



May 26, 2025

To  
**BSE Limited**  
Corporate Relationship Dept.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001

To  
**National Stock Exchange of India Ltd**  
Corporate Relationship Dept.,  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

Scrip Code: 544283

Symbol: ACMESOLAR

**Reference:** Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended ("Listing Regulations") and our earlier intimation dated May 14, 2025 regarding Earnings Call with analyst(s)/institutional investor(s)

**Subject:** Earning Call transcript of the Investors Conference Call held for the audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2025

Dear Sir/Madam,

In terms of Regulation 30 and Regulation 46 read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the transcript in respect of Earnings Conference Call with the Analysts/Investors held on Tuesday, May 20, 2025 on the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2025.

The Transcript of the conference call has been uploaded on the Company's website and the same can be accessed from the link provided below:

[https://www.acmesolar.in/assets/pdf/Webcasts-and-Transcripts/20-05-2025\\_Q4FY25-Earnings-Call-Transcript.pdf](https://www.acmesolar.in/assets/pdf/Webcasts-and-Transcripts/20-05-2025_Q4FY25-Earnings-Call-Transcript.pdf)

You are requested to take the same on your record.

Thanking you,

For **ACME Solar Holdings Limited**

**Rajesh Sodhi**  
**Company Secretary and Compliance Officer**

**Encl: As above**

**ACME Solar Holdings Limited**

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# “ACME Solar Holdings Limited’s Q4 & FY'25 Earnings Conference Call”

**May 20, 2025**

**E&OE** - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 20th May 2025 will prevail.



## **MANAGEMENT:**

- Mr. Manoj Kumar Upadhyay – Chairman & Managing Director, Acme Solar Holdings Limited
- Mr. Nikhil Dhingra – Chief Executive Officer, Acme Solar Holdings Limited
- Mr. Ankit Verma – Head of Corporate Finance, Acme Solar Holdings Limited
- Mr. Rajat Kumar Singh – Chief Financial Officer, Acme Solar Holdings Limited
- Mr. Arun Chopra, Head of Finance & Accounts, Acme Solar Holdings Limited

**Moderator:** Ladies and gentlemen, good day and welcome to ACME Solar Holdings Limited Q4 FY '25 Earnings Conference Call hosted by Emkay Global Financial Services 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 star then zero on your touchtone phone.

Please note that this conference has been recorded. I now hand the conference over to Mr. Sabri Hazarika. Thank you and over to you, sir.

**Sabri Hazarika:** Yes, good morning everyone. On behalf of Emkay Global Financial Services, I welcome you all to the Q4 and FY '25 post-earnings conference call of ACME Solar Holdings Limited. We have with us the senior management from the company.

Today's session would be discussion on the results, followed by a question and answer round. So, without any further delay, now I'd like to hand over to Mr. Nikhil Dhingra, CEO, for the opening comments. Over to you, sir.

**Nikhil Dhingra:** Thanks a lot. Good morning. A warm welcome to all of you. I am Nikhil Dhingra, the CEO and Director on board of the company. I have with me Mr. Manoj Kumar Upadhyay, the Founder and Chairman, Mr. Rajat Kumar Singh, our Group CFO. He's a new addition to the team, so a big warm welcome to him. Ankit Verma, Head of Corporate Finance. And Arun Chopra, who is Head of Finance and Accounts and our Group Controller.

It is my pleasure to share with you all the business and financial performance and other key updates for the year gone by. I'll start with first the highlights of our business and financial performance, and then followed by a brief of our view on the industry. So, financial year '25 has been a landmark year, a great year for ACME Solar, marked by disciplined execution, robust capacity growth, and continued emphasis on improving our offtake profile to central end, and also, most importantly, the financial prudence.

So, we have achieved substantial capacity growth this year by adding 1,200 megawatts of solar capacity on the top of 1,350 odd we had at the start of the year. And that is how we have reached to a sizable number, closer to 2,700 megawatts. And we have won another 1,900 megawatt of bids across FDRE, hybrid and solar technologies, taking our total project portfolio to approximately 7 gigawatts.

In terms of the near commissioning projects, 450 megawatts, are completely, very ready to produce revenue. Just to give you a break up of that, 300 megawatt Sikar plant in Rajasthan has successfully commissioned 165 megawatts. We got the commissioning of 112.5 megawatt yesterday evening, with the remaining capacity of around 135 megawatt under commissioning expected to be commissioned in the next 30 days.

Given the favorable average merchant price of around INR3.1 per unit, which we have realized so far, we intend to initially operate the plant in the merchant market. Subsequently, as the opportunity arises, we will try and move the plant to a PPA. The project will also benefit from an ISTS waiver, enhancing its attractiveness for the offtaker. On a run rate basis at the indicated tariff, which is currently going on, it is expected to generate a top line of around INR230 to INR240 crores when fully operational.

In terms of the wind project, our 50 megawatt project is under commissioning. We have received almost final approval for around 26.5 megawatts, which we are trying to commission in this week, and the rest of the capacity we are trying to commission again in the next 10 odd days. The balance 100 megawatt is at advance stage of construction.

The equipment has already reached the site, and we are expecting to get that running in phases, with the first phase running in the early part of the second quarter and the complete commissioning in the later part of the second quarter. Our operational capacity as of today stands at around 2700 megawatts, and with the commissioning of the balance near commissioning project, which I just spoke about, we will be touching around 3 gigawatts soon.

Now coming to our under construction project, and first of all, their PPA/LOA Status. Our under construction locked in capacity stands at 4.3 gigawatt today, out of which around 2.2 gigawatt is already PPA signed, and balance 2.1 gigawatts are LOA awarded for which PPA signing is expected soon.

In terms of the PPA signing, what we are seeing is there is bunching up of these PPA signing, which we are expecting. It is, of course, delayed than what we thought initially, but we are getting very good traction, and we are at a final stage of around three PPAs, which will aggregate to around 750 megawatts. We are hopeful that they will be signed very soon.

Tariff has been adopted, and order has been reserved for over 90% of the projects I spoke about of 4.3 gigawatts. Around 80% or 3,380 megawatt of under construction projects are dedicated to FDRE and hybrid energy solutions. This strategic shift positions us to deliver flexible power, and of course, in terms of the direction of the market, which is oriented towards the FDRE and hybrid solutions.

In terms of the connectivity and land, which are the fundamental building blocks for under construction project, we have connectivity in place for the entire portfolio, which we have mentioned before as well. Other than that, we have surplus connectivity in place, both applied and secured of 2,500 megawatts for our future bids.

With respect to land for our PPA signed, under construction projects, over 50% land for the solar component, and over 60% land for the wind component has been acquired. Additionally, we have applied for over 10,000 acres of government land, which is currently at various stages of approval process, and will support our under construction project and future pipeline projects.

On the financing front for the under construction project, we have secured sanctions of around INR16,500 crores, covering 1,700 megawatts of projects in our under construction capacity. We are trying to optimize interest during construction, and therefore, we don't take sanctions for the projects which don't need the debt part of the financing in the next 2, 3 months. So, we have the in-principle approvals, but we try and take the sanctions just around when we need disbursement.

Additionally, we have successfully received refinancing sanctions of around INR7,700 crores of debt for our operational projects at an average interest rate of 8.8% per annum. This refinancing would yield a significant benefit, reducing the average interest rate on these projects by about 75 basis points, and we expect this refinancing benefit to compound further, given the interest rate trajectory and the credit rating profile of our assets, which is improving.

Regarding an update on our creditworthiness, in February 2025, Crisil upgraded our credit rating to A+, and assigned a positive outlook, reflecting their confidence on our future performance. Also, 750 megawatts of our operational projects last month received a AA- rating. As you would know, the rating of a project is determined by the financial strength of the project, as well as the counterparty. So, these projects just got commissioned. This is part of the 1,200 megawatt projects we commissioned in January.

So, as you can see, as recent as 2, 3 months after operation, this achieved a AA- rating, which shows the strong operational performance of this asset, as well as the AAA counterparty it is working with. So, that's a good precedence for us, as we move to refinance all the other part of the 1,200 megawatt projects, which we commissioned in January. Additionally, the Board declared an interim dividend of 10% for the period ended 31st December 2024.

Coming to the equipment orders and the capex lock-in for our under construction project, let me highlight the strategic progress we have made in securing commitment for the critical equipment orders, which is key to ensuring timely execution and cost efficiency. We have locked-in prices for the long-lead items, and appropriate hedges are in place for the imported equipment.

For battery, we have locked-in prices with suppliers, complemented by appropriate currency hedges to mitigate market volatility. This positions us favorably, as we have locked-in prices at the optimum end of the capex prices. Additionally, commitments are in place for various associated equipment, like PCS, transmission lines, power transformers, and wind turbines. Each of these components represents a very important part of our growth pipeline, reinforcing our ability to deliver scalable and high-quality renewable energy solutions.

We are also optimizing grid infrastructure by adopting new solutions like gas-insulated substations. This also helps us to meet our goals of reliability, safety, and sustainability, as they require less maintenance, save space, and deliver superior performance.

Now, coming on to operational performance of our portfolio, which is operational. We are further pleased to report a significant improvement in our capacity utilization factor, which is

the cornerstone of our revenues. This capacity utilization factor for us reached 25.6% for this year, and this is definitely slated to improve, as we are currently improving the proportion of our portfolio, which is running in Rajasthan, which is the highest GHI zone in the country.

The performance translated a substantial generation of around 401 crore units, a 55% increase compared to the previous year. This growth was primarily driven by our successful 1,200-megawatt capacity expansion, which, as I just mentioned, has been increased to around 1,365 by commissioning of the 165-megawatt, which we just announced.

Our plants continue to demonstrate high reliability, maintaining an average plant availability factor of 99.5%, which is industry-leading. Furthermore, our strategic focus on Rajasthan, one of the highest solar radiation zones in India, has resulted in a CUF of 29.4% for the plants in the area, and this is significant because it's a very substantial part of our portfolio, which is delivering this kind of CUF.

And that will help us improve in next year on the CUF, because this year, we had a partial run for our 1,200-megawatt plants. Next year, we will, of course, have the full run for our 1,200-megawatt plants. This new plant of 300-megawatt, which is just getting commissioned, also is part of the Rajasthan portfolio.

On our financial performance, I'd like to highlight key figures, both for the quarter as well as for the full year financial year '25. One key point to note here is that we monetized 369-megawatt of our operational assets in quarter four, FY '24. Thus, for a like-to-like periodic comparison, we should compare the performance on the adjusted basis. So, on a like-to-like basis for the quarter, we reported total revenue of around INR539 crores, which is up 73%, and EBITDA of around INR488 crores, up 119% on a year-on-year basis.

The PAT and cash PAT for the quarter stood at INR122 crores and INR238 crores, respectively. Now, on a full-year basis, we generated total revenue of INR1,575 crores, which is up 32% over the last year, and EBITDA stands at around INR1,400 crores, which is up 43%, with a margin of over 89%. PAT and cash PAT stood at INR251 crores and INR559 crores, up 290% and 155%, respectively. Throughout the year, we definitely prioritized strengthening our balance sheet and optimizing capital management.

As of FY '25, our net operational debt to EBITDA stands at 4.4, which is well within our guided range of 5.5. Our net debt to net worth ratio has improved to 1.7x, reflecting continued progress in our financial discipline. During the year, we expanded our asset base by around INR4,100 crores, bringing the total gross block to around INR15,500 crores. We continue to maintain a robust liquidity position with cash and bank balances of around INR2,900 crores as of FY '25.

Now, just briefly touching upon the industry scenario. So, on the industry side, of course, the power demand growth in FY '25 was lower than expectations at around 4%. It was muted

because of the higher base and also due to the higher than expected rainfall and favourable monsoon.

The peak demand was 250 gigawatt in May last year and is expected to peak over 270 gigawatt this summer. And of course, we did very well on the renewable capacity addition as a nation. We added around 30 gigawatt during the year, bringing the total RE capacity to over 220 gigawatts.

Solar, of course, has been the leader with adding 23.8 gigawatt of new installations, taking the total solar capacity to around more than 100 gigawatts. And of course, the wind also reached a milestone of around 50 gigawatt. So, new tenders were rolled out for over 50 gigawatt in FY '25, largely comprising of hybrid and FDRE tenders incorporating battery storage.

In terms of the key policy shifts, the government really upped the policy making in terms of getting these PPAs signed early. So, now we have policies in place which require the tariff adoption to happen within a month of the bid. And we also have the binding timeline for signing a PPA for the new tenders.

We are also seeing that the battery has become an integral part of all our projects which will come up in future. Of course, as we move forward, we are seeing the impact of ALCM which is basically not allowing us to import cells from China post-June 26, to be correct. And that is already reflected in tariffs. There is not a large shift in tariffs, but of course, that will help improve the attractiveness of the current tariffs for us.

We are observing a clear shift in the energy dynamics towards reliably meeting the rising base load and peak power demand using renewable energy, a transition which will be facilitated by adoption of low-cost energy storage solution to integrate the intermittent renewable power. I would now request to open the floor for questions, which our team will be happy to answer. Thanks a lot.

**Moderator:** Thank you very much. The first question is from the line of Mohit from ICICI Securities. Please proceed.

**Mohit:** Good morning, sir, and thanks for the opportunity. My first question is, can you please tell us the timeline for these large construction projects, especially 380 megawatts, FDRE and 680 megawatts?

**Nikhil Dhingra:** Right. Sure, Mohit. Thanks for participating. So, in terms of timelines for this project, the PPA got signed for 190 megawatts of the 380 megawatts in June of last year. So, the scheduled COD of that project is June of next year. 2 years' time you get to execute. And similarly, for the 320

and 250 megawatt, that's around 570<sup>1</sup> megawatts of SJVN, that's also the timeline is May 2026 as per the PPA.

So, we, of course, have financing for both these assets. We do have the land for these assets, which where PPA is signed. So, we are in the middle of like the equipment we mentioned about ordering of GIS, ordering of transmission line, ordering of transformers, ordering of batteries. So, all these are geared up for these projects. So, that's where we are. We have started construction. And of course, we have started the transmission line for these projects. So, we are geared up to execute these projects in the scheduled timeline of May and June next year.

**Mohit:** And second question, any color on the financial closure of all these three projects, 320 -- 380 megawatt, yes.

**Nikhil Dhingra:** So, all of them are financially closed. And they closed, I think, the INR16,500 crores we mentioned in this quarter and last quarter, they were part of that. So, these were financially closed even before the last quarter ended. So, they are all financially closed.

**Mohit:** All three, right, sir?

**Nikhil Dhingra:** All three. The 380 megawatts, of course, includes the PPA, which has not been signed also, because the PPA is signed only for 190, but the 380 is also financially closed.

**Ankit Verma:** On page 26 of the earnings presentation, we have highlighted which all financial closure has happened for all the projects. Maybe you can...

**Mohit:** Is there any expectation on the PPAs for the balance capacity for the various signed PPAs partly?

**Nikhil Dhingra:** Yes. So, we are in a very advanced stage with multiple states on these. There are two PPAs which are partially signed. One is this 190 megawatt and another is 200 megawatts of solar plus battery, which is at a tariff of around 3.42. So, these two, we are at a very advanced stage of discussions with the states which have already taken partial and also the new states. And we are getting good traction on them. We are hopeful that these will be signed in, let us say, a month or so. Of course, the primary discussions are being held by the REIAs and the tariff has been adopted.

The good thing is both these tariffs have been adopted by CERC a long time back now, 3, 4 months have passed. and also by the state regulators, wherever PPA has been signed. So, that gives good comfort to the customers who have bought this power.

**Moderator:** The next question is from the line of Apoorva Bahadur from IIFL Capital. Please proceed.

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<sup>1</sup> Stated as 580 MW during the call, however, 570 MW is the correct reference



**Apoorva Bahadur:** Hi, Nikhil. Thank you for the opportunity. You highlighted that you have locked in the capex for the batteries. Can you share that number with us? What is the estimated or expected cost over there? And who would be the suppliers, I mean, based on the tiering?

**Nikhil Dhingra:** Sure, Apoorva. Thanks a lot for joining the call. So, in terms of the capex, I will not be able to divulge specific numbers. But what I can tell you is that it is definitely much below the budget we had in terms of the initial bid budget. How do we plan for the project is, we take the current prevailing prices at the time of the bid. So, they are much below that.

And of course, in terms of the tiering, they are all tier 1 suppliers. And they are all from China, of course, because as you know, China is the primary supplier for the lithium-ion phosphate batteries which we are procuring. So, the good thing is that there are enough and many suppliers which allow you to procure at scale and also procure within the timelines which you need.

So, the good thing about batteries is that and good thing about our portfolio is that we have a large proportion of that in the central connected projects, right? So, out of our operational capacity, more than 60%-70% is now connected to the central grid. And that allows us to maybe, if we are able to execute faster, play the merchant market on the battery side.

And that is another reason other than hedging the capex. We have also tried and preponed the battery side which of course can leverage the already operational substations we have with all the associated infrastructure. So, in terms of the capex, all I can tell you is that it's a very competitive price and that is why you are seeing the impact of that also in the tariffs.

So, that's a good thing. Of course, there are counterbalances, the capex falls and various other things keep moving. So, like ALCM has also come in. So, there is a counterbalancing all the time in terms of tariffs. But all I can tell you is they are below the bid budget we had. And we will be able to share as we capitalize the asset because as you would appreciate, these are all competitive bids. So, it will not be wise for us to give the specific numbers.

**Apoorva Bahadur:** Sure, sir. Correct me if my understanding is wrong, but I believe that the projects that we have already bid for are not under the ambit of ALCM, right?

**Nikhil Dhingra:** In none of the projects which we have bid for are under the ambit of ALCM. But how it impacts us is that the new bids come under the ambit of ALCM. So, for the customers, new bids and old bids are the same, right? They care about the prices. It's a commodity, right? My power is not different from the earlier power, right? So, in terms of the benchmarking, it gives us some benefit in terms of having the old PPAs because the ALCM will have an up move on the tariff.

**Apoorva Bahadur:** Okay. And we'll be importing battery cells or packs for the entire base system?

**Nikhil Dhingra:** Entire base system, Apoorva. Entire base system.

- Apoorva Bahadur:** Okay. And when would be the soonest that we can see first units being commissioned over here? Any timeline on that?
- Nikhil Dhingra:** Yes. We are targeting Q3, Q2, late Q2 to Q3 is our target, stress target. We are trying to do a pilot also, which we are trying to finish in Q2. And the large scale battery we are trying to do in Q3.
- Apoorva Bahadur:** Okay. And last question on this battery side is that these suppliers, what sort of warranties do they give?
- Manoj Upadhyay:** They are giving 20 years of warranty and with the degradation cycle, leaving up to 70%.
- Apoorva Bahadur:** So, the way to think about this is that the battery will last at least 70% of its rated capacity by the end of 20th year.
- Manoj Upadhyay:** Correct. It is similar like modules. You are right.
- Apoorva Bahadur:** Okay. And this is 20 years based on one cycle per day?
- Manoj Upadhyay:** One cycle per day. Correct.
- Apoorva Bahadur:** Okay. Understood. Thank you so much. I'll get back in the queue for more questions.
- Moderator:** The next question is from the line of Nihal Shah from Prudent Corporate Advisory. Please proceed.
- Nihal Shah:** Thank you for the opportunity and congratulations on the great set of numbers. So, my question was regarding capacity utilization factor. So, this year, our CUF is pretty high. And was it because of the new 1200 megawatt capacity that came in? What was the capacity utilization factor for that facility in the last quarter and for the old facilities in the last quarter, if we can bifurcate?
- Nikhil Dhingra:** Sure. So, in terms of the capacity utilization factor for this new project which we have commissioned, we did more than 30% CUF, 32% to be exact in the last quarter. So, this is a very high CUF. Of course, you are right that operationalization of this 1200 megawatt project in Rajasthan and that too in the highest sunlight zone of Rajasthan, which is Fatehgarh, which has helped us get the CUF up to 25.6%<sup>2</sup>.
- And as you mentioned, Rajasthan as a state, if you look at our portfolio there, which is very large, that has done around 29.4% CUF on an annualized basis. So, as we move forward and we capture the full year impact of this project next year, the CUF is bound to go up.

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<sup>2</sup> Stated as 25.4% during the call, however, 25.6% is the correct reference

- Nihal Shah:** Okay. And how much do we expect the CUF for the FDRE projects to be? And by when can we estimate our FDRE projects to commission in FY '26 and FY '27, if we can give a number?
- Nikhil Dhingra:** Right. So, in terms of the CUF, it depends on the configuration and of course, it varies from bit to bit. But let's say there is a minimum CUF you need to give in each bid of around 40%, which is on an FDRE. And hybrid, it is typically around 30%. And in some FDREs, it is 50% minimum CUF. So, given our configuration, we are marginally above the minimum CUF in all these FDREs. So, you can say in a 40% bid, it will be around 43% to 45%. In a 50% bid, it will be around 50% to 55%. And of course, on a hybrid, it will be around more than 30%, maybe around 35%, 40%.
- So, that's the CUF, of course. So, that will give a higher revenue per megawatt of contracted capacity. Of course, it will have a higher capex per megawatt of contracted capacity as well. But of course, the return ratios are favorable, quite favorable.
- Nihal Shah:** And so, the other question was, when can we estimate a pencil in some of the capacities of FDRE commissioning in FY '26 and '27?
- Nikhil Dhingra:** Yes. So, as we mentioned that our base case is May-June, like when Mohit asked. So, May and June is the first FDRE schedule date. But what we'll try, wherever the substation is ready on a short-term open access basis, we'll try and commission it sooner by building the plant and the transmission line and every other thing. The issue with operating on STO is that you don't get a binding commitment to evacuate. So, that's a slightly lower realization of your capacity. But given that we are all geared up to execute faster, we will try and prepone this. But on the base case, it is May and June of '26.
- Nihal Shah:** Okay. And when we talk about the cost of debt, so we've seen a reduction in INR7,700 crore debt that we have of 75 basis point. So, moving ahead, how much can we see a overall cost of debt reduction in the coming couple of years?
- Nikhil Dhingra:** Right. So, we have only refinanced right now one of the project of ISTS, which is 300 megawatt out of the 1200 megawatt, which we recently commissioned. And that got us a rating of double AA-. So, as you know, interest rates are dependent on the credit rating. So, we are expecting that all of this 1200 megawatt should get a good rating in the similar band, which the earlier project has got.
- So, right now, if we borrow, we are typically getting 8.5% to 8.6% at that credit rating. Of course, it is expected to improve as the rates fall, which is again a macroeconomic thing. We are not really projecting it, but of course, it is likely to happen that in terms of the, if the rates fall, we are likely to get some benefit of the new refinancing. Of course, what we have refinanced already is locked in for a year.

So, we'll not get a benefit for at least a year where we have already taken a disbursement. But where the sanctions are in place and we are dependent on our base rate, we may get benefit depending on when we take disbursement. So, it is expected to reduce and the reduction could be dependent on the base rates, which are expected to reduce.

And of course, the improvement in credit rating allows us to get the best in class rate for an operational asset, which is around 8.5% today for a AA asset. Of course, we are taking long term financings. We are not taking a short term 5 year, 7 year financing. These are all long term financings we have taken for 20 years, which allows us to get free cash flow to equity, which we need to do capex and which allows us to improve the return ratios of the project also.

**Nihal Shah:** Okay. Thank you. Thank you very much.

**Nikhil Dhingra:** Thank you.

**Moderator:** Thank you. The next question is from the line of Akash Mehta from Canara HSBC Life. Please proceed.

**Akash Mehta:** Yes. Hi. Just, can you help with the capacity additions that we are kind of expecting in fiscal '26 and '27? I mean, you have given a number of 7 gigawatt by '27, '28. But if you can just help us with the year wise number. And second would be, I mean, any ballpark EBITDA that we could kind of be looking at in terms of forecast, yes.

**Nikhil Dhingra:** Right. All right. So, on a FY '26 basis, we are very close to achieving our targets as per PPA timelines. 450 megawatt is what we are adding in this year. And that's the AC basis. On a DC basis, it could be, you can say 600 megawatt peak around that number. In terms of the FY '27, bulk of our capacity is coming up in FY '27, which is as per the signed PPAs, which we just mentioned around 2.2 gigawatts, right? So, 2.2 gigawatt of capacity is coming up in FY '27 because all of their PPA has been signed. So, Ankit, correct me if I'm wrong. 2.2 gigawatt is what should come up in.

**Ankit Verma:** 1.89.

**Nikhil Dhingra:** 1.89 gigawatt in FY '27. And then, of course, we are building the rest of the plants also. But I'll be able to give you the timeline once the PPA gets signed. But that is something which we are expecting in FY, beyond FY '27, where the PPAs have not been signed, but we have begun construction. So, our execution will not get delayed. But of course, we will not do capex until the PPA gets signed.

So, that is the capacity which will shift beyond FY '27. But we have already blocked connectivity's, which allows us to commission before FY '27. But we will get, let's say, a grace period to commission post FY '27 also, because you get 2 years to commission post PPA signing. So, the rest of the capacity you can put beyond FY '27, which, Ankit, you can quantify what's that number.

- Ankit Verma:** It's roughly around 2 gigawatts.
- Nikhil Dhingra:** Roughly around 2 gigawatts, yes.
- Akash Mehta:** Okay. I think that's helpful. And I mean, in terms of incremental bidding, so since there are a lot of things in pipeline, you'll be looking for more projects or probably you'll be looking to enter, maybe you'll take a break, maybe for 6 months or a year, and then looking at more projects for your 10 gigawatt target for fiscal '30.
- Nikhil Dhingra:** Yes, yes. So, see, you're right. In terms of the bidding space and time, we've already taken that. We have not won in last, as you would have seen in the last 6 months, we have not won much capacity. Of course, the bids have been also slow. But in this industry, what you have to also realize is that it's a question of optimizing tariffs and optimizing the construction timelines.
- So, what we are trying to do, rather than being aggressive on the bids, is being aggressive on the execution ahead of time, like we have already built a merchant plant in Sikar. So, that plant is a very big strategic advantage for us because we can plug into any of these PPAs which we get or which we have not got still and commission it immediately. And considering the merchant market today, we have a very healthy tariff going on for the next couple of years, given the peak deficit.
- So, what we are trying to get is some of the connectivities which we have. We will try and build those connectivities. And we are able to get financing also for the merchant plants. So, we will keep on building these plants once we get financing. We will not build a plant where we don't get financing on the debt side because we want to cover our risks. And of course, we will put them into a PPA when we get a good bid.
- And of course, we will always try to be financially prudent in terms of scheduling our capex as per the available resources, because we don't intend to raise any further equity for funding the capex we have. So, we will always try and bid conservatively. In terms of the new project profile, they are all coming with storage.
- And so, the capex per bid has reduced because they have less of wind capacity and more of solar and battery. So, capex has reduced. But still, we will try and basically stagger our PPAs and stagger our commissioning timeline such that we reach 10 gigawatts, but we reach in a way which is yearly-wise more balanced and concentrated in a particular year.
- Akash Mehta:** Okay. I think that's helpful. So, thanks a lot and all the best.
- Nikhil Dhingra:** Thank you, Akash.
- Moderator:** The next question is from the line of Dhruv Muchhal from HDFC AMC. Please proceed.

**Dhruv Muchhal:** Yes, sir. Thank you so much. Sir, the gross block number that we have reported in the PPT, about INR14,100 crores, does this include, for the newly commissioned SECI projects, does it 1200 megawatt -- does it include the duty portion also on the modules?

**Arun Chopra:** Yes, it includes that.

**Dhruv Muchhal:** Okay. So, ideally, when we look at the gross, because this is not what you will depreciate, I believe, this is, I mean, so, your actual cash spend will be much lower. Is that right?

**Nikhil Dhingra:** Yes, yes.

**Dhruv Muchhal:** So, if you can share what that number is of the duty portion.

**Nikhil Dhingra:** So, it's around INR4,500 crores. Correct me if I'm wrong, Arun, right?

**Arun Chopra:** So, as far as the duty number is, it's close to around INR2100 crores.

**Nikhil Dhingra:** No, no. The cash portion he's asking, that is around INR4,500 crores, right?

**Arun Chopra:** Yes, that's around INR4,500 crores.

**Dhruv Muchhal:** So, the duty portion within the gross is about INR2100 crores.

**Arun Chopra:** Yes, yes.

**Nikhil Dhingra:** That is for the six projects. That is not for the 1200 megawatt. So, for the 1200 megawatt, it will be around INR1,400 crores.

**Dhruv Muchhal:** INR1,400, yes. One second, if I just said just INR1,400. So, yes, perfect. Makes sense. So, the second question is, as you mentioned, the ALCM probably leads to an increase in tariffs. So, the industry understanding is the tariffs for pure vanilla solar can go to about INR3, INR3.1, approximate. I don't know if people get more aggressive. But when I look at your pipeline projects, for example, you have an Omega project, if I'm not wrong, which is Omega Urja solar of 300 megawatt, which if I'm not wrong, the tariff is about INR2.5.

So, I'm just curious why this project does not get signed, because the new tariffs will come at, say, vanilla solar will come at INR3, and you have a project which is selling at INR2.5, and probably, if I'm not wrong, if the PPA is signed before the June period, you also get transmission waiver, while the new projects with ALCM will also not have transmission waiver. So, I'm just curious to understand, as an example, this project, why is it not getting signed?

**Nikhil Dhingra:** Right, right, right. So, I think the one thing is that on the ISTS waiver front, it's the commissioning date, and it's not the PPA signing date. So, there is no advantage, per se. But of course, you're very right that INR2.52 is a very attractive tariff, and we are expecting that PPA

to get signed very soon. So, it's something which you're right that the tariffs will be higher going forward.

And of course, what the other thing is happening is, there are no pure solar bids coming. They are now going to come up with some component of battery, right. So, these are some of the few remaining pure solar tenders. And given the overall profile of having some bit of peak power, so these are, you can say, the residual solar, which is going to get picked up very soon. So, you're right that it is an attractive tariff. But like you rightly said also, the aggression also is there. Sometimes the tariff should be 3, but may not be 3, right.

So, you will see that the tariff will be somewhere between, not in the very, this thing, because the interest rates, and of course, the people have integrated facilities. So, you will see that it will be 2.7, 2.8. Of course, it could be, it may not capture the full impact, because the cell prices are also benign. And of course, the raw material prices are also benign currently, because the Chinese raw materials are also not getting good customers abroad. So, it may not go that high, but still 2.52 is an attractive tariff and should get signed.

**Manoj Upadhyay:**

So, Dhruv, actually, let me a little bit explain. Right now, most of the utilities, this is Manoj here. So, most of the utilities, they are looking evening and morning power, right. So, they are not that much attractive to just buy solar, right. So, they are all preferring solar with battery, solar FDRE, those things, right. So, this is a very new phenomenon.

You must have seen the government direction also that solar should be installed with the battery. So, there are actually few PPAs or few tenders, which are still open in the pure solar category, and they will get signed. Price-wise, it is very attractive, it should get signed. But right now, most of the utilities are preferring evening and morning power. So, they are preferring FDRE, solar plus battery, those type of powers.

**Dhruv Muchhal:**

Yes, I am just wondering, I mean, these all these tenders of pure solar are, I mean, cheaper than the new solar tenders. Why not align a battery along with it? I am not sure, of course, that is a regulatory...

**Manoj Upadhyay:**

No, you can't do. Actually, you cannot do anything in the bid tender. Yes, that is a challenge. If you ask me...

**Dhruv Muchhal:**

The discoms will have to think about it, but yes, I think that is the...

**Manoj Upadhyay:**

Yes, yes. They have to do separate bid for battery because these are all Section 63 bidding. You cannot change in the configuration.

**Nikhil Dhingra:**

But the good thing is that you get the battery connectivity along with it. When you build a solar plant at a particular CTU substation, it allows you to get the night connectivity along with it. So, which is a big plus because, let us say, if we build this plant, we will get the battery connectivity and use it in the future bids also.

- Dhruv Muchhal:** Got it. Sure. And just the next question was on the point of, you know, pre-poning some of your FDRE projects, I think the battery portion. So, I am just trying to understand how does it help. Can you start supplying to the discom if you pre-pone it or you are looking at optimizing it on the merchant basis because probably you commissioned the battery portion of the project early and optimize by selling it on the grid because you have that leeway available for a few months. Is that what you are...
- Nikhil Dhingra:** Right. Right. So, see, there are facilities available in the PPA where you could procure the battery power from a third party, which is basically you can have it on a merchant basis till the time you plug it into a PPA. So, what you can do till the time you plug into a PPA, you can install the batteries on an already operational substation and use the infrastructure there. And when the PPA, the rest of the component is ready, you can start supplying to that PPA.
- Dhruv Muchhal:** Okay. So, until the PPA official, I mean, is commissioned, till that time you will be selling the power on merchant basis?
- Nikhil Dhingra:** Yes. Yes. Yes. That is one of the options. Yes.
- Dhruv Muchhal:** Okay. And I mean, speaking to some, it seems that I am not very clear about funding for battery projects because -- so, is the funding for battery projects now available or still there is some hurdle in terms of warranties and insurance and all those claims from the lenders?
- Nikhil Dhingra:** See, the INR16,500<sup>3</sup> crores of financing we have obtained, right, almost leaving apart one or two projects, all of them have battery components. So, that is something which has already happened. You know, ReNew recently operationalized the battery plant, right. They have got international lenders, Indian lenders. So, that hurdle has been crossed for a large portion of projects. All the leading lenders are comfortable with battery.
- And that has been aided by the government push, of course, right. There is a PLI scheme. There is a lot of state governments are also buying large amount of batteries. So, the understanding about the battery has really improved in the last year or so. And everybody realizes that this is a good capex and it should be supported. So, we are seeing good traction even for the merchant battery.
- Dhruv Muchhal:** Okay. So, batteries, I mean, for lenders, batteries is not a hurdle in terms of approving and all those.
- Nikhil Dhingra:** Yes. And that is primarily being driven by the adoption of this technology by the largest player, which is the government, right. Because state governments are very much understanding how it benefits them because they are also seeing their peak deficit. They are also seeing how it adds

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<sup>3</sup> Stated as 16,000 crores during the call, however, 16,500 is the correct reference



value. So, and if everybody is doing capex, government is doing capex. So, that also supports this kind of adoption.

**Dhruv Muchhal:** Great. Thank you and all the best. That is very helpful.

**Nikhil Dhingra:** Thanks a lot, Dhruv.

**Moderator:** The next question is from the line of Anit Suri from Emkay Global. Please proceed.

**Anit Suri:** Yes. Hello. Hi, sir. So, just a quick question on the CUF. So, just wanted to check, you mentioned that the Rajasthan capacity has a CUF of 29.4% as opposed to the overall CUF of 25.6%. Is there any specific reason why this has a 4% higher CUF than the rest of the capacity? Maybe like a different kind of technology or something?

**Nikhil Dhingra:** Right. So, see, the primary reason is there are twofold. One is regulatory. That in our past projects, the tariff used to be higher. But because of that, the CUF was capped at 19%, in some cases 18%. So, because the tariff was high, nobody wanted to buy a larger quantum of power. So, they restricted the CUF. So, all of our old projects have some kind of limitation around that. Post-2017, which we have signed from the central REIAs, this cap was removed. So, post-2017 projects don't have this cap.

The second reason, which is more to do with the sunlight, is basically that the Rajasthan gets, you can say, around 5% to 10% higher radiation than the rest of the states, in terms of leaving apart some parts of Gujarat, which is at par with Rajasthan. But it gets a higher radiation than other states. So, because of the higher proportion of the power being located in Rajasthan, we also get advantage of that. And everybody gets advantage of that, whoever is located in that region.

The third reason, which is, again, the technical configuration of plants, which have been consistent. It's not a new thing for us. We have been doing higher CUF, because in terms of the sharing the AC infrastructure with the larger DC infrastructure by putting more modules of around 1.5 times overloading on each inverter. So, that is, again, a technical point, which helps us to generate this kind of CUF, because given the cost benefit, it makes sense to install more modules over the same AC infrastructure. So, these are the three reasons. The Rajasthan has a higher sort of CUF than, let's say, some of the older PPAs. So, primary reason is regulatory, and the rest two reasons are, you can say, contributing also.

**Management:** And just to add here, one more point. This 25.6% that you are seeing for the full year, the SECI ISTS, which is 1200 megawatt, only ran for 3 months in the last year. So, the full stabilization, you will see the numbers reflecting in the current year, for which it will run for full year this year. So, apparently, this will increase from 25.6%...

**Anit Suri:** Got it. Understood. That makes sense. The second question I have is in terms of funding. So, regarding the funding, you mentioned that INR16,000 crores of funding has been secured for the

under-construction capacity. So, is that going to be fully debt-funded? I just wanted to understand if the INR16,500 crores is the entire number, or are we funding something from internal accruals as well?

**Nikhil Dhingra:**

Right. So, the INR16,500 crores we mentioned is the debt financings we have for the PPA-signed projects, which is 1700<sup>4</sup> megawatt of them, which we have financing for. So, equity, already we mentioned we have currently cash accruals of around INR2,900 crores, which are in place. And we have unutilized, basically, equity, which will get released of around INR1,500 crores more, which we can take in terms of the unutilized credit lines, which we have available for our equity portion.

So, which is basically aided by the free cash flow equity of the operational projects, by the EPC margins, and of course, by these credit lines which are available. So, that will contribute to the equity portion. The INR16,500 crores is the debt portion, long-term project finance, which is available to us.

And let's say 75:25 or 80:20 debt-to-equity. So, let's say one-fourth of this number is the equity we need. So, we do have that already. So, you can say the INR16,500<sup>3</sup> crores of debt will be supplemented by around INR4,000 crores of equity, and that will help us do INR20,000 crores of capex.

**Anit Suri:**

Understood. And just a last one, if I can ask, maybe this has already been answered, but regarding the BESS commissioning, is there any specific timeline that you provide?

**Nikhil Dhingra:**

Right. Like we said, we are doing one pilot project, which will be executed in our operational sites in 200 megawatts. So, that we are targeting for Q2, the later part of Q2. That's a pilot project. But large-scale project, we are targeting to do in Q3. So, we've already done the tie-ups, like we mentioned.

So, depending on all the components and all the approvals, that's something we are trying to do, because we are also very geared up to utilize the gap between the peak power rates and the base power. So, we think it makes eminent sense to try and commission them early. So, we are all geared up, and we do have the commission projects which are required, the connectivity is in place, and the operational projects in place, which allow you to do that.

**Anit Suri:**

Right. Got it. Got it. That's clear enough. Thank you, sir. Thanks for taking my questions and all the best.

**Nikhil Dhingra:**

Thanks a lot.

**Moderator:**

Thank you. The next question is from the line of Anuj Upadhyay from Investec. Please proceed.

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<sup>4</sup> Stated as 1800 MW during the call, however, 1700 MW is the correct reference

**Anuj Upadhyay:**

Yes, hi. Thanks for the opportunity, sir. Much of the questions have been answered, just on certain clarity on the wind project. So, offlate we have been seeing that wind has been significantly underperforming. So, 2 of our last 5 years, probably the performance have been quite weak. And this probably could have an impact on the committed output across our FDRE and hybrid tender. So, just want to get your thoughts on it. How, as a developer, are we trying to deal with this kind of a risk effort?

**Nikhil Dhingra:**

Right, Anuj. So, you're very right in terms of the past performance of wind. And of course, as a technology, it's very useful. But yes, in terms of the predictability, it's much lower than solar. So, we, of course, are looking at it the same way you are looking at. So, when we persisted with solar for more than 10 years, 12 years of our operations, we were going by the same philosophy that it is much more predictable. It is, of course, more driven by technology as compared to wind. And of course, it will be a cheaper form of power and will be a more viable form of power for all the utilities to purchase the solar power.

So, when we got wind, we were basically looking at the hybrid projects and the FDRE projects. And that's why we did a small project of 150 megawatt, which we are executing in Gujarat. So, this bit, like now you have seen the battery price is also coming down. So, that has, of course, had a big impact on reducing the wind component.

So, the wind strategic role, which was there earlier in an FDRE plan, is no longer that strategic, because the solar and battery is able to compete very well with the component of wind, with the uncertainties built in in wind and reliability built in in solar and battery, so, that's a big plus.

Because in an FDRE project, what you need, other than volumes, is the certainty, because there are penalties which are there in these projects. So, as a prudent developer, we always try and aim for certainty. So, our wind components are very low in any of these FDRE. In hybrid, you can't help it. You have to have one third component as wind.

So, that much bare minimum wind we will do. And of course, in those projects also, when we factor in a tariff, we factor in a very conservative wind CUF, keeping in mind these past performances. And that's how we are planning to play this Anuj.

**Anuj Upadhyay:**

Fair enough, sir. Secondly, sir, on your FY '30 target, so currently we are at, say, 2.7 operational. We'll be adding, say, another 3.5 or 4.5 gigawatt capacity by FY '27-'28. And from there till FY '30, we are targeting around 10 gigawatts, just to get a sense, aren't we too conservative in terms of capacity addition target or there's some huge potential to revise this target going ahead? And lastly, any thoughts of getting into pump hydro or any other storage design?

**Nikhil Dhingra:**

So, Anuj, there are two things there in terms of this target. So, when we talk about target, we talk about contracted capacity and we don't talk about installed capacity. Some of the companies talk about installed capacity, which will be, let's say, for us also more than 20 gigawatts when we install this around 10 gigawatts or because the solar and the battery and various other

equipment which go is multiples of the contracted capacity. For a 250 megawatt plant, let's say we will have more than 500, 600 megawatts of installed capacity.

So, we are not focused on boosting these gigawatt targets because ultimately it's about profitability. So, we don't really document it on a installed capacity basis, but our number will be quite high on installed capacity numbers and we can share with you that number. But in terms of contracted capacity, which determines your revenue and CUF, this is 7 gigawatts is what we are trying to reach. And as we move forward, this 10 gigawatt again is a combination of FDRE and hybrid. So, this will be leading to a huge number on installed capacity, which will be 20 gigawatt plus. So, that is one.

And secondly, in terms of the execution capacity of a single corporate. So, right now, And we are an integrated player with EPC built in and these are all large infrastructure projects. So, in terms of the increasing our ability to execute more, right, the land is one of the primary constraints because you get to -- you need a large parcel of contiguous land, which government land can help you get there.

So, we are trying, like we mentioned earlier, we are trying to secure a large portion of lands, which will help us improve this on a per year execution. So, of course, bidding is easy, right? Because you can bid. But in terms of building, you have to have a pipeline, which you are delivering as you mentioned. So, for that, this bit of contiguous land having upfront before the bid is important.

So, I would say we are rational rather than conservative. But in terms of the last bit you asked about PSP. PSP, we do have a project in Uttar Pradesh. But of course, we will be very careful in terms of not doing it on merchant basis. We will always do it on a PPA. And of course, we will factor in the timeline it takes to build up a PSP plant and the various associated approvals.

We hear that the government is looking at rationalizing these approvals and process time because government also wants to push this form of power. So, we will be ready whenever that opportunity comes up, because we do have a couple of projects, which we can take up. But of course, as of now, the battery power looks like something which you can opportunistically scale up.

And the government is also looking at that, if you look at the state government capex around battery and PSP. So, we are oriented in the direction which the market is today. And we will keep on developing the asset. But we will not do capex until we get a good tariff, which is in sync with the construction risk of a PSP.

**Anuj Upadhyay:**

That's helpful. And what quantum this PSP would be in UP, which you mentioned?

**Nikhil Dhingra:**

It's a 600 into 6 megawatt hour of storage, 6 hours of storage. So, that's the approval. We are very close to getting the stage one forest and we are in discussions with CEA for getting the

DPR approved. So, and we already have applied to state for the incentive scheme approval as well.

**Anuj Upadhyay:** Fine, sir. That's quite helpful. Thanks. And wish you good luck.

**Nikhil Dhingra:** Thanks a lot.

**Moderator:** Thank you. Ladies and gentlemen, I take this as the last question and would now like to hand the conference over to Mr. Sabri Hazarika for closing comments. Over to you, sir.

**Sabri Hazarika:** Yes. So, I'd like to thank the management and all the participants for the insightful comments. Before ending, I'd request Mr. Manoj Upadhyay, sir for his closing comment. Over to you, sir.

**Manoj Upadhyay:** Good morning. I would like to start with, while Nikhil has touched upon the performance of the year, but I would like to also mention some of the area we could have done better. I think PPA signing, we were expecting to sign 400 to 500 megawatt last quarter, but unfortunately it shifted to this quarter.

So, this forecasting of signing the PPA is one learning I think we have to build inbuilt in our system. Although we have a very limited control, how the REIA deals with the state government, but this area I think I would like my team to work on. So, we are able to give you this thing.

Second area is I think we wanted to do our Sikar 300 megawatt solar plant. We wanted to install by 31st March, but somehow we slipped by 60 days. And while the installation, we also faced India-Pakistan issues. So, few days we had to really shut the installation and commissioning.

So, although we wanted to do much before that, but this is a learning that we need to really keep some more time for commissioning. As commissioning is becoming more and more tougher, because the regulatory requirement of the power factor correction, harmonics, flickering, the government is more and more looking to ensure that all the plants are compliant for the grid stability.

The similar thing happened with our 50 megawatt. We wanted to commission this thing, but I'm pleased to share with you that it is under commissioning. Maybe in this week, we will be able to share with you that commission.

I would like to highlight that we continue to focus on the technology innovation and execution to build a future-ready and sustainable portfolio. We want to cater to India's requirement of growing energy demand. And I see that this will more happen right in the FDRE or a base power or a peaking power, instead of the solar time or wind time power. You will see more and more such adoption, and we are ready to do that. And as a company, we have been testing this solution for quite a long.

We have made remarkable progress this year. I wish to express my sincere thanks to all the investors, lenders, regulatory authorities, and employees for our success. I thank you for your commitment, excellence, and belief in my vision. Thank you again.

**Nikhil Dhingra:**

Thanks.

**Moderator:**

On behalf of Emkay Global Financial Services Limited that concludes this conference. Thank you for joining us. And you may now disconnect your lines.