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KPI GREEN ENERGY LIMITED

CIN: L40102GJ2008PLC083302

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KPI/MAT/AUG/2026/809

Date: August 18, 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 542323

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Symbol: KPIGREEN

Sub.: Transcript of Investors/Analyst Earnings Conference Call held on August 12, 2026

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 August 07, 2026 and August 12 2026, please find enclosed the transcript of the Earning Conference Call held on Wednesday, August 12, 2026 at 11:00 A.M. (IST) to discuss the unaudited standalone & consolidated financial results for the quarter ended June 30, 2026.

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

We request you to take the same on your record.

Thanking you,

Yours faithfully,
For KPI Green Energy Limited

KRUNAL BHATT
Digitally signed by KRUNAL BHATT
Date: 2026.08.18 19:39:06 +05'30'

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"KPI Green Energy Limited Q1 FY27 Earnings Conference Call"

August 12, 2026

MANAGEMENT:	**MR. SOHIL DABHOYA – WHOLE-TIME DIRECTOR – KPI GREEN ENERGY LIMITED** **DR. ALOK DAS – GROUP CHIEF EXECUTIVE OFFICER – KPI GREEN ENERGY LIMITED** **MR. SALIM YAHOO – CHIEF FINANCIAL OFFICER – KPI GREEN ENERGY LIMITED** **MR. VINOD JAIN – PRESIDENT, INVESTOR RELATIONS – KPI GREEN ENERGY LIMITED**
MODERATOR:	**MR. CYRIL PAUL – ERNST & YOUNG**

Moderator: Ladies and gentlemen, good day, and welcome to the KPI Green Energy Limited Q1 FY27 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Cyril Paul from EY. Thank you, and over to you, sir.

Cyril Paul: Thank you, Avirath. Good morning, everyone. On behalf of Ernst & Young, I welcome you to the Q1 FY27 Earnings Conference Call of KPI Green Energy Limited. We are pleased to have with us senior management team from the company represented by Mr. Sohil Dabhoya, Whole-Time Director; Dr. Alok Das, Group CEO; Mr. Salim Yahoo, former Chief Financial Officer; and Mr. Vinod Jain, President, Investor Relations.

We will have the opening remarks from the management followed by a question-and-answer session. On that note, let me hand over the call to Mr. Vinod Jain. Over to you, Mr. Jain.

Vinod Jain: Thank you, Cyril. Good morning, everyone. Myself Vinod Jain, Head of Investor Relations at KPI Green Energy. On behalf of management team, I would like to extend a very warm welcome to all of our investors, analysts, stakeholders and other participants for today's Q1 FY27 earnings call. Leadership team has already been introduced by Mr. Cyril. I would like to briefly touch upon a few important leadership developments during the quarter.

We are delighted to welcome Professor Sunil Maheshwari as Vice Chairman; and Mr. Rajesh Shrivastava as Whole-Time Director. Both leaders having decades of experience across strategy, governance, business transformation, renewable energy, infrastructure and organization leadership further strengthen the depth and capability of our Board as we enter the next phase of growth. We are also pleased to welcome Mr. Kapil Kriplani as incoming Group CFO. His extensive experience in finance, capital markets and strategic growth initiatives will be a valuable addition as we continue to scale the business and strengthen our institutional platform.

Please note that the company has published its results and has uploaded the investor presentation yesterday. I trust that all of you have had the opportunity to review them. Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ from those anticipated. While these statements are based on management's current beliefs and assumptions, investors are cautioned not to place undue reliance on them while making their investment decisions.

With that, now I hand over the call to Mr. Salim Yahoo, our CFO, for his brief address, followed by the question and answer. Thank you, and over to Mr. Salim Yahoo.

Salim Yahoo: Thank you, Vinod. Good morning, everyone, and a warm welcome to all of you, those who are there on today's call. On behalf of KPI Green Energy Limited, I extend a warm welcome to all our investors, analysts, shareholders and participants joining us today for the earnings conference call for the quarter ended June 30, 2026. I hope all of you have had the opportunity to go through our unaudited financial results and the investor presentation uploaded on the stock exchange.

KPI Green Energy Limited has made a strong start to the financial year FY26-'27. The company has continued to deliver healthy growth in revenue and operating profit, backed by consistent execution, a diversified renewable portfolio across IPP and CPP segments and a clear focus on building long-term sustainable value. Our journey over the past 5 years reflects the strength and scalability of our business model.

During this period, our compounded growth has been remarkable with a 92% CAGR in revenue, 104% CAGR in profit. This demonstrates that KPI Green Energy Limited remains well aligned with India's renewable energy requirement and continues to create sustainable value for shareholders.

Speaking about the financial performance for Q1 FY27, our total income stood at INR710 crore as compared to INR614 crore in Q1 FY26, registering growth of 16% Y-o-Y. On the similar line, EBITDA increased to INR262 crore as compared to INR217 crore in the corresponding quarter, reflecting a growth of 21% year-on-year. Our EBITDA margin has improved to 37% from 35%, reflecting the operating strength of our portfolio. Profit after tax for the quarter stood at INR95 crore as compared to INR111 crore in Q1 FY26.

I would like to take some time and like to explain this clearly. The year-on-year movement in PAT reflects higher depreciation and finance costs on rapidly growing asset base. As we commission new IPP capacity, the associated depreciation and interest are recognized upfront, while the full revenue and earning contribution of these assets materialize progressively over the year.

Cash profit, which is a better measure of the underlying cash generation of the business actually grew at 6% year-on-year basis to INR176 crore as compared to INR163 crore in Q1 FY26. We expect the full earning contribution of the newly commissioned assets to build through the remainder of FY27.

It is also worth noting that our Q1 FY27 unit generation under the IPP portfolio has grown nearly 4x year-on-year and the generation achieved in this single quarter already exceeds 65% of the entire FY26 generation. This reflects the scale of our annuity base and the growing recurring revenue engine of the company. Speaking about the operational and portfolio highlights, on the operational front, KPI Green continues to scale its renewable portfolio across IPP and CPP segment.

As of June 30, 2026, our portfolio has reached approximately 6.94 gigawatts, up 71% year-on-year from 4.06 gigawatt a year ago. This comprises an installed capacity of 1.87 gigawatt and work in progress capacity of 5.07 gigawatts. Of the total portfolio, 2.57 gigawatt is under IPP and 4.37 gigawatt is under the CPP segment. During the year gone by, we commissioned 0.85 gigawatt of capacity while booking a further 2.88 gigawatt of fresh orders, taking overall capacity from 4.06 gigawatt to 6.94 gigawatts in a single year.

This reflects both our execution strength and continued strong demand for our double engine IPP plus CPP business model. Our expanding IPP portfolio is expected to generate more than 390 crore units annually at a full run rate, strengthening the company's recurring revenue base and improving the long-term visibility of earnings. With long tenure 25 years PPA, strong execution capabilities and integrated project development expertise, we are building a platform that combines growth with predictable cash flows. We have also continued to strengthen our key execution enablers.

Our strategic land bank now stands at 8,657 acres, and our power evacuation capacity has reached 5.10 gigawatts, both of which secure the project pipeline and support faster lower risk conversion of order into operating capacity. During the quarter, we also successfully expanded our geographical footprint into Rajasthan, taking our total number of sites to 133. Speaking about the projects that we won, we continue to make strong progress across our key growth platform. In battery energy storage, our 565 megawatt / 1,130 MWh BESPA has been executed, and financial closure is under process.

In floating solar, we are actively executing 142-megawatt EPC order in Kadana Dam, Gujarat. In our 150-megawatt wind project for GUVNL, the PPA has been signed, and financial closure has been achieved and the PPA signing of our 300-megawatt SJVN backed wind project is under process. We have also secured both an intrastate trading license from the GERC and interstate trading license from the CERC. And energy trading is being undertaken on a pilot basis, creating wider market access and better realization opportunities.

Speaking about the international expansion, KPI is also expanding international footprint to strengthen its global market presence. In Botswana, we have signed an MOU with the government for 5 gigawatts of renewable energy with planning for first 500-megawatt phase underway. In the UAE, through a global alliance with the Fabtech Group and F Plus Healthcare Technologies, execution is underway for the solar power project integrated with battery energy storage system awarded to our subsidiary, Sun Drops Energia Limited to power a containerized data centre facility.

Our balance sheet and financing profile remains robust. We continue to build on the successful listing of India's first externally credit enhanced green bond of INR670 crore, a 5-year instrument carrying 8.50 coupon with quarterly amortization backed by 65% partial guarantee from GuarantCo and which is AA+ rated by CRISIL and ICRA. This continues to reinforce the market confidence in KPI Green business model, governance standard and renewable growth platform.

Looking ahead, our focus remains on strengthening the IPP portfolio, expanding the CPP business and building capabilities in future growth segments such as BESS - battery energy storage system, green hydrogen, floating solar, offshore wind, pump storage and energy trading. Our strategy is to build an integrated renewable energy platform with strong execution capabilities, predictable annuity revenue and long-term value creation for all the stakeholders.

As India accelerate its renewable energy transition, KPI Green is well positioned to contribute meaningfully through scale, execution, innovation and disciplined financial management. We remain committed to timely execution, strong governance, sustainable growth and consistent value creation for all our stakeholders. With this, I would like to thank all our shareholders, lenders, customers, employees, partners and regulators for their continued trust and support. I now request the moderator to open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kartik Sharma from Anand Rathi Institutional Equities.

Kartik Sharma: Congratulations on the great start for FY27. I have a couple of questions. Given the expansion of our IPP segment, could you give us some color on how you see the debt and cash position evolving going forward?

Salim Yahoo: IPP Segment at present, we are at a very comfortable leverage, as you can say. We are at around two point and a couple of figures over there. But going forward also, if you see the way we are adding our profitability, the way we have, we have already expensed out the debt which have to be taken for our bigger project that is around 250 and 370 megawatts. So going forward, I think the debt to equity will be in the comfortable position of 3:1 max to max, which will be long-term debt to net worth.

Kartik Sharma: Understood, sir. And also, if you could give us some color on how our pipeline is shaping up for FY27 and '28? If you could give us some quarterly run rate.

Salim Yahoo: See, as I told you, our IPP segment has energized a substantial portion of our existing projects in hand. And the CPP also, I have an order book of approximately INR5,000-plus crore. So going forward, there is enough order book in hand for the CPP side and the IPP revenue also, as I told in my initial talk that the IPP segment from here will show a better strong upward trajectory.

The reason is that all the expenses have been expensed out. And now the revenue has started coming in. Since it was built in a phase-wise manner, the revenue will slowly start getting stronger and stronger. So going forward, I think the coming up quarters, we'll have a far more better performance than what we have seen this quarter also.

Kartik Sharma: Understood, sir. And just about the order book that you just spoke about, is there with the data centers coming up, are we targeting any -- is there any share of data centers in the order book, if you could give us some number?

Alok Das: Yes. Good morning Alok Das: speaking. Basically, data center is the latest entrant and also an opportunistic horizon in the RE sector. Generally, data center needs round-the-clock operations. Yes, as a KPI, we are in touch with some of the data center people and some sort of inquiries going on. So I think it is a continuous process. As and when it is to be materialized, we will obviously it should be known to all the stakeholders.

Moderator: The next question is from the line of Parth Kotak from Plus91 Asset Management.

Parth Kotak: Sir, I have a couple of questions. One, on inventory, we saw a large buildup towards the end of the last financial year. If you can update on the inventory position today? And do we expect inventory to come down probably when we announce the next quarter results?

Salim Yahoo: Yes. So if you see the inventory as on March, we have seen the inventory buildup has been there. It has come down to some extent in this quarter, and we expect it to go down further as we go on. The reason for building the inventory was 2, 3 factors. One was that since the geopolitical conditions were getting worsened, a lot of material we had to pile up because we had the availability of material, we don't want it to create a delay in our execution capability. So from that point of view, we have added the inventory and stocked up the inventory. But as we go forward, it will slowly come down as we complete our projects and everything.

Parth Kotak: Okay. That's encouraging, sir. Sir, second question is on Botswana. We did mention in the opening remarks that 500 megawatts is under execution. One, when can we see some revenue contribution from this project and this will be IPP, right?

Salim Yahoo: Yes. Botswana will be IPP. So Botswana project, the KPI has a subsidiary in GIFT City now. Under the GIFT City, the Botswana company will be a subsidiary of GIFT City. And we have already acquired land over there.

Alok Das: 500 hectares[1].

Salim Yahoo: 500 hectares of land has already been acquired. So we are at a very advanced stage of signing the PPAs also. So shortly, I think we'll see. But by execution point of view, I think this year, we will not see any revenue. upcoming years, you'll start seeing revenues in the Botswana project also.

Parth Kotak: That's great, sir. Sir, lastly, on Sun Drops - before I jump back in the queue. If you can give me what kind of PAT we've generated in Sun Drops compared to last year, that would be helpful.

Salim Yahoo: Sun Drops this quarter, if I want to say, I have already done INR150-155 crore with a PAT of INR26-odd crore. So it has shown a very good profitability of 17-odd percent. Since Sun Drops doesn't have any big IPP the way we had in KPI because of which the KPI PAT was a little bit down. Sun Drops has done, it has done an EBITDA of INR42 crore. So altogether, you can see that Sun drops cash profit is also INR30-odd crore. So going forward, Sun Drops has a very good future. We are adding up battery energy storage system over there. We are adding the battery energy manufacturing over there. And as you are aware that we are coming with the Sun Drops IPO. So we have a strong order book. And Sun Drops, I think this year on the IPP and the CPP side, if I look at, we will cross INR1,500-odd crore of top line in this year.

Moderator: The next question is from the line of Aman Soni from Seven Alpha Investors Private Limited.

Aman Soni: I have 3 questions. First is on the growth part. While we have maintained our margins on a broader basis, our execution was very slow as compared to our guidance in this quarter, right? So what is the reason for that? Because this time, I'm not seeing any early monsoons or anything like that. So can you help us to understand for not showing 40%, 50% Y-o-Y kind of growth that we have been doing earlier? And secondly, how we should look at the revenue and the margin numbers for full year FY27? So that's my first question.

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[1] *Kindly note that this was incorrectly conveyed as 500 acres on the call.*

Salim Yahoo: Yes. So, your first question on the -- see, I don't think there was a slowdown in the execution. We have an execution, substantial execution. Now if you see the growth in the revenue is around 16%. I expect that we were expecting 20%, 30%, but it is also a lot of other factors. We have utility scale projects where the billing takes some time because there are institutions like Coal India Limited, Adani Group and we have Aditya Birla Group.

So, because of this, the billing got postponed to the next quarter. So coming forward, if you see that the growth we have committed for the 30% to 40% year-on-year, that is something that which we will be able to maintain. And also on the margin, I've already said that the margin impact is a temporary impact because of the depreciation and interest. As the stabilization period gets over for these plants, the full revenue start coming in. So it will jump back to the levels that we had seen in the past.

Aman Soni: When you are saying 30%, 40% growth, this is different from what your Chairman and Mr. Farukbhai yesterday mentioned in the interview. He was speaking about 40%, 50% CAGR. So just wanted to get some clarity on.

Salim Yahoo: I understand. I understand. See, 40%, 50% growth we have said earlier also, but you need to understand there are geopolitical conditions. So, I'm just factoring that and being a little bit conservative. It's not that if we get 50% growth, we'll go to 60% also. It's not that we will curtail ourselves. But the way the geopolitical conditions are coming up, a lot of things are creating as a hurdle for the execution and everything. So, from that point of view, we are -- I'm being a little bit conservative being a finance guy. But we -- if we get an opportunity if this condition settles down, we'll surely jump towards 50%, 60% of whatever the Chairman had earlier said, we will come back to that.

Aman Soni: Can you help us to understand a bit more on like what kind of impact are you facing in terms of the geopolitical situation? Is it in the terms of the supply bottleneck or...

Salim Yahoo: If you understand geopolitical conditions, the major impact is from the fuel. Now you understand that a lot of components goes into a solar plant. You have cables, you have steel, you have other ROW issues, you have logistics. All these factors have got impacted. And if you've seen majority of the industries have been impacted because of the geopolitical conditions. So we cannot say that we are immune to it. We try to maintain it. Though we are not highly impacted as some who are directly involved into the fuel. But we have been impacted because the component that we use, majorly steel, MMS structure is steel, evacuation tower is steel, then we have cable. So these are major components which are impacting. So that's the reason we also have impacted to an extent. We have absorbed some portion of that and some portion we have passed on to the customers. So that has been a factor for us.

Aman Soni: Got it. Got it. And you mentioned about the stabilization period. How long we can expect this period to be because even if we are growing the top line because of increased interest cost and the depreciation, we will not be able to see any benefit in terms of the bottom line, right, during this period. So how long investors should look like this going to be there?

Salim Yahoo: See if you look at the lender's point of view, they give a stabilization period of 1 year, okay? Now if you see that in spite of stabilization period, in this quarter, we have done 65% of what we have done in the entire last year. So this clearly shows that my plants are almost in the phase of running in a full-fledged. So I expect that in the upcoming quarters, you will see the full benefit of the plant. So automatically, it will then generate the same revenue, will generate the same profitability that we expect.

Aman Soni: And how we should look at interest cost and depreciation for rest of the year, for full year FY27?

Salim Yahoo: See now the debt has already been taken and the IDC that we call the interest during construction has been utilized since we have completed the project -- our portion of the project. So as we go forward, you will have the full interest cost, which is coming up for the project. But at the same time, revenue will also get stronger. So it will be able to sustain both the things and then maintain the profit.

Aman Soni: Okay. And just last question, if I may. In the interview given by Mr. Faruk yesterday, he mentioned that in this financial year, your focus will be more on the governance side, right? So I wanted to understand more on this front because we have continuously highlighted our concerns in the past with respect to high pledge percentage and domestic institutions not being on the cap table. So can you throw some little light on where these issues stand in your governance framework right now? And what else you are looking to cater to?

Salim Yahoo: Yesterday, what he mentioned was more on the -- what we said. It is not about any issues of governance. It is more about the change in the auditors. So we have changed our auditors. We have added people in the Board. And that is that for better guidance for -- because BDO is in the top 5, and we have added BDO as our auditors. So we have to bring best practices, better processes. And for that purpose, we are adding experts in the industry. So that is what we wanted to highlight on the governance point.

Moderator: The next question is from the line of Shrenik Mehta from IndoAlps Wealth. Mr. Mehta your line has been unmuted. Please go ahead with your question.

Shrenik Mehta: I just wanted to understand going forward, are you thinking about any changes in the proportion between IPP and CPP? The way we have increased our weightage for the IPP, it's definitely straining our balance sheet. We are continuously seeing additional equity being infused. The EPS growth for the first time has come in the negative.

And the execution of IPP is still a lot in the pipeline. This is very capital intensive and very different from the original model of KPI, which was more of CPP. So looking at the strain that this is building up, are we looking at changing anything in terms of the proportion for the future between the CPP and IPP?

Salim Yahoo: As we have earlier in our con-calls also said that we will try to maintain IPP at a level of 20-odd percent of the total revenue mix. The reason is that this is a long-term revenue, and it's a very strong revenue. You can understand IPP gives me an EBITDA of 85% to 90%. So -- and it is a sustainable growth for next 25 years. So once I put an IPP, I don't have to worry about the profitability or the top line and all those things. As far as the IPP is concerned, the straining, what I say, still I am at a very good comfortable leverage position. I'm still at below 3. I might go up to 3 because all the loans have already been taken of the upcoming project, and we are just executing those projects. So majority of the project, I mean, we have a deadline of September. We'll try to close all the project by September and the revenue of the portion of those projects have already started coming in.

So from that, I think that EPS this quarter was down because of the PAT level because as you see, EBITDA has been very strong as compared to the previous quarter also. So from that point of view, this is a temporary phenomenon, which will get covered as we stabilize the projects. I told you that this IPP project once they stabilize, they will give you a strong profitability. And then EPS will also come back to its original level.

Shrenik Mehta: But we invest in the company to have a growing EPS, not bringing it to the normal level.

Salim Yahoo: Yes, Shrenik, but you need to understand every project has a life cycle, okay? Whenever any project, for example, any factory if you put, it doesn't start with 100% utilization on day 1. It takes over a period of time. And that is called the life cycle of a project. So those project life cycle has its own phases. So we are going through that phases. But believe me, I mean, it is -- if it had been a cash profit less, I can understand. If it had been EBITDA less, I can understand there is a concern.

But PAT you have clearly seen that it's a depreciation with a noncash item majority. And it's only the interest cost, which will also get paid off as we start. And the major portion is that you have to focus on is that the generation has grown substantially. what I did in the full year, 65% of that have already completed in this first quarter.

I have 3 more quarters with such kind of. So you can understand the amount of revenue generation that will happen in the IPP going forward is substantial. And you can see EPS will go from the past level to further stronger level as we go forward because of the IPP business.

Shrenik Mehta: So let me put this slightly differently. I totally understand your point and totally understand your perspective as well. But a typical IPP has a much lower ROE and our ambitions in KPI are much, much higher. So in order to invest for the IPP, if we have an ROE of 15%, 18%, we can't have a growth rate of 40%, 50% as has been stated by the company. So that difference will always be required to be financed by an external source, either through equity or debt. So this gap is what probably is a challenge for the company right now.

Salim Yahoo: No. I think you are losing out of one factor. You're only -- when you invest, you not only look at the returns on equity, but you also look at the appreciation of the shares. okay? If I give an example, a simple example, if you look at ACME, ACME is a pure kind of -- you can say IPP, majority IPP kind of. Look at the PE that ACME is getting. So once we go into that stage, automatically, your appreciation is also -- market cap will grow substantially.

And as you grow market cap substantially, I presume as an investor, I would rather look at more on appreciation of the share price rather than the return on equity or the dividend I'm guiding. That's the point we are looking at. We are looking at that once we add more and more IPP, we'll get a better PE from the market and the depreciation of your share will be substantial.

And that has been the history with the KPI. I mean when it started, it has already given 100x returns to the stakeholders. And we abide by that, we will give returns, and that's why we are focusing more on IPP that we get a better return and automatically EPS increases and the PE of the company also increases, which increases the market cap.

Shrenik Mehta: So we keep our fingers crossed.

Moderator: Sorry to interrupt Mr. Mehta, may we request you return to the question queue for a follow-up question. The next question is from the line of Sahil Agarwal from AYM Investments.

Sahil Agarwal: So one thing I wanted to understand that the gross margins for the CPP segment for KP Energy and KPI both have fallen substantially. So, is this a onetime issue? Or like is this the new normal gross margin that we are going to see in the coming years or coming quarters?

Salim Yahoo: Gross margin, as I told you, one of the factor for the impact on the margin is the geopolitical issues. So the cost of a lot of balance of plant, logistics, everything has impacted this. And that's the reason it has a little bit -- it might have tapered down.

Sahil Agarwal: So what can we expect going forward for the CPP segment only?

Salim Yahoo: For the CPP, I mean it will see the issues get resolved, I might jump back to my existing, but there's also a lot of other factors we have seen -- we were expecting that the issue getting resolved 6 months back only, but it is again and again resurfacing. So that impact, geopolitical condition is something which we cannot judge right now because the way it went in the past year. So we are -- think as soon as the things improve, we will be able to jump back to our margins.

Sahil Agarwal: But the impact on margins for KPI and the gross is still only 300 bps. But in KP Energy, it has fallen from EBITDA margins have fallen from 22% to 12%. So how does -- how do an investor seeto all of this because there was no hint from the management that there was a hint that margins may dip a little, but not from 22% to 12%. So that is a major concern.

Salim Yahoo: If you see KPI, along with its existing business has got IPP support. So there are some costs which is shared with the IPP and because of which the KPI margins, you can say, a little bit better compared. But EPC business, if you see overall, KP Energy is purely you can say on the EPC side. So from that point of view, it has a little bit more impact of the geopolitical conditions.

For example, I have a crane. So I'm utilizing the same crane for the EPC business. So, automatically, the cost gets divided and everything. So it is the economies of scale, which also factor in. And -- but KP Energy itself is an EPC-driven business. So that's why it had a more impact compared.

Sahil Agarwal: So you are saying you will be able to get back to 20% in coming quarters, right?

Salim Yahoo: It depends upon the factors, geopolitical conditions and everything, but we are keen on getting back to our old levels.

Moderator: Mr. Agarwal, may we request you return to the question queue for a follow-up question. The next question is from the line of Khush Shah from Vivog.

Khush Shah: Congratulations for the good set of numbers. My question would be related to earlier that you said about the incremental interest and depreciation cost will be higher, but the revenue will be set off the interest and depreciation cost. So just want to understand what would be the incremental interest and investment that you have made?

Salim Yahoo: Whatever interest cost, the existing debt what we have taken, now as I told that my IDC - interest during construction, which is part of the project, which is financed by the lender has got over. Now the entire interest will get booked as an expense, it doesn't get capitalized. From that point of view, that interest will -- but at the same time, revenue has started. So automatically, I have revenue to service that interest.

Now the revenue goes into phase-wise manner. So it will full fledge like, for example, 40%, 50% revenue we have booked going forward, we'll increase 60%, 70%, 80%, 90%. And once it's fully energized or fully stabilized, then we can figure out that the revenue has been able to give us a good profitability also.

Khush Shah: Any number that you can give us specific for the FY '27 or the coming quarter of interest in...

Salim Yahoo: Everything depends upon the generation, right? And you know that solar wind is a seasonal matter. So until I see the generation because next quarter also is what we say, lower compared to other quarters in the renewable energy because it has got rains and everything. So that also is a factor.

Moderator: The next question is from the line of Nikhil Kothari from Antara Capital.

Nikhil Kothari: So we are currently having an IPP capacity of 1 gigawatt, right? So what is the peak cash flows after interest that we expect?

Salim Yahoo: I can tell you my IP business gives me an EBITDA of 85% to 90%. Post EBITDA, there are not too much of cost. So it's depreciation and interest cost.

Nikhil Kothari: So what's the annual interest cost?

Salim Yahoo: Annual interest cost would be at around our rate of interest is at 8.5% or something. So if I calculate 8.5 around INR450-odd crore should be the total full -- my capacity of INR5,000-odd crore of debt and something coming into picture. And then my annual interest cost for the full year with the entire capacity, like I say that '27,'28 would be around INR450-odd crores.

Nikhil Kothari: Okay. And what would be the annual peak EBITDA we are expecting?

Salim Yahoo: 1 gigawatt, I can expect 85% to 90% is EBITDA. So I am expecting at least my top line coming from my IPP segment going forward, minimum it will be upwards of INR1,000 crores.

Nikhil Kothari: Okay. Okay. And do we expect to be at the peak capacity this year itself?

Salim Yahoo: I can expect it in the third or the fourth quarter. But second quarter is a little bit rainy and everything, so it will offset. Third or the fourth quarter, we can expect it.

Moderator: The next question is from the line of Garvit Goyal from Serene Alpha.

Garvit Goyal: Sir, in addition to the previous participant, I just wanted to understand when can we achieve this INR1,000 crore mark from IPP segment that is the full capacity utilization of the IPP segment.

Salim Yahoo: Next financial year, I can tell you that you can enjoy and more INR1,000 crore. INR1,000 is a very conservative number, I would say it will be upwards of INR1,000 crore I'm saying.

Garvit Goyal: Okay. And can you also let me know particularly to IPP segment, what will be the depreciation there?

Salim Yahoo: Depreciation, if I look at, it's around Companies Act, it would be around 10% to 15%. But as per income tax, we get 40% depreciation benefit. And that's the biggest part that has my cash profits.

Garvit Goyal: Okay. So can you let me know what is the total investments we have made? Like I just wanted to understand what will be the absolute depreciation there?

Salim Yahoo: We are still capitalizing the assets and everything. The total investment might go upwards of INR5,000 - 6,000 crore in the asset side as we go forward in '27, '28. But it will go in a phase-wise manner.

Garvit Goyal: So I look at INR5,000 - 6,000 crore total investment and you are speaking about 15% depreciation, right, on the books. So it will be in the range of INR750 crore to INR900 crore depreciation will be each year, right? So where is the profit then INR850 crore EBITDA we will be doing, INR450 crores will go into the interest side?

Salim Yahoo: I said conservative is only for that 1 gigawatt what we are doing. We already have 500 gigawatts which is already done, so you're not counting all those things also, where we have very less depreciation. So altogether, if you see the business will be able to generate INR1,500-1,600 crore plus of revenue minimum. That's what I'm saying.

Garvit Goyal: I'm not getting like how we are going...

Moderator: Sorry to interrupt. Mr. Goyal, we may request you return to the question queue for a follow-up.

Garvit Goyal: Actually, I should get some clarity. I mean I'm asking one question.

Salim Yahoo: Yes, let him complete. Yes, go ahead.

Garvit Goyal: Yes. So I am, just trying to understand like even if we take INR1,500 crore, right, peak revenue, 85% you are saying it will be EBITDA of more than INR1,200 crore, right? And on that, you are saying INR450 crore will be your interest cost and based on the depreciation number, even if I account for INR700 crore altogether, my expense after EBITDA expense will be INR1,150 crore and I am doing the EBITDA of INR1,200 crore profit from IPP segment before tax is only INR50 crore. I'm just trying to understand that, sir.

Salim Yahoo: If you have to see my IPP is around INR1,600 crore, as I told you something that full scale and out of that 85% to 90%. So it is INR1,600 crore, if I take 90% is INR1,500 crore is what I say as an EBITDA. Out of that interest cost would be around INR450 crore.

I still have INR1,000-odd crore which is left, okay? Now depreciation, it would be around 5% because it's 25-year plant, because plant and machinery is about 15%. Here, it is 5% because it's a 25-year plant that calculation is what something we missed out.

Moderator: The next question is from the line of Subash from Value Invest.

Subash: I have been investor for so many years, and I've always believed in the management delivering whatever they guided in the past. So I see that you had guided 16% to 18% of PAT margin for FY '27. And I see that in Q1, it is quite low. So do you expect to cover it in at least H2 of the year so that ultimately for FY '27, you end up at 16% to 18% PAT margin?

Salim Yahoo: Quarter 3 and 4 is somewhere I'm saying because quarter 2 again is a rainy season and it has got seasonality where the renewable energy...

Subash: Would you cover in H2 that is Q3 and Q4?

Salim Yahoo: H2 will be covering a portion of it. But full-fledged, the benefit of the plant, you can see in '27, '28.

Subash: Okay. So PAT margin will not be close to the guidance of 16% to 18%, right? It will be much lesser. Do you want to revise that guidance?

Salim Yahoo: Whatever the gap which was first and the second quarter will get covered up as the plant goes towards a more stabilization period. So it will be a little bit less, I think, compared to what we had shown in the past. But '27, '28 when the full plant is stabilized, it will again, we expect it to jump back to the older levels.

Subash: Understood that FY '27 -- sorry, FY '28 will be great because of the IPP plant in which you have invested right now will be stabilized and the margins will be higher. I understood that. But for FY '27, do you want to revise the PAT margin? Like you had said 16% to 18% before. What would be the reason?

Salim Yahoo: I told you that will be lesser. Now depending upon the seasonality, if my plant performs because it is on the seasonality, but it will be less compared to what it was earlier. That is something which I am saying.

Subash: What is that number?

Salim Yahoo: That's what I'm saying, it depends on seasonality. It's upon wind, it's upon the sun, it's upon the rainy season. So all those factors because my IPP segment adds to the bottom line. And IPP segment depends upon the generation. And the generation as we see if the -- what we say, the season is in my favor - more wind and everything because I have got hybrid plant, then the wind is on my side, I can say. And then I can come back to a better or try to match up with what I did last year.

But again, I'm saying I don't expect it because we have lost this quarter. Now upcoming quarter also, we'll not see them. So there are 2 quarters which we have lost because of which there will be a dip, but I cannot judge that right now because it is not like a manufacturing plant where I can put in raw material. The raw material is totally seasonality. So on that basis, it will depend.

Subash: Okay. My another last question was, I mean, you mentioned that for both KPEL and KPI Green because of the geopolitical tensions, for KPI Green, you mentioned one of the strongest reasons for the drop in the margins was because of the realization of depreciation and finance costs in the current quarter, but the revenues will be generated in the future quarters, which will cover up the lost margins right now, right?

But in the case of KPEL, the revenue has grown up significantly, but still the margins have come down so badly. So is it because of the geopolitical tensions alone there in KPEL? And could you specify like, what are the geopolitical tensions, in which sectors you are facing the trouble?

Salim Yahoo: Okay. Can I speak now? See, if you look at the EBITDA of KPI, it has at the similar level. But only the interest depreciation cost, which has major impact. As I told in the earlier question also, the geopolitical condition has impacted, but it has impacted more to KP Energy because of its nature of being totally into EPC business. Here, it is hardly, I think I don't think even 1% or 2% of the top line will come from any IPP projects over there.

But here it is 17%, 18% coming from the IPP project. And the cost get bifurcated into the IPP and CPP when it comes to KPI. But in KP Energy, is totally on the cost. And it's become very difficult. And also it is more of a cost over there, the issues over there are far more compared to that in solar.

Subash: Okay. So it's only because of the geopolitical I mean the other part of my question was the sectors in which you are facing tensions.

Salim Yahoo: We are facing on the cost side. We are not facing on the sales side, right? It's the cost side which we are facing and sectors, you can say cables, you can say MMS structures, you can say also on the ROW, logistics of those -- all those things, cranes, everything, every cost goes up because even crane, we have to hire for year and everything on the diesel, everything goes up. So you need to understand that.

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

Sunil Kumar: I think most of the questions have already been answered, but I have one basic question. So we keep talking about the revenue guidance across KPI, KPGEL, KP Energy and all of that, right? I think one which got completely off is in terms of the EBITDA guidance, right? I understand in KPI Green, the EBITDA was maintained, but the interest cost and depreciation has finally shoot up significantly. I have a couple of questions. One is the interest cost we continue to see around INR250-odd crores for this year and depreciation around INR200-odd crores for the entire year?

Salim Yahoo: The calculation that we are looking at - interest cost. So the loan has been disbursed in a phase-wise manner. So the interest cost will be in a phase-wise manner, every time we take a disbursement, it gets calculated… and there's a portion of IDC, which was utilized. So exact calculation for this particular year it is very difficult to factor.

And similarly, depreciation also, when we capitalize a portion of the plant, depreciation starts. We are doing these projects in a phase-wise manner. So once we get the COD - it is called commissioning of the plant - then we put to use… as per the law, only when we put to use, we can charge the depreciation. So as we do in a phase manner, we get depreciation in a phase wise manner.

So both the factors you can say is a real-time basis calculation. So anything to assess at present… because we are still energizing the plant, we are still taking a portion of the disbursement. So at this juncture, it is not. But as we told in our earlier question that the full fledged in '27-28, whatever will be the depreciation cost in the previous question, we already mentioned that, right?

Sunil Kumar: If I look at the March 2026 borrowing, it is about INR5,200-odd crore, there could be additional borrowings that could have happened in the last 3 months or so, right? So let's say from our March standpoint, out of the INR5,200 crores, how much has been amortized out of this INR5,200-odd crores. If you can just give a ballpark number, I'm not looking at the exact figure, INR1,000 crores has been accounted for, INR4,200 crores is what going to get accounted for the rest of the subsequent period?

Salim Yahoo: As you are aware, in the quarter, we don't prepare the balance sheet. We prepare the balance sheet in the half yearly only. So full-fledged amortization is something which it's what we say, internal data, which I will not be able to tell you. But as I told you, it is going in a phase-wise manner.

By the end of this year, you'll see the entire plant being energized and stabilization also will happen by the next year. So exact figures of amortization or the depreciation, it will happen in a phase-wise manner. And since the balance sheet happens only in the half year, we'll not be able to disclose this at this moment.

Subash: No problem. That's fair. So I have one question on KP Energy, if I may. I know there is a con call later today...

Salim Yahoo: I have already answered a couple of questions on the KP Energy also with this. So it would be good if you can just join because others also would like to have a chance for asking questions, right? -- can join again in the KP Energy.

Sunil Kumar: The revenue guidance for KPI we continue to maintain that 50%, 60% what we have said earlier for FY '27?

Salim Yahoo: That also I answered that we have -- we are keen in increasing that to that level. But the geopolitical conditions, and a lot of factors which will play as we go forward. But our guidance as per our CMD sir is that we will grow at that level, and we'll try to maintain that level.

Moderator: The next question is from the line of Ayush Sharma, an individual investor. As there is no response, moving on to the next question. The next question is from the line of Samrat Shah, an individual investor.

Samrat Shah: Congratulations for a good set of numbers. We've seen a growth in revenue. Most of my questions are answered. I heard about the interest and depreciation cost. I directly stick to the PAT numbers. On a conservative basis, if I see a 30% revenue growth, as you guided in this concall, the revenue comes to around INR3,500 crores. And if the net profit margin, if you say that Q2 is also going to be impacted because of the monsoon, and H2 will have a jump. So can I expect our NPM to be at around 15%? Our PAT comes to around INR520-odd crores. So will the PAT number be at least closer to the last year or it will be lesser than last year… is what I wanted to know.

Salim Yahoo: See, as I told you, going forward, the stabilization of the plant is a major factor which will help. As far as what we have projected, we are being conservative because of geopolitical conditions, but we are trying to match with whatever the CMD sir had already said. In absolute terms, it will surely grow. The PAT will grow compared to the absolute. The percentage is something which we will have to figure it out depending upon the various factors like the top line growth and everything. So absolute term, I assure you that we will grow compared to what we have done in the last year.

Samrat Shah: Sir, in this particular con call, if we look at the word geopolitical being used, I think most of the answers this particular term has been used. If you compare it with your previous con calls right from the first ever con call that you have made, I think this is the first time that we are using geopolitical.

However, what I feel is it is just the interest and depreciation cost that has impacted the net profit margin. OPMs have been maintained. So going forward, will we be expecting geopolitical conditions impacting our company a lot more than it was impacting earlier is my question.

Salim Yahoo: In the previous con call, whenever somebody asked us, it's more on the sales side. So on the sales side, it is not affecting me. But on the cost side, it's something because I have EPC businesses. And EPC businesses, as I told in my earlier also, and why we said it is because I already bifurcated into KP Energy and KPI Green. And I told you that if you look at KPI Green EBITDA, it has also grown as well. So the geopolitical condition is more related to the EPC businesses compared to the IPP business.

IPP business, we have already factored the cost and everything and the revenue is coming not from exports or anything. But the EPC business is my majority, around 83% of my total revenue comes from the EPC business. So those businesses will get hit because of the various cost factors, your cable costs, your logistic costs, your MMS structure cost, all these factors will impact the EPC business. That's what we are trying to say.

Samrat Shah: Sir, that's it from my end. And I would like to wish you all the best since I know that you've given your resignation and moving forward. So it was fantastic talking to you in your -- all the previous con calls, and thank you very much for the tremendous growth that you have given to the company as well as the shareholders. I've been invested in this company since 2021 of July. So I've seen my investments grow a lot under your leadership as well. So I thank the entire management team of the KP Group and wish you all the best.

Salim Yahoo: Thank you for your kind words. And I would like to say that the management is still there. People come and go. But at the same time, it is in very good hands, and you see your investment growing in multiple fold as you go forward again. And I wish you best.

Moderator: The next question is from the line of Nishant, an individual investor.

Nishant: Okay. So my question is despite the company's growth doubling, market cap has fallen by nearly 60%, right? And the stock is trading at a PE roughly half the sector. This represents a clear disconnect between business performance and shareholder value.

So where does management believe is driving this continued weakness in the share price? And what concrete actions have been taken to restore long-standing investor confidence and more importantly, attract institutional investors?

Salim Yahoo: See share price is not something which is controlled by the management, you need to understand. But management has taken conscious call like if you see one of the action is that we have hired now BDO, which is one of the top 5 as our auditor. So this is a very positive action which has been taken to increase the confidence of the stakeholders of the lenders and everything. And this, I think, will go a long way to increase the -- and at the same time, Promoter is also increasing the stake.

If you see he has already given for a warrants here, promoter group company Quyoshhas purchased shares. So Promoter has been very positive on the growth of the company, and that's why he has increased his stake. If you look at any other company, promoter today, it's almost 51% plus. So he has majority stake in this company. So you can be assured that management is taking steps to increase the trust which is there with the investors.

Nishant: Before I move to the second question, I mean, nothing on attraction to institutional investor, right, because that has been a concern.

Salim Yahoo: See, institutional investors are still there. We have -- if you see my presentation, we have Vanguard, we have Abu Dhabi Investment Fund, we have Okoworld. We have pension fund. So all those institutional investors are still there… Blackrock[2] is also there. So all these are still there in this scrip. So you don't have to worry about that. It's a temporary phase, which sometimes retail investors are unable to understand. And that's why there's a little bit -- you can see a decline.

Nishant: What was the cash flow from the last quarter?

Salim Yahoo: Sorry?

[2] *This was inadvertently referred to as 'Blackstone' during the call.*

Nishant: The cash flow from last quarter?

Salim Yahoo: Cash flow from last quarter. So if you can see you can add the depreciation of the quarter, I can say my PAT is around INR94 crores plus if I add the depreciation portion, which is around INR45 crores. So approximately, you can say INR140-150 crores is the cash flow from operation.

Moderator: Ladies and gentlemen, due to time constraints, we will take that as the last question for the day. And now I would like to hand over the conference to the management for closing comments.

Vinod Jain: So thank you, everyone. Now I will request Mr. Sohil Dabhoya to say some words.

Sohil Dabhoya: Good afternoon, everyone. First of all, I would like to extend my heartfelt thanks to all our investors for joining today's earnings call. Your continued trust, confidence and unwavering support in KPI Green Energy mean a great deal to us. We truly value the faith you have placed in our company, and we remain committed to creating long-term value for our all stakeholders.

Before we conclude, I would also like to take a moment to express our sincere gratitude to Mr. Salim Yahoo, who has been an integral part of our journey and has made significant contributions to the financial strength and growth of our journey. Salim is stepping away due to personal family commitments, and on behalf of the Board, the management team and all our investors, I would like to thank him for his dedication, professionalism and invaluable service. We wish him and his family the very best for the future.

At the same time, it gives me great pleasure to welcome Mr. Kapil Kriplani as our new Chief Financial Officer. Kapil brings with him rich experience and deep financial expertise, and we are confident that he will play a key role in supporting the company's next phase of growth and value creation. Kapil, welcome to the KPI Green family. We look forward to your leadership and contribution. With that, I would now like to invite Mr. Kapil Kriplani to say a few words and address our valued investors. Kapil, over to you.

Kapil Kriplani: Good afternoon all, and thank you to the whole-time director for the kind words. I thank the management for the warm welcome. I also give my best regards to Mr. Salim and hope to transition from him to next level in the future. We hope for the continued growth, which we have shown in the last 4 years. And I look forward to work with all the stakeholders and create value for all the shareholders. Thank you very much. That's the end of the call.

Vinod Jain: Thank you, everyone, for your active participation in the call. Hope we have been able to answer all your queries satisfactorily. For any additional queries, please feel free to write to us at our e-mail address on our website as well as our investor presentation. We look forward to staying in touch with you for any further interaction. Thank you very much.

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

Note: This transcript has been edited for clarity and readability and should not be relied on as a verbatim representation of the discussion. For an exact account of the proceedings, kind refer the official audio recording of the call published on the stock exchange.