energy into the grid.

With our robust execution capabilities, strategic partnerships, and an expanding pipeline, KP Energy remains committed to accelerating the growth. Our expertise in the wind energy sector spans land acquisition, infrastructure development, power evacuation, comprehensive project execution, and as well as OMS capabilities. This makes us a trusted partner for IPPs, where we have our own IPP portfolio and all kinds of clients.

On the call, as Mr. Harsh Patel had already mentioned, we have Mr. Salim Yahoo, the CFO of KPI Green Energy Limited, Ms. Shabana Bajari, CFO of KP Energy, and Dr. Alok Das, Group CEO at KP Group.

To be uninitiated and reiterating for the folks who have already joined us in the last con-call, Dr. Alok Das is a new welcome to our KP family. He has joined as Group CEO effective November 11th. A seasoned leader with over 30 years of experience in the renewable energy sector, Dr. Das has outstanding track record, and his tenure with key players like Suzlon, Reliance, and NEPC demonstrates his expertise in solar, wind, and hybrid energy solutions.

An esteemed alumnus of IIT Kanpur and who has earned his PhD in renewable energy, his career spans strategic planning, project management, and international business development. And we are 100% sure his contribution to KP Group will take us miles ahead. With this, I would like to hand over the call to Dr. Alok Das.

Dr. Alok Das:

Good morning to all of you, and I'm very glad that we are meeting today with all of our investors and stakeholders. I'll take only two to three minutes prior to going to our CFO. Basically, I can tell you that today this KP Energy is the right path and direction, because in the renewable energy, particularly wind industry, that is dominating today in India because our Prime Minister has given a roadmap up to 2030, 500 gigawatt is to be installed in this country.

And as on today, there are 205 gigawatts so far installed in renewable energy. So, every year, there are almost 69 to 70 gigawatt is to be installed in the country. And for that, there are so many things declared by the government for the Make in India initiative, the PLI, or other kinds of policy regularities for these ecosystems.

Now, KP Energy, we are the expert in BoP activities, those for the wind and solar. And mainly, we are working – so many works in the wind industries, where from land acquisition to commissioning, that except sourcing of the material, which is being sourced by the OEM, original equipment manufacturer. So, today, we are one of the choice and best partners for the industry for the BoP activities and after-sales services.

So, I think that we are there to support the industry, and we are the right platform. And not only today, but we are also here in Gujarat now, that all other states like Odisha is coming up, Rajasthan is coming up, Karnataka is coming up. So, I think the future is very green for this KP Energy. So, obviously, interpersonally, we can discuss so many things.

So, I am handing over to our CFO, to discuss about our financial numbers. Ms. Shabana, please.

Shabana Bajari:

Thank you, Dr. Das. Good morning, everyone, and welcome to KP Energy Limited Q3 and nine-month FY 2025 earnings call. I am Shabana Bajari, CFO, KP Energy, and I am joined today by our group CEO, Dr. Alok Das, and my colleague from finance team, the CFO at KPI Green, Mr. Salim Yahoo, being the members of our leadership team.

Thank you for joining us today. We look forward to sharing insights on our financial performance, key milestones, and future outlook for the upcoming quarters. KP Energy Limited is a leading wind energy EPC company in India specializing in the balance of plant solutions and turnkey execution of wind power projects.

The company plays a crucial role in India's renewable energy transition, delivering end-to-end solutions in majority for wind farm development, infrastructure, and grid connectivity. With an ambitious target of 500 gigawatt of non-fossil fuel capacity by 2030, wind energy plays a crucial role in India's clean energy transition.

According to the Renewable Energy Statistics 2024 published by the International Renewable Energy Agency, IRENA, India ranks fourth position globally in overall renewable installed capacity. Specifically, India holds fourth position in both wind power and biopower and fifth position in both solar and hydropower installations.

Coming to KP Energy, over the nine months ended December 31, 2024, we accelerated our growth by leveraging the increase in demand, thereby expanding the project portfolio. This

upward trajectory reflects our commitment to sustainable expansion, operational excellence, and delivering greater value to our stakeholders.

Let us walk through the financial highlights of the recently released Q3 and nine-month financial year 2025 results as uploaded. Talking about the revenue growth, the company has reported a total revenue on a consolidated basis for the third quarter of FY25 at INR212.6 crores, as against that at INR83.3 crores during the third quarter of the previous financial year.

While the company achieved its highest ever Q2 total revenue on total consolidated basis, we are proud to announce that this quarter as well we have set a new record with the highest ever Q3 total revenue. The year-over-year increase in comparison to the third quarter of FY24 works out to 155%.

The total revenue for nine months ended December 31, 2024, on a consolidated basis, stands at INR549.8 crores, as against that during nine months ended December 31, 23 at INR268.1 crores, representing an increase of 105%. The company has already exceeded last year's entire annual revenue within the first nine months of this year, demonstrating a remarkable achievement.

Coming to the profitability, the consolidated EBITDA for the third quarter was INR44.1 crores, representing a 141% year-over-year increase in comparison to the third quarter of the previous year, at INR18.3 crores. This quarter also marks the highest quarterly EBITDA ever.

The EBITDA for nine months FY25 stands at INR118.2 crores, reflecting a 108% increase in comparison to the nine months of the previous year, at INR56.8 crores. This demonstrates our continued effort towards operational efficiencies.

The profit before tax for the third quarter of FY25 stood at INR34 crores, compared to that at INR12.7 crores in the third quarter of the previous year, thereby reflecting an increase of 167% year-over-year basis. That during the nine months in FY25 stood at INR90 crores, compared to that at INR42.2 crores in the nine months of the previous year, reflecting an increase of 113%.

The profit after tax for the third quarter of FY25 has been reported at INR26.4 crores, surpassing its previous achievement of being the highest ever PAT in value terms on a quarterly basis, compared to INR9.3 crores in the third quarter of the previous year, reflecting the growth narrative of the company. The PAT for the nine months ended 31st December, 24 has been more than double at INR69.5 crores, compared to that at INR32.7 crores during the nine months of the previous financial year.

As a reflection of enhanced value creation for the shareholders, the basic EPS during the nine months of FY24 stood at INR10.4 as compared to that of INR4.9 in the nine months of the previous year. With the commissioning of 898 megawatt, our order book stands at about 2 gigawatts, inching us closer to the ambitious target of 10 gigawatt on the group level. This has helped us strengthen our position in the renewable energy and aligning us for continued growth in the upcoming years.

Our consolidated IPP portfolio stands at 45.7 megawatt, with 2.8 megawatt under commissioning expected to be energised in the coming week, and the same shall be further at

48.5 megawatt. The O&M portfolio is an important segment of our business, ensuring long-term performance and reliability of the renewable energy assets we build. Currently, our O&M portfolio covers over 520 plus megawatt and provides comprehensive support that includes scheduled maintenance, performance optimisation and predictive diagnostics towards the BoP portion of the plant. This was about the performance of KP Energy in this quarter and nine months in brief.

I would now open the forum for the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Am I audible? Thank you very much for the opportunity. Congratulations on a great set of numbers. I have two questions. One is just like KPI, the parent company, you have a very stated objective and goal there that you will have around 20% to 22% revenues coming from IPP over a period of time. So, what's the percentage that you have thought about in this company? How much will be coming from IPP portfolio? And what will be the mix of that IPP portfolio? How much will be hybrid? How much will be purely wind?

Shabana Bajari: Okay, Agastya, thank you for your question. First of all, I would like to make a small correction. KPI is not the parent company of KP Energy.

Agastya Dave: Sorry, let me say, it's the flagship company of the group.

Shabana Bajari: Yes, thank you. So, the current ratio on the nine-month basis is where the EPC segment contributes about 96%, the IPP segment contributes about 3%, and the O&M segment contributes about 1%. So, the modus operandi between KPI and KPE is slightly different. We predominantly are into the wind EPC segment, and we are taking up larger contracts for the clients for the wind development. I guess I've answered your question, or you have more to ask?

Agastya Dave: Absolutely. no -- I mean, your focus is not that much on the IPP segment in this company.

Shabana Bajari: So, we have a focus on IPP also because we also need to handle our taxation and plough back our profits to earn a consistent revenue. But then we also need to take care of our capital and debt ratio as well.

Agastya Dave: Understood. Ma'am, my second question was the 2-gigawatt order book that you have, you have a stated timeline of execution over there. So how is the progress there? We have seen an uptick in revenues. So, are there any changes in the execution timeline? That is the first part of that question.

Second is, how do you see the margins evolving? And then it's a very chunky order. It's a very large order. So how will the pipeline look like? I mean, I'm pretty sure you have your hands full for the next 1.5-2 years. But then how will we see the pipeline of fresh orders evolving over that period of time?

Shabana Bajari:

So, addressing your first question, regarding the timelines of the orders. So typically, when an order is bagged, the timeline differs between 12 to 18 to 20 months, depending upon the scope of the work and the region and the soil capacity where we are working. So yes, these orders would -- there will be certain portion which would be executed by 31st of March, certain by June, certain by September. And of course, certain will spill over up to the next March as well. So, the entire order book of 2 gigawatt will be energized in different parts over the period of 1.5 year, in the coming 1.5 year.

The margins more or less on the EBITDA basis would be the same. And we do not expect any variance into it because when it comes to our CPP contracts, for the PSUs and the other entities, the turbines are within their scope, and which have been well tied up by them. And we also have our cranes and other logistics tied up in advance. So, we do not see any cost escalation on it.

And we find that the margins would be near about the same. Yes, coming to the future predictability of the revenue, I think we have always shown a growth on quarter-on-quarter and year-on-year basis, and we will continue to depict the same.

Agastya Dave:

The pipeline is looking healthy, ma'am, of fresh orders, fresh inquiries?

Shabana Bajari:

Yes, we have a 3 gigawatt of orders which we have bid, and we are under negotiations with our prospective clients. And we look forward to bagging further orders also from them.

Agastya Dave:

Excellent. Thank you very much, ma'am. All the best for the next quarter. Thank you very much.

Moderator:

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

Pranjal Soni:

So, my question is also on the order book one. So, what is the status of the 2-gigawatt order book, including the KPI Green order? So how much has been recognized out of INR3,350 crores?

Shabana Bajari:

So, the INR3,350 crores of total order book, we have already recognized around INR200 crores, which is reflected in the quarter result on the top line, if you can see. And the INR3,100 crores still remain, INR3,150 crores still remain to be executed in terms of value.

Pranjal Soni:

Okay. And my next question would be, also the margin guidance in IPP segment. So, in the previous call, it was around 75% and barely it is reaching 50%. So, is there any challenges companies facing?

Shabana Bajari:

No. On the EBITDA level, it is maintained at between 65% to 75%. And IPP, to be honest with you, there are not many costs on it, excepting the O&M activity and a smaller portion of admin costs. So, there we do not see any escalation in the cost as well.

Pranjal Soni:

Okay. And my next question would be on the operation and maintenance conversion rate. So, suppose if a company gets order of 10-megawatt EPC, each from 10 customers, then what is the probability of getting operation and maintenance from the same 10 customers? Like what is the ratio of getting this operation and maintenance contract?

Shabana Bajari: So typically, we always insist that we should be given the O&M contract as well. So, in about 80% to 90% cases, we do get the O&M as well.

Pranjal Soni: Okay. And on the basis of the seasonality factor, so what percentage of completion in EPC contract the company recognizes in half 1 and half 2? Suppose if I would take the order book of 1 gigawatt as on March 2024, which would be generating potential revenue of around INR1,500 crores to INR1,600 crores. So, what percentage of this revenue would be recognized in half 1 of FY25 and in the next half, in the most possible best- and worst-case scenario?

Shabana Bajari: First of all, I would like to give a small explanation that it would not be proper to take a 1 gigawatt of opening order book and multiply it at an average rate of INR1.5 crore and come to INR1,500 crore. Because as was already explained earlier in the previous call also, I would just like to give you a small understanding that while the energization of the megawatt is considered only after the entire phase gets energized, whereas the revenue booking is on milestone basis.

So, where you had an opening order book of about INR3,350 crores and we have already taken into consideration of about INR200 crores of revenue this quarter. So, balance is INR3,150 crores, whereas the megawatt remains more or less the same. The same will be energized only after the phase is completed.

Also, coming to the booking of the revenue, there are different milestones which involve both supply and service component and the same are booked as and when the targets are completed.

Pranjal Soni: Okay, okay, got it. Thank you.

Moderator: The next question is from the line of Kushal from InVed Research. Please go ahead.

Kushal: Hi, thanks for taking my question. Just wanted to know hybrid projects. Do we do hybrid projects in this company or the flagship company?

Shabana Bajari: We do it in both the entities.

Kushal: Okay, so out of the current order book, how many projects would be hybrid and how many would be wind only?

Shabana Bajari: So, when it comes to hybrid, I would like to give a small explanation in that. So, when we talk about, let's say we have an order from Aditya Birla. So, while the wind component would come to me, the solar component can go to my peer company KPI Green. So here the product, I mean the order per se is a hybrid order, but the wind component is being handled by me. So as of now, I think all the majority orders are hybrid orders. There are some portions of separate wind as well, but that's not very much.

Kushal: Okay. And are we also doing BESS from this company? Because incrementally...

Shabana Bajari: We are looking into it as of now, but it is currently in a nascent stage. So, nothing to declare as of now.

Kushal: Understood. Just last question on the offshore wind part. What is the status of offshore wind now, looking at what the government wants? Is there any movement on the ground?

Dr. Alok Das: Just I want to pitch in. I'm Dr. Alok. It's basically, say for us, offshore initiatives are there in the country. So, it is to be regulated from SECI, Delhi, and they have floated two states, identified two states. One is Tamil Nadu, one is Gujarat.

So, a previous discussion happened, and the respective policies are also there. Predominantly, Gujarat is planning a little bit ahead because they have started for various transmission companies for the power application and all. So, they have not floated the bid yet. So, they are in the discussion on how that viability gap funding should be there. So, it will lead time.

As far as the offshore initiatives is concerned, there is a potential of 37 gigawatt in this country first phase. So obviously, this will take at least for the horizon of three to five years to come to the material. So, it is under the pre-feasibility study, wind study, some sort of infrastructure developments are going on.

So it is that stage. Therefore, as far as we are concerned, when it is coming stabilized and all, and that time of time as a BoP developer, we should see that what way we should go for that kind of that offshore initiatives. As of today, it is not very clear that what should be coming out.

Kushal: Got it. Thank you, sir.

Moderator: The next question is from the line of Shikha Mehta from Time & Tide Advisors. Please go ahead.

Shikha Mehta: Good afternoon. Congratulations on a great set of numbers. I just wanted to understand a few things. I think during the last quarter, we were facing a few issues with the transmission infrastructure. Are those still there or is it easing out a bit?

Shabana Bajari: So, Shikha, two clarifications. As a company, we never had any transmission infrastructure related issue. The grid availability and the grid connectivity is a nationwide task. And that is the reason, if you might have noticed, that there are certain budget allocations also this year by the finance minister towards the strengthening of the grid.

And again, coming back, so as a company, we have our goals are very clear. Wherever order books we have in hand, our connectivity's are already in hand and finalized. So, we don't have any transmission related issue in the company.

Shikha Mehta: Okay, so even this issue that we're discussing, the nationwide issue of grid availability, we are currently not facing it as much.

Shabana Bajari: Yes. Right.

Shikha Mehta: And another thing to understand is on the O&M side, currently we have around 520 megawatts. I think for a certain amount of time, we do it without charging the client. So how much is expected to be converted this year in FY26 maybe?

- Shabana Bajari:** So, while we have an estimated invoicing of about INR4.5 crores in the current financial year, in the upcoming year, we can expect somewhere around INR6.5 crores to INR7 crores per annum. Okay. I mean, on an annual basis.
- Shikha Mehta:** Yes. Understood. And a more generic question was trying to understand if there are any of our competitors that do BoP at the scale we do nationwide?
- Shabana Bajari:** To be honest with you, for me, I think this has been my favourite question because I don't see anybody within our comparable limits where we have been handling everything from the WRA analysis till the entire commissioning and also on the transmission aspect, on the PSS aspect. I, to be honest, do not see anybody who handles all these activities and gives us as a package together with, again, the O&M activity.
- Shikha Mehta:** Correct. All right. Congratulations again. I'll come back in the queue.
- Moderator:** The next question is from the line of Manan Shah from Moneybee. Please go ahead.
- Manan Shah:** Thanks for the opportunity. My question was, there was a credit rating report which highlighted that the IPP that we just commissioned, there was some timeline which would not attract any penalty if it was commissioned within the timeline. So, just wanted an update whether we have fulfilled the condition and whether it will attract any penalty or not.
- Shabana Bajari:** Yes, Manan. So, yes, there was a project which was for 30-megawatt IPP project. And considering the number of turbines and the capacity thereof, we have gone for commissioning of 28.6-megawatt which is, again, within the permissible limits of the PPA. And it comprises of 12 turbines.
- The 11 turbines have been energized and charged and in generation before the timeline. And here, the 12th turbine is already on the pre-commissioning phase, and we expect the same to be commissioning within this week, I mean, the coming week itself. So, we do not envisage any charges or major component on the same from that side.
- Manan Shah:** Understood. And on an annualized basis, what sort of revenue will this generate given the, I think the rate is 2.43 per unit?
- Shabana Bajari:** So, on an approximate basis, we expect about INR22 crores-INR23 crores of increase in the top line on IPP segment on an annual basis.
- Manan Shah:** Okay. And we will, again, enjoy the similar margins since this is at a lower rate or there will be some lower margins on this particular IPP project?
- Shabana Bajari:** To be honest with you, because it is a GUVNL tender, I mean, the tie-ups are with GUVNL, there are certain advantages which we enjoy, which we do not enjoy with the other private customers. So, more or less, the margins would remain the same.
- Manan Shah:** Okay. Understood. My next question was on the EPC side. You highlighted that there is a healthy bid pipeline. So, I wanted to understand that what sort of competition is there when we are

bidding and what is the time cycle that is involved for a particular bid to convert into an order? And also, whether we have the team and capacity to take in more orders, given we are already sitting on a very healthy order book. So, whether we have the team and capability to execute the order that we are still bidding right now?

Shabana Bajari: Okay. Coming to your first question of what the competition is we face while we bid for an order. In this case, I would like to elaborate here that the demand is amazingly higher than the people who are capable and ready to pick up the job. So, I do not see anywhere a threat where I would be competing with anybody when it comes to the bidding.

Manan Shah: I understand you are not competing, but any tender, there will be at least 2-3 bidders, right? So, I want to understand that in general, how many bidders are there for a particular tender?

Shabana Bajari: So, yes, we do have a couple of bidders who do compete with us when it comes to bidding, but then the order size is so large when you talk about tenders, like we talk about NTPC, which we are currently doing it and INGEL, you know, which is again a joint venture between Indian Oil and NTPC. The order size is so high that they split the order between multiple bidders based on the final negotiated price.

Manan Shah: So, it is not an L1 concept over here?

Shabana Bajari: No, it is an L1 in the sense that the L2 is then called upon to match the L1.

Manan Shah: Okay. And generally, what is the split between L1 and L2?

Shabana Bajari: Well, that is something which I think it depends upon a lot of factors and a lot of scope and a lot of, I mean, like if I have already wind spots available at one particular location, I may be ready to go at a price. A lot of factors affect that. So, I think that would not be a proper standard format for that difference.

Manan Shah: Understood. And in general, I mean, based on your experience of past bidding, what is the difference in the pricing between L1 and L2 that you have seen based on your past experience?

Shabana Bajari: I think, I cannot be able to, I mean, I am not in the position right now to tell you that because as I said, we cannot have a standard difference between L1 and L2. It can differ in one tender, it can be X in another tender, it can be Y. So, there is no standard as such. It all depends upon how things are around on the particular location where the project is being offered.

Manan Shah: No, I understand. But just based on your past experience, the past projects that you have bid, what is it that you have witnessed that there is a difference between, say, where we have been L1, the L2 was, say, 10% higher, 20% higher?

Shabana Bajari: No, I do not even think it is 10%. It is not even 10%.

Manan Shah: Okay. Understood. And on the timeline, how much time does it take for a project that is, which we have bid to convert into an order?

- Shabana Bajari:** So, public sectors do take time. It can be beyond, you know, six to nine months. And in case of private entities, we do not have a tendering process. We are actually called upon, discussed, the negotiations that happen on terms of technical and commercial terms, and the orders are closed.
- Manan Shah:** Understood. So, the bid pipeline, what is the split between private and public?
- Shabana Bajari:** In majority, they are private players.
- Manan Shah:** Okay. So, 3 gigawatt of bid pipeline is majority of the private side.
- Shabana Bajari:** Yes.
- Manan Shah:** Understood. Thank you. I will get back in the queue.
- Moderator:** The next question is from the line of Akhilesh Kumar, an individual investor. Please go ahead.
- Akhilesh Kumar:** Hi, ma'am. I want to clarify again on the earlier question what was asked on the GUVNL 30-megawatt project. There we are very sure that GUVNL is not going to encash and ask for additional bank guarantee because we didn't complete it on January '24 as the deadline?
- Shabana Bajari:** I would give a small clarification here. So, while the activity, so out of the 12 turbines, 11 have already been done. The 12th is already in the pre-commissioning phase. And the GUVNL will not encash any bank guarantee. The charges for the smaller portion are hardly 0.04% of the cost of the project. And while the other 11 turbines are already into generation, number one, we have already started generating revenue on that, there is no possibility of any kind of extra penalty or charge being levied by GUVNL.
- Akhilesh Kumar:** So, we are good as well for the PPA what agreement we have?
- Shabana Bajari:** Yes. We have already started registering the units on the, what do you call, substation. Generation has already started for the other turbines.
- Akhilesh Kumar:** Okay. And the earlier projection was that we will be booking those revenues from the next financial year. But as of the things now, 28 megawatts are already energized. So, it should contribute from this month itself, right?
- Shabana Bajari:** Yes. Yes. This month itself, the contributions will start.
- Akhilesh Kumar:** Okay. Great. One last thing. I am not very good at how the transmission evacuation capacity and all it works. But do you need to buy or procure the transformers as well for your building of the capacity for evacuation? And are you facing any issue there? Because we have heard that transformers, like say nowadays, it's very difficult to procure on time.
- Shabana Bajari:** So, whether we procure transformers or not depends upon the scope of the client, which on the order that has been awarded to us. So, yes, where the PSS is in our scope, definitely the transformers are also in our scope, and we do procure and we pre-book it. Because what happens is when you look at the gestation period of a particular project, it ranges from 12 to 18 months.

And that is a sufficient time when we proactively act. And the moment we get an order and make the bookings in place; I don't see any challenge coming there.

Akhilesh Kumar: Okay. Great. Thank you. And one thing, do we need in near future any fundraising plan?

Shabana Bajari: Well, not immediately, but when we go for further IPP in the next year, yes, we may look for it.

Akhilesh Kumar: Okay. Thank you. That's all from my side. Thank you.

Moderator: Yes. The next question is from the line of Sumit Chopra, an individual investor. Please go ahead.

Sumit Chopra: Ma'am, can you share with me the project status of the Aditya Birla project that we have taken multiple projects? I think we are doing those projects in phases 1, 23 megawatts, which was expected to complete in November. So, is that project energized? Another project where we were working on the phase 1 of 21 megawatt out of 86 megawatts, which is again expected to be commissioned by March '25. And the one more project of that 182 megawatt, which is expected to be commissioned by June '25. Are we on track for all three projects?

Shabana Bajari: Yes. So, Sumit, we have been on track based on whatever revised timelines have been given to us by the clients, number one. And there are a majority of the projects like you're talking about specific projects. Unfortunately, we have agreement with our clients, and we are not in a position to share much details about it. But yes, they are completed for the 23.1 that you're talking. It's almost on the verge of completion and the others are all -- also well within the time frame.

Sumit Chopra: **Ma'am**, I think because of that Q3 is a little bit slow because this 23-megawatt project we are expected to be commissioned in November itself. And so how are we looking at Q4? Is that would be better than Q3 or how we are looking in the execution side in Q4?

Shabana Bajari: Yes, I think we have shown a quarter-on-quarter growth on a consistent basis, and we look forward to the same in Q4 as well.

Sumit Chopra: Okay. So, is there any delay in timeline of June '25 for Aditya Birla that we were expecting earlier?

Shabana Bajari: No, we do not envisage any delay in timelines. I mean, there are revised timelines given to us and we do not envisage any further delay in that.

Sumit Chopra: And the second question, the project that we have got from KPI Green. So, how would that project be delivered? Are we going to deliver in phases or how would be the timeline for that? And are we confident to energize the complete 1-gigawatt project by March 26?

Shabana Bajari: So, yes, this will be delivered in phases and there are different phases. We're having different completion dates and the timelines available with us are somewhere around September '26. But because we have a win-win situation in completing the same early, one in KP Energy, we'll have a quicker revenue booking when we finish it and for KPI, it is an IPP project, so, for them, it will be reduced cost with reduction in IDC and earlier commissioning advantages. So, yes, we are very optimistic about it commissioning it before the timeline available with us.

Sumit Chopra: And just one last question that earlier participant was also asking about that 3-gigawatt order that are in pipeline, and you have just mentioned that most of these are from the private companies. So, can we expect these orders in the next three to four months?

Shabana Bajari: So, as I told that the discussion period on the technical side is what takes a little longer. So, in three to six months, we can expect the order inflow from these pipelines.

Sumit Chopra: Okay, thanks. And any colour, madam, you would like to throw on green hydrogen side we are doing anything? I think we have constituted one company for this purpose only. So, would you like to throw any light on this green on hydrogen or offshore side?

Shabana Bajari: Yes. So, I think on offshore, our CEO, Dr. Das already mentioned a brief about there when earlier this question was asked. About the green hydrogen, I would like to say, yes, we have an entity and the typical major component in a green hydrogen would be green power, green energy. And that both the companies KP Energy as well as KPI Green are delving into it and that has been the core business. And so, we look forward to creating a synergy amongst all the companies.

Sumit Chopra: Okay. Thanks a lot, and best of luck.

Moderator: The next question is from the line of Sunil Kumar, an individual investor. Please go ahead.

Sunil Kumar: Hey, thank you for taking my question. I have one [inaudible 0:39:15] order book of INR3,150 crores, right? Because last quarter, we said 2 gigawatts, INR3,350 crores will be done in 18 months. Now, the three months have already passed where we have left with INR3,150 crores. Are we confident in the next 15 months we'll be able to execute the entire order book? Number one.

Shabana Bajari: Yes, we are. Yes.

Sunil Kumar: Okay. Thank you. The second question is in terms of the conversion ratio of the order pipeline, right? Because last quarter in September 2024, we said the big pipeline was 1.57 gigawatts. So, what is our conversion? Now, in this quarter, we are basically saying it is 3 gigawatts. So, what is the conversion ratio?

Shabana Bajari: So, I would also like to elaborate that when we discussed about 1.57 in the last quarter, at that very moment, we had given a picture that we would expect the orders to close beyond three to six months. So, as we know that the entire closure process of discussion and technical analysis takes a bit longer and these are all large orders, and it is also a capex for our client.

So, besides this being an EPC contract for us, it becomes a capex for the client where they have to tie up with their lending arrangements and fund flows and their internal approvals. That is the reason why it's a bit longer process than the normal which we have it in any other kind of a smaller renewable business.

So, yes, we do look forward to it. And as I said this time also that we expect it to close within three to six months, some portion, plus we already have a large order on hand. So, our execution targets are also structured accordingly.

Sunil Kumar:

No, ma'am. I got that. I was looking at the percentage conversion. For example, if you bid for 1 gigawatt, do you get 200 megawatts, 500 megawatts? What is the percentage conversion of the bid pipeline, not the duration but the percentage?

Shabana Bajari:

I got your question, but I would like to elaborate slightly. So, if it is only PSU, there is a typical bidding process that happens. When it is a private customer, we sit across the table, we are being called, we discuss with them, and then the order is closed. So, I would rather say that wherever we normally go and sit, it would be more than 80% to 90% that the order would really bag. I mean, we are in a position to bag the order.

It is only where the bidding process takes place, you have the bid success ratio, which comes into question. Again, in the bidding process, wherever we bid, as I said, the demand is much more, the supply is lesser. So, yes, we do have a chance to stand on some quantity of the amount already bid. I mean, the quantity already bid.

Sunil Kumar:

Thank you, ma'am. And the last question on the IPP portfolio, we have about 45.7 megawatts, which has been energized, right? And the last 30 megawatts, which is specific for GUVNL, which I understand is about INR2.43 per unit, correct? So, what is our average realization? Because I'm assuming the previous 20 megawatt is about 6 to 6.5, correct?

So, would it be fair to say for the megawatts which have been energized so far, the average realization would be somewhere around INR4 to INR4.5 per unit, considering I take about 37% PLF, which generates about 33 lakh units per megawatt. So, for 50 megawatts, roughly about 1 point – yes, so 1.5 crore units. So, would it be fair to say that the cost average realization per unit is about INR4 to INR4.5 per unit?

Shabana Bajari:

So, first of all, yes, you are right with reference to the gross rate being 7.5 to 8 per unit. So, what you spoke about 6 to 6.5 was the net rate you were speaking about on the current portfolio. There will be a slighter reduction on the average, but as I said that there are other components like transmission loss will not be to my account.

The transmission charges will not be to my account. The measurement of the units would be more on the PSS basis rather on the GSS basis. And this in totality, if you accumulate and see, then the difference would not be really much. To a certain extent, it will definitely go down, but then the volume in terms of the generation would increase and compensate for the total effect.

Sunil Kumar:

So, it would be like INR3 to INR3.5 on average for the – would that be a fair assumption to take it considering 2.43 for the...?

Shabana Bajari:

It will be above INR3.5. It will not go as low as INR3.5.

Sunil Kumar:

Thank you. And last thing for Mr. Alok Das, sir, thank you for being on the call. I just think while you are having a call for KPI Green and KP Energy, I also would appreciate if you can

provide a periodic update on the KP Green Engineering as well. I understand we do not have a mandate for an SME company, but I think it would definitely help the shareholders because I hold as a group, I hold the shares of all the group companies and so does the majority of the people. So, it would definitely help if you can at least provide an update in terms of how the group company is also performing.

Dr. Alok Das:

Yes, basically, I just explained already because whatever we have declared in the domain of the public, we will be maintaining that status quo while going forward. So, all of our best endeavours should be because the future is very bright because there is a lot of factors which is coming our forward path. The demand is very good.

So, as a group CEO, I will just maintain that speed and momentum. The way it is KPI Green or KPE or the practical purpose, whatever the future development is coming. So, I am very much optimistic because this is the space we will be maintaining and what we are time to time we are appraising to the market.

Sunil Kumar:

Yes, sir. On the KP Engineering also, if you can have this periodic con-call, I think if not now, maybe in the next quarter onwards, I think that would definitely help. On the KP Engineering.

Salim Yahoo:

Yes, sir. KP Green Engineering is on the SME board and as per the regulations, we have to give the financials in a six-month period. So, naturally, I mean as Dr. Alok had said that we will grow. The KP Engineering also will grow with the same momentum the other companies are growing.

But at present, in the public domain, we are not allowed to give you the financials. But believe me, trust us that KP Engineering is an extended arm of our group, and which is an important arm which will go along with the other companies because it is an arm which provides us the entire infrastructure for the renewable energy. So, naturally, we find my portfolio in KP Energy, KPI is going to automatically my infrastructure arm will also grow substantially.

Sunil Kumar:

Thank you so much, sir. Thank you.

Moderator:

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

Rushil Silarka:

Yes, ma'am. Congratulations for the great numbers. Ma'am, my question is that under IPP, how we disclose in KPI Green, how many units we have generated in terms of KWH. So, can we like share the data in PPT for the KP Energy IPP segment also?

Shabana Bajari:

Surely, we take the suggestion going forward and we will do that in the upcoming PPT.

Rushil Silarka:

And ma'am, do we have a data as of now like in nine months, how many units we have generated since our 34 megawatt is operational under IPP?

Shabana Bajari:

Yes, I would be having. You'll have to give me a moment, please, if you can be online. Just a second please. So, the total number of units over the period of nine months have been around 2.35 crores.

Rushil Silarka:

In terms of KWH?

- Shabana Bajari:** Yes, in terms of KWH.
- Rushil Silarka:** And ma'am, like this under O&M, like how much revenue we build and what is our cost in O&M? So, how much profit we make in terms of per megawatt?
- Shabana Bajari:** So, what happens is that while we give certain free period, but then overall, my EBITDA comes at around 65%. 65% to 70% is what the EBITDA I can expect from the O&M segment.
- Rushil Silarka:** And the billing we do is something around, can we expect INR5 lakhs per megawatt?
- Shabana Bajari:** No, because we do only the balance of plant portion. So, when it comes to the wind segment, there are two components in the O&M. One is the O&M of the turbine, per se, and then there is an O&M of the rest of the plant. So, the O&M of the turbine is being done by the original equipment manufacturer, and the balance of plant is being done by us. In that case, it would be around INR2.2 lakhs to INR2.5 lakhs per megawatt, per annum.
- Rushil Silarka:** Okay, 65% will be our EBITDA margin from that?
- Shabana Bajari:** 65% would be our EBITDA margin.
- Rushil Silarka:** And ma'am, just you explained that, like in one project, under IPP, we have got a rate of 2.3 per unit, but since we have other benefits, like we don't have to pay transmission charges, transmission losses also in our end. Can you explain something that measurement, something that will be done in this and that? So, can you explain that? What do you mean by that measurement, like how it works?
- Shabana Bajari:** In a layman's language, if I put, so what happens is where there is a turbine being set up, and every turbine is a powerhouse, it's a power generator, and it has a small unit substation being connected with that turbine. This unit substation, accumulated together, gets connected to a pooling substation, which is again a part of accumulating the entire energy generated and elevating it to the voltage required. And later on, then it is being transmitted to the government substation, which eventually gets connected to the government grid and overall gets transmitted to the respective places where it is supposed to get transmitted.
- Now, in a typical private PPA, what happens is that the measurement of the units happens at the GSS level, that is the government substation level. So, all the transmission charges and the losses right from the generation till the power reaches the GSS are being borne by the generator. In certain government cases, the privilege is being offered where the measurement starts on the individual -- either on the individual turbine basis or on the PSS basis. So, this saves us on the losses and the charges being levied.
- Rushil Silarka:** And PSS basis means like a private?
- Shabana Bajari:** Pooling substation.
- Rushil Silarka:** Okay, so that doesn't come under us, right?

- Shabana Bajari:** No, it comes under us. But here, the time and the energy and the effort and the cost taken for the power to travel from the PSS to the GSS is not to be borne by us in certain government contracts.
- Rushil Silarka:** Okay, ma'am. That's very helpful, ma'am. Thank you.
- Moderator:** The next question is from the line of Vineet from Torowealth Management. Please go ahead.
- Vineet:** My questions have already been answered. Thank you.
- Moderator:** Thank you. The next question is from the line of Manan Shah from Moneybee. Please go ahead.
- Manan Shah:** Thanks for the follow-up. Ma'am, you mentioned that from this commissioning of this IPP, we will be generating incremental revenue of INR25 crores, right?
- Shabana Bajari:** Right.
- Manan Shah:** So, and the total capex that we did on this project is around INR230 crores and the loan that we've taken is around INR120 crores.
- Shabana Bajari:** Yes. The cost would be around INR240 crores.
- Manan Shah:** So, what is the cost of debt for this project?
- Shabana Bajari:** The cost of debt is about 9.5%.
- Manan Shah:** So, ma'am, I wanted to understand that then at PBT level, assuming that we depreciate this project over a 25-year period, meaning it will be at least INR9 crores to INR10 crores of depreciation and roughly 75% EBITDA margin will give me INR18 crores to INR19 crores of EBITDA. So, PBT level contribution will not be much and the overall ROI that we make on this project is barely 8%-9%.
- Shabana Bajari:** Yes, but here I need to bring into one more portion here will be that this particular contract with GUVNL is over a period of 25 years. So, over the period of 25 years, I do not envisage the rate of the power sale to remain what we are selling right now. If you see that overall, it...
- Manan Shah:** But the PPA must be signed for 25 years only, right, or lower duration?
- Shabana Bajari:** So, it is at a fixed rate for 25 years.
- Manan Shah:** Right. So, then how will the power price change? I mean, it will remain at 2.43 only, right?
- Shabana Bajari:** 2.43 would be the power price, which has been there. It will remain valid for 25 years. My question, I mean, my submission here is that while the average rate, which you are seeing currently at a net rate at 6 to 6.5, this will not continue at 6 to 6.5 over the period of time. As the competition rises, the number of renewable segments available would be larger. This will come down eventually, whereas on an overall basis, having a consistent 2.43 rate is definitely going to be of a larger benefit over an extended period of time.

- Manan Shah:** Okay. Understood. And ma'am, I missed, you mentioned that the timeline for completing the sister company order is September '26, if I heard it correct.
- Shabana Bajari:** Yes, it is September '26.
- Manan Shah:** Okay. Thank you.
- Moderator:** The next question is on the line of Pranjal Soni from RRR Investments. Please go ahead.
- Pranjal Soni:** I was just trying to understand the EBITDA margins on O&M part. So, if you see the quarter wise segment results, so in quarter one, it is around 1%. In quarter two, it is around 42%. And this quarter, it is around 27%. So, could you help me in understanding on this O&M part?
- Shabana Bajari:** So, basically in quarter two, there are certain milestones which have been subsequently invoiced based upon the completion of certain activity. And that is why the disparity on quarter on quarter is being visible. The same is being taken care on an annual basis, and the margins, as mentioned, will be available.
- Pranjal Soni:** Okay. And my next question would be on that green hydrogen part. So, that 1 megawatt, the green hydrogen plant has been under progress, which is done by Advait. Am I correct?
- Shabana Bajari:** I am sorry, but I think this won't be the proper forum to discuss green hydrogen.
- Pranjal Soni:** Okay. Thank you.
- Moderator:** The next question is from the line of Akhilesh Kumar, an individual investor. Please go ahead.
- Akhilesh Kumar:** Ma'am, I want to know about our NTPC CPP project, which was a very large order for us, around 460 or 500 megawatts. It has been already 16 months. At what stage we are there? And are we going to say billing is happening in phases or it is not started?
- Shabana Bajari:** About the NTPC project, yes, we are already invoicing. And we would like to hear mentioned that the NTPC project of 460, what you are talking about, has been split into two categories. So, 464 megawatts have been split into one direct order from NTPC Renewable of about 155.6 megawatts, and another order from the joint venture between Indian Oil and NTPC, known as INGEL, of about 308 megawatts. So, both the orders are currently under execution. The land component is closed for acquisition, and the speed of operations is as what we had planned earlier.
- Coming to the execution, I mean, the last stage of commissioning, I would like to mention here that there are certain, what do you call, timelines, which have been extended by NTPC because their turbines were not frozen, and they were not in a position to provide us timely data. So, they took a little longer in giving us the design and the approval of the turbine capacity. And that is why this project has been enhanced in terms of timeframe from their side.
- Akhilesh Kumar:** So, can you share like now, what is the new target date for us now?

- Shabana Bajari:** So, while we await an amendment in terms of official amendment from them, but based on the communication available with us, it is expected to be around six months.
- Akhilesh Kumar:** Okay. So, but still we are, whatever work we have finished, we are doing the invoicing for them, right?
- Shabana Bajari:** Yes. We have, yes
- Akhilesh Kumar:** And there we have O&M part very small, only for a few years?
- Shabana Bajari:** We have the O&M for three years over there, which is a part of the existing contract. And there is a separate invoicing for that, which will be done as and when the project is commissioned.
- Akhilesh Kumar:** Okay. Thank you.
- Moderator:** The next question is from the line of Rushil from PINC Wealth. Please go ahead.
- Rushil Silarka:** Hello. Sorry. My question is that, let us say, under IPP, let us say we have a PPA, like, we have done it for any of the client, you know, at INR6.5 per unit. But let us say after five years, let us say competition increases. So, do we see the threat of -- like any tweak in the PPA in terms of rates or like that risk can be there?
- Shabana Bajari:** I would firstly like to throw some light on the private PPAs that we undertake. They are linked with the DISCOM pricing. So, in such a scenario, every change in the DISCOM price will automatically get reflected in the PPA pricing. And over the period of last, I think, 15 to 20 years, I have never seen an electricity rate of the DISCOM fall. So, I do not see any challenge there.
- Rushil Silarka:** And I mean, and if we do with government and PSU then?
- Shabana Bajari:** So, I think the government PPA rates are being, currently being handled on the reverse bidding option, which is being -- in which everybody participates. And we calculate, we make internal calculations, and we come to a conclusion as to what rate we can bid for and what is acceptable to us in terms of margins. And then only we go for the bidding.
- Rushil Silarka:** Okay. But if tomorrow, let us say, their competition increases and let us say the price comes further down. So, whatever like PPA we have signed earlier with them. So, can they say that you come to that rate?
- Shabana Bajari:** No. Those PPAs are signed for 25 years. The government PPAs are signed for 25 years, and the prices are fixed for 25 years.
- Rushil Silarka:** Okay. And private, with private clients also PPA is done for 25 years or like 10 years or something like that?
- Shabana Bajari:** So, they have a longer duration PPAs, but then we do give them an exit option with a certain notice period of about, you know, 6 to 12 months.

Rushil Silarka: Okay, ma'am. Got it. Thank you, ma'am.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to the management for closing comments.

Siddharth Thakur: Huge shout out and thanks to all the investors and all the dignitaries present on this call. We, as part of KP Energy, have been delivering strong results for the past few quarters and we expect the same to be delivered going for the next quarter. If you have any questions, please reach out to us. We'll be sending out emails containing the con-call and other key information relevant to the stakeholders and the investors. Please stay in touch and I hope you have an amazing day. Thank you and signing off from the KP Energy Management Team.

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