

EARNINGS PRESENTATION Q2FY20

KP ENERGY LIMITED

GLOSSARY

BoP	— Balance of Plant
O&M	— Operations & Maintenance
WTG	— Wind Turbine Generators
EPCC	— Engineering, Procurement, Construction and Commissioning
IPP	— Independent Power Producers
MW	— Mega Watt
GW	— Giga Watt
KV	— Kilovolt
BSE	— Bombay Stock Exchange
ROW	— Right of Way

COMPANY SNAPSHOT

KP Energy Limited is Gujarat's prominent **balance of plant solution provider in Wind Industry** engaged, from conceptualization till the commissioning of a wind energy project.



Gujarat's #1

Gujarat's #1 BOP solutions provider for Wind Farms



~200 MW

~200 MW capacity energised till date with 100% O&M under preview



~214 MW

Power Evacuation Capacity of ~214 MW



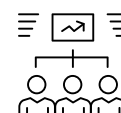
~8.4 MW

Wind Generation Assets of 8.4 MW capacity providing annuity based income



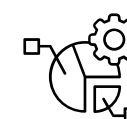
1,031 MW

Order Book and Business Pipeline of 1031.5 MW for coming 3 years



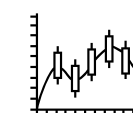
150+

Team strength of 150+ members



Diversified

Diversified revenue streams



BSE listed

EPCC

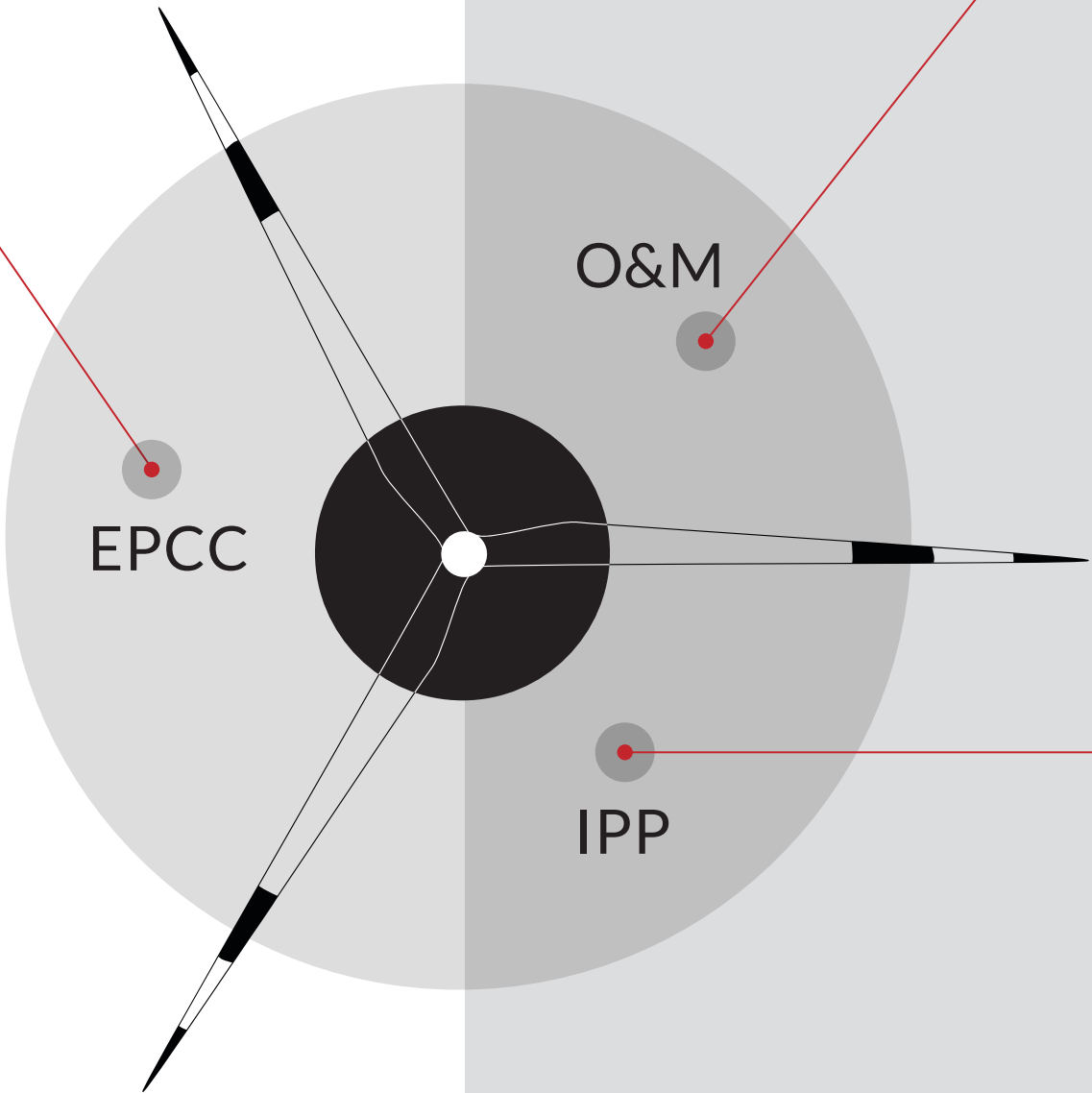
KPEL offer a unique value proposition, which has been designed to comprehensively address all the complications encountered by WTG manufacturers, IPPs and captive power consumers in setting-up of a wind farm. We offer BoP Solutions, for WTGs, right from concept till commissioning of the project.

O&M

KPEL delivers thorough support in operations and maintenance for the BOP portion of the project.

IPP

KPEL owns power generation assets with a total capacity of 8.4 MW, at wind farms developed by the company.



**BUSINESS
MODEL**

EPCC SCOPE OF SERVICES



Site Identification & Acquisition

Our key competence lies in identifying good windy sites and acquire them.



Site Preparation

We have constructed roads & access or ROWs through tough and challenging situations.



Operations & Maintenance

Entire BOP of wind farm for operational life.



Construction & Erection

WTG civil foundation, 33kv USS & internal network as well as logistics, installation & erection of WTG.



Power Evacuation

We undertake EPCC of 33/66 & 33/220 kv windfarm Pooling Substation and EHV lines



Permits & Approvals

We obtain all requisite permits & approvals from government bodies for the project and operational life thereof.

SUPPLEMENTING VERTICALS

OPERATIONS & MAINTENANCE (O&M)



O&M services

Provides O&M services for Balance of Plant portion of windfarms



~200 MW

As of date, KP Energy has an O&M portfolio of ~200 MW



EPCC directly drives the growth of this segment.

EPCC directly drives the growth of this segment. However, the existing portfolio creates an annuity based income

INDEPENDENT POWER PRODUCERS (IPP)



8.4 MW

KP Energy has its own power generation assets of 8.4 MW (4*2.1 MW) capacity at its own wind farms



Dual Objectives of becoming an IPP:

Dual Objectives of becoming an IPP:

1. Strategy set-up: Providing assurance to clients
2. Annuity based income

INCOME STATEMENT

SUMMARY (STANDALONE)

(Rs. in Crores)

PARTICULARS	Q 2 F Y 2 0	Q 1 F Y 2 0	Q 2 F Y 1 9	Y O Y %
	U n a u d i t e d	U n a u d i t e d	U n a u d i t e d	C h a n g e
Revenue from Operations	27.82	36.22	19.22	45%
Total Income	28.01	36.25	19.35	45%
Total Operating Expenses	22.68	27.48	12.88	76%
EBITDA (Excluding OI)	5.14	8.74	6.34	(19%)
EBITDA (Excluding OI) %	18%	24%	33%	(44%)
Interest Cost	1.02	0.91	1.6	(36%)
Depreciation & Ammortisation	0.98	0.98	0.9	9%
Profit Before Taxes	3.33	6.87	3.97	(16%)
Profit After Taxes	2.39	4.95	2.83	(16%)

BALANCE SHEET

SUMMARY (STANDALONE)

(Rs. in Crores)

PARTICULARS	Q 2 F Y 2 0	Q 1 F Y 2 0	Q 2 F Y 1 9	Y O Y %
	U n a u d i t e d	U n a u d i t e d	U n a u d i t e d	C h a n g e
Shareholders Fund	61.53	59.13	41.81	47%
Non Current Liabilities	38.46	39.19	43.36	(11%)
Current Liabilities	54.31	54.52	44.67	22%
Total	154.31	152.84	129.85	19%
Non Current Assets	107.63	100.57	86.08	25%
Current Assets	46.68	52.27	43.76	7%
Total	154.31	152.84	129.85	19%

CASHFLOW STATEMENT

SUMMARY (STANDALONE)

(Rs. in Crores)

PARTICULARS	Q 2 F Y 2 0	Q 1 F Y 2 0	Q 2 F Y 1 9	Y O Y %
	U n a u d i t e d	U n a u d i t e d	U n a u d i t e d	C h a n g e
Operating profit/(loss) before working capital changes	11.95	28.73	11.6	3%
Net cash (used in)/generated from operating activities	29.28	6.07	3.2	815%
Net cash (used in)/generated from investing activities	(24.56)	(1.76)	(1.54)	1495%
Net cash (used in)/generated from financing activities	(2.82)	(5.82)	(3.62)	(22%)
Net Increase/ (Decrease) in cash and cash equivalents	1.89	(1.51)	(1.96)	(196%)
Cash and cash equivalents at the beginning of the year	6.86	8.38	8.38	(18%)
Cash and cash equivalents at the end of the year	8.76	6.86	6.41	37%

INCOME STATEMENT

SUMMARY (CONSOLIDATED)

(Rs. in Crores)

PARTICULARS	Q 2 F Y 2 0	Q 1 F Y 2 0	Q 2 F Y 1 9	Y O Y %
	U n a u d i t e d	U n a u d i t e d	U n a u d i t e d	C h a n g e
Revenue from Operations	27.82	36.22	19.22	45%
Total Income	28.01	36.25	19.35	45%
Total Operating Expenses	22.68	27.48	12.88	76%
EBITDA (Excluding OI)	5.14	8.74	6.34	(19%)
EBITDA (Excluding OI) %	18%	24%	33%	(44%)
Interest Cost	1.02	0.91	1.6	(36%)
Depreciation & Ammortisation	0.98	0.98	0.9	9%
Profit Before Taxes	3.33	6.87	3.97	(16%)
Profit After Taxes	2.39	4.95	2.83	(16%)

BALANCE SHEET

SUMMARY (CONSOLIDATED)

(Rs. in Crores)

PARTICULARS	Q 2 F Y 2 0	Q 1 F Y 2 0	Q 2 F Y 1 9	Y O Y %
	U n a u d i t e d	U n a u d i t e d	U n a u d i t e d	C h a n g e
Shareholders Fund	91.77	74.37	41.83	119%
Non Current Liabilities	43.68	44.41	53.37	(18%)
Current Liabilities	54.49	54.1	43.2	26%
Total	189.95	172.88	138.41	37%
Non Current Assets	124.97	106	95.68	31%
Current Assets	64.97	66.89	42.72	52%
Total	189.95	172.89	138.41	37%

CASHFLOW STATEMENT

SUMMARY (CONSOLIDATED)

(Rs. in Crores)

PARTICULARS	Q 2 FY 20	Q 1 FY 20	Q 2 FY 19	YOY %
	Unaudited	Unaudited	Unaudited	Change
Operating profit/(loss) before working capital changes	11.95	28.73	11.6	3%
Net cash (used in)/generated from operating activities	13.13	6.07	(3.11)	(522%)
Net cash (used in)/generated from investing activities	(33.01)	(1.76)	(4.31)	666%
Net cash (used in)/generated from financing activities	21.77	(5.82)	5.96	265%
Net Increase/ (Decrease) in cash and cash equivalents	1.88	(1.51)	(1.46)	(229%)
Cash and cash equivalents at the beginning of the year	7.46	8.38	8.53	(13%)
Cash and cash equivalents at the end of the year	9.35	6.86	7.06	32%

EXECUTION PERFORMANCE

MANAGEMENT COMMENTARY

1. The key takeaway for this quarter and the upcoming time is winning the **association with conglomerate CLP India for Sidhpur Site**, where Gujarat is going to see about 2 GW of new wind projects. To the benefit of this association was winning of a bid in SECI Tranche VIII, where the response was only for about 550 MW and it was a safe and clear walk-over.
2. At Sidhpur, KP Energy is looking for much larger engagement in terms of wind as well as solar projects and will go further from presently won bid of 250.8 MW to an envisaged capacity of about 600MW on ISTS network.
3. The present 300 MW project at Gadhsisa is awaiting completion of the EHV network, which is subject to unprecedented 'Right of Way' expected by the landowners. The company is addressing the same with the help of GE team in terms of meeting the costs and execution challenges.
4. Also, the costs of execution of the project too have increased fairly and discussions are initiated with all the stakeholders to address the same in interest of the project and safeguarding the economics v/s. sustenance for the 300MW Gadhsisa Project.
5. The project team has been working hard to balance the situation, in view of the cash flows getting stretched and asks for projects and completed works getting impacted due to constrained timelines. Nevertheless, there is a silver line behind the clouds - like clues of improving the ceiling tariff in SECI bids, infrastructure development and pro-investment steps undertaken by Government, RPO enforcement at the regulatory level, and mapping of road-blocks for achieving the 2022 & 2030 RE capacity targets by Ministry will change the scenario phenomenally.
6. The upcoming second half of FY 20 (H2) will be very crucial to link the project pipeline available with KP Energy for development and improve its stand-out in the market as well as cash flows. It is poised to be a multi-site player with structural changes in execution and organization fronts.

QUARTERLY RESULTS

MANAGEMENT COMMENTARY

1. As expected, the Company has reduced its inventory remarkably to address the liquidity issues in the present quarter. It will continue to focus on realizing its investments and inventories.
2. Top-line & bottom-line for wind project development companies are not bound by quarter limitations and looking to monsoon and severe weather impacts, the actual works, and billing was less than its potential and possibilities.
3. Trade receivables and trade payables are reduced sizeably in this quarter displaying improved financial management during stressed cash flows.
4. An increase in investments is because of the 220kv transmission line dedicated circuit available with KP Energy which is close to completion and will be the backbone for the new 300MW project in the vicinity where now laying a new transmission line is close to impossibility.

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