"CleanMax Enviro Energy Solutions Limited

Q2 FY27 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to CleanMax Q2 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. 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 is being recorded. On the call we have today Mr. Kuldeep Jain, Founder and Managing Director, and Mr. Nikunj Ghodawat, CFO.

I now hand the conference over to Mr. Kuldeep Jain, Founder and Managing Director of CleanMax. Thank you, and over to you.

Kuldeep Jain: Thank you everyone for joining. We are delighted to host this conference call. What we will do is I will present the first section about the highlights for the last quarter as well as the business updates. So starting with the highlights for the quarter itself. So overall we have now 6.3 gigawatts of RE contracted power sales.

Out of which out of the power sales which is operational is about 3.6 gigawatts and another 2.6 gigawatts is contracted and under execution. And in the first half of the year, we have commissioned around 600 megawatts of capacity on the RE power sales segment. In terms of financial highlights, for the first half of the year as we see here, we had about INR1,047 crores of EBITDA, vis-à-vis INR670 crores in the corresponding time period last year.

And a INR553 crores EBITDA for the quarter itself versus INR386 crores for the corresponding period last year. So overall, we've had in the first half of the year about a 56% EBITDA growth and I was quite delighted. I was on a CNBC interview prior to this. I didn't realize, but it's substantially above the sort of analyst estimates is what they were also informing me.

Then the weighted average cost of debt has continued to fall and now stands at about 8.3%. And we are delighted to be credit rated as AA stable in the last quarter by CRISIL. And that brings us on par with leading industry names such as JSW Energy as well as Adani Green, who are also rated at AA stable.

And our profit after tax has risen about six fold, admittedly off a low base of about INR120 crores in the first half of the year from INR19 crores in the corresponding period of last year. Moving on as I mentioned, we added 600 megawatts of capacity and it's about 80% of our capacity additions are in our four largest markets, which are the four largest industrial powerhouses, which is Gujarat, Karnataka, Maharashtra and Tamil Nadu.

And in this last 6 months, about 80% of our capacity who are in those four geographies. And on an overall basis also, those four states account for roughly about two-third of our capacity in aggregate. So it's reasonably well spread out. And of course, within each state the capacity addition may be spread across multiple sites and every power purchase agreement itself will be about 13 megawatts or thereabouts. So there will be a lot of customer diversification within. Now, this is a standard table we always present, which and I'll explain how to read it. There are four buckets to it. First is renewable energy power sales capacity.

So the operational capacity here is about was 1,712 megawatts as of March 25th, had risen to 3,100 megawatts and is now about 3,600 megawatts. So in the last 6 months, we've added to this

number. We've got a healthy contracted yet to be executed capacity. The way I look at it is if we are adding at 1,500 megawatts a year, 2,600 megawatts or thereabouts of capacity represents roughly about 20 months, 21 months of next growth.

So we've been successful in continuously ensuring that the pipeline translates into revenues by ensuring that the operational capacity is what is getting ramped up. And then we have an RE services segment which also has about 830 megawatts operational. Then we have evacuation received, which means that this is the raw material available for us for future growth. This is about 3,200 megawatts, was about 1,100 megawatts 18 months ago. So, it's about a 3x growth in the past 18 months. And once Just to explain how to read this table, once we have a contracted PPA, the firm evacuation moves into the bucket of firm contracted capacity up there.

And then the last bucket is evacuation we've applied for, which is as of 30th September stands at about 2,800 megawatts. And over time as this matures, it becomes evacuation received. Customers sign up against it, it becomes contracted under construction capacity. So, we've had a healthy growth across all these four buckets, both the revenue, the contracted under execution, the evacuation received and evacuation applied for. And the sum total, which is the aggregate portfolio size, has now risen to about 13,200 megawatts.

As of 30th September 2026, which contrasts with 18 months ago, this was about 7.8 gigawatts. So, the increase reflects our confidence in continuing growth in the company. A few financial highlights now for the quarter that just went by. So, if you look at revenue from operations, the first half of the year saw roughly 67% growth.

We have two business segments. One is RE power sales, which is here, that has also grown. And RE, services, which quarter-on-quarter may not have risen too much, but if you look at a first half of the year basis, even the RE power sales has roughly doubled in aggregate revenue. So, handsome revenue growth in both our business segments.

And then if you look at EBITDA as well, and, if you look at the first half of the year EBITDA, RE power sales EBITDA segment for the first half, the bottom portion, has risen from INR620 crores RE power sales to about INR986 crores. And the RE services has also shown a 20% increase from INR52 crores EBITDA to about INR60 crores of EBITDA.

So, EBITDA has strong growth in both segments, and as a result, in the first half of the year, we have had a 56% overall growth in EBITDA. And profit after tax also went up from a small base of INR19 crores in the first half last year to about INR120 crores. And, key unit economics, we always provide this sort of guidance slide. It's standard numbers. I'll only draw your attention to one number, which is I'm quite delighted that our capacity under execution, the tariff is still around INR4, which for a capacity which is 50% solar and 50% wind is industry leading.

With no storage at or low amounts of storage at INR4 tariff is industry-leading. And this is because of our premium positioning within the C&I segment, as opposed to if you were to look at this comparable number for a utility player for 50% wind, 50% solar in SECI contracts, it would be closer to INR3.1 or thereabouts. Whereas ours is closer to INR4, right? So that tariff

premium translates into great unit economics for us. And then we have some more operational assumptions.

I'll reiterate the guidance we gave at the start of the year, which is minimum 1,500 megawatts of new capacity addition during the current fiscal. And, therefore we reiterate the two guidance we've given previously, which is at least 1,500 megawatts of operational capacity we will have. And next fiscal FY28, we will have at least a INR3,000 crores minimum reported EBITDA. And, on a, 5x sort of net debt to EBITDA basis, that would get to a INR15,000 crores-INR16,000 crores, net debt, against this corresponding EBITDA number. So that those are the numbers on this page.

A bunch of business updates to provide to you. So, data and AI continues to be a strong theme for us. I'll begin with some numbers, which is it continues to be about 41%-42% of our overall volume. And we serve a number of key customers across the board. Two more comments people have been asking me, and maybe we can take it as part of the Q&A, but I do see from our vantage point a lot of the compute factories or AI data centers needing to move to India because it's becoming tough to build in other parts of the world.

US was tough already. I think the recent midterm elections have made it tougher. Europe is very tough to build these compute factories in quickly. Middle East has geopolitical issues. Given geopolitical issues, these compute factories will not go to China.

So, I think India will see a rise from its current modest 2.3% share of AI data center, market or, or compute factory market. I think they will see a rise, and that will lead to a rise in contracted energy capacities in this country as well. So that's my one comment on, AI and data centers as a customer base for us. A little more about our clients. So, the overall, numbers we have gone through already. I will not retrace this.

But the new, one thing we always look at is how much of the new PPAs we sign comes from the same existing clients. We just call it a repeat business share in our growth. It's been very handsome at about 75% for the last two financial years. In the first half of this year, this has risen slightly to 85%.

I mean, that's always a good thing. Of course, I always tell my business development team that you need to work harder on getting more new clients because you're just resting on your laurels if you are selling to the existing ones. But it's fantastic to have this kind of a strong 600 plus base of corporate clients which caters to our growth. We continue to have the low receivable days. They are amongst the best in the industry, and our clientele remains very high caliber, as demonstrated by the fact that 83% of them are credit-rated AA, AAA, and multinationals.

And another 12% of them are rated A category. So, 95% A-rated or above, 83% AA, AAA, or multinationals. We have a very strong contracting discipline. So, we retain a 23-year weighted average PPA tenure. So, these are very long-term contracts.

We managed to do them at a high tariff because of disaggregated nature. We are selling to over 600 customers. And therefore, even the longer term, the tariffs tend to be essentially in the direct-to-consumer market tend to be higher than the wholesale market, which is what really a SECI

kind of contracting reflects. And we are today building plants in 10 states in India. seven states are operational. Another three states are contracted and under execution.

We spend annually more than INR10,000 crores of capital expenditure, and therefore operational excellence in how we build and run our plants is very vital part of our business. I'd like to cover that next. So firstly, we have increased just from our RE power sales capacity commissioned in the last 12 months, a trailing 12-month basis, we are adding capacity at about 1,400 megawatts a year. So, when we say that we envision adding about 1,500 megawatts of capacity.

It's something which we've already demonstrated in the trailing 12 months. We have to just believe that we can keep working at that pace. The second thing in any environment is that you have to be able to build the plants within your budgets because that's a big risk, particularly in a capital-intensive business. As you have seen, this first half of this fiscal also, the plants we have commissioned have come in within budget at about 95% of the budgeted cost. And that is an achievement we are proud of. Over the last three fiscals also, we come in within 100% of our budget. The range has been 95% to 97%.

And this is remembered, the war broke out in March. So, this is in an environment in the first half of this year when we commissioned the project, which is very much of rising commodity prices, rising cost of materials, rising cost of diesel, supply chain uncertainties because of the war. With all of that, we are still building projects within what the board has sanctioned for this grid uptime, I've got more, details. It's been better on the CTU front, but I'll explain more in a subsequent slide.

And, even, STUs can continue to have a 98.5% to 99% kind of an uptime rate. So that's not an issue. If you look at our plant's operating performance, in the last 12 months, which is the trailing 12 months to H1 '27 versus the trailing 12 months to H1 '26, the wind power performance has been slightly better.

And even the solar plant performance has been slightly better, and the hybrid plant performance has also been slightly better. So, I think we have made a lot of efforts to continuously build super high-quality power plants and operate them well. It reflects in high quality of operating performance in all of our plants.

The Bikaner grid curtailment is something which a lot of you asked about, so we've provided more details. In the first quarter of this year, if you remember our last earnings call, we said it the plant had just commissioned and the grid curtailment was 70%.

It has fallen in the last quarter, the month of July and August were nearly 50%, then it fell to 44%. And as of October, it's fallen to 26%. Basically, the grid has worked hard on upgrading and commissioning some new sections, and as a result, the congestion, which has reached very peak proportions has really reduced.

And we are delighted to see it at a low number of 26% in October. From an EBITDA perspective, if you translate this in the first half of the year, the grid being the grid curtailment cost us about 5% of our EBITDA. In other words, if our EBITDA in H1 of this year grew at 56%, without this curtailment, instead of 56%, it could have grown at 61%. Right, but it's not a very big number,

and is the issue is getting more in control, as you can see, with these numbers. I'll now hand over to my able colleague Nikunj to take us through the financial results.

Nikunj Ghodawat: Thank you, Kuldeep. And, in the financial results section, which is page number 16, this slide, I think on the first table is on the P&L number. Kuldeep has to some extent covered this. I'd just like to highlight a couple of things here, as numbers already been covered, is that the growth in the EBITDA is primarily driven by a strong operating performance of our assets, which has, delivered on generation very well, both wind, solar, and hybrid asset.

And also, some of the projects which we have commissioned, fast commission in H1, has also contributed to the growth in the revenue and EBITDA for our power generation segment, and Particularly on the balance sheet front, there are a few components we track very carefully. It's a business where we are consistently adding capacity. So, how the gross block movement has been and the working progress or CapWIP movement has been. So, there is growth in both. They now stand at the gross block at INR15,182 crores on 30th September 2026. And CapWIP is around INR6,700 crores.

And this capital expenditure result correspondingly increases into the net debt, which is on 30th September 2026 stand at INR13,838 crores, as this capital expenditure is funded by the net debt and the internal accruals in the equity, and that's why on the next page what I'll try to cover is the profiling of the net debt. And how the different component of debt, page number 9. Just go ahead, take it.

Sorry, apologies, we are on page number 17, which is profiling of the net debt. If you see the bottom chart, it just breaks the net debt into three components. Which is the debt against the project which has been operational for more than a year. The outstanding debt against those projects is INR6,075 crores, and these assets correspondingly generated in first half around INR717 crores of EBITDA. So, we loosely analyze that it's sort of less than 5x of net debt to EBITDA on the asset which are fully operationalized.

Right, and that is also sort of the net debt to EBITDA number at a balance sheet level as a proxy, which we also monitor. That also remains as less than 5x. So, that's a very important component which we monitor. And outside of this, we have INR5,100 crores of debt which is against the under-construction assets or the debt at a holding company that pretty much correspondent to the INR6,700 crores of CapWIP which we saw on the last page.

So, the net debt buildup reflects the capex which we are incurring, and the assets which are fully stabilized are self-servicing from the cash flows which is generating from the asset. So, that's the important point I wanted to make here. And this, that's why resulted into a very important update for this quarter was upgrade in the credit rating for the CleanMax. We are now rated at a corporate level AA from CRISIL.

And also in this finance, in the last quarter, we did our first green bond of the company, which was also AA rated by CRISIL, which was a INR2,500 crores bond. The big benefit of that bond was, which we completed in the month of September, that it was a fixed rate bond with the different strips starting from 2-year to 10-year with the weighted average cost of around 8.6%.

And that's why if you see on the middle bar chart, there are fixed component of the outstanding debt, which is the rate locked in, is 53.7%, and the floating is 46%. It's a very important ratio in current environment because, we all know that there is some hardening of interest rate expected over the next few quarters. We already seen some increase in the last quarter by the RBI.

So, fixing of the rate significantly helped us navigating that increase in the rate, the macro environment rate. And also, last but not the least, the first half interest rate, which is the weighted average interest rate for the company, has also been, it has reduced to now 8.2% at the project level and at the overall corporate level at 8.3%.

So, if you just think about CleanMax, in H1 we've been able to reduce the rate, get the corporate rating, upgrade, and also been able to get half the portfolio locked in. So, in the second half and going forward, the rates are expected to go up. Even if it goes up, let's say, by 50 bps in next six months, hopefully our weighted average rate would just not cross what at the point at which it started the year. Because of the various initiatives taken in the first half. But yes, we are growing, but we are growing at the rate of 50% on our capital expenditure and the EBITDA both.

So, we'll have to really create a fine balance. But the important message is that we've been able to, have a very good mix of fixed and floating and upgrading rating, which will help us navigate this, hardening of the interest rate macro environment.

Now the next is on the operating leverage of the business. As we highlighted in past also, we continue to have, the operating leverage on the energy RE power cell segment reflecting on our overall performance. The EBITDA for this segment is now 84%, which was 83.5%, in March 2026, and with the constant gross margin the increase in EBITDA is just, lower SG&A as a percentage of the, overall revenue of that segment.

And that's the operating leverage which we expect, to continue as we expand. And that's overall, as a high-level update we have on the financials. And I'm just conscious of the time, and I'll say that we should use the last half an hour to have any questions from you all. And if you can, just pause here and get into the Q&A.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet: Yes, thank you so much and congratulations on a great second quarter. My first question is on your CTU connectivity. Is there an update on what's the timeline now for Beacon A2 to become fully functional? And also, anything you're hearing on Kopal part.

Kuldeep Jain: So, on Kopal, there is no issue on the connectivity. Let me just be clear, they are ready to, start any day. In fact, we are quite certain that we will, commission our plant in phases, but we will start from December itself, and the grid there is ready and there's no transmission bottlenecks in Cocon. Now, on Bikaner too, yes, as we saw, the grid has done a lot of work which has improved the extent of the curtailment.

We don't really have an update, and please appreciate it's completely outside our control in terms of when the grid will finish building a relevant substation. And there are some lines going into

UP which are slightly delayed at their end and which is causing this, delay in getting a final connectivity. So, it's tough to really forecast, honestly.

Puneet: Okay. And when you talk about your PLF, is it adjusted for this curtailment, or is it after taking the hit of curtailment?

Kuldeep Jain: It is after taking the hit.

Management: Yes, it's reported PLF.

Puneet: So had the curtailment not been, your PLF would have been much higher as well?

Kuldeep Jain: Yes, I don't have the from-to PLF number, but as I mentioned earlier, in H1 our EBITDA could have been 5% higher. So, instead of 56% growth, we could have reported a 61%. But, , again, if you look at that, it's a bit like anyone commissions a major capex asset, there is a ramp-up phase. So, the inverse of that, if you look at curtailment inverse, it's like 30% ramp-up in first quarter, 50% in second quarter, and from October onwards about 70% ramp-up. So, it's sort of ramped up.

Puneet: Understood. And also, can you talk about what are you hearing in terms of discussions with large data center guys? You're adding contracts at decent pace. Should one expect a material pickup? And is there a guidance you can give on like how much you commission, how many new contracts you would have signed?

Kuldeep Jain: We don't give guidance on customer contract signing, because very difficult for us to predict a precise point in time by which they will sell, they will contract. But, a couple of things about our hyperscaler business. So, our data, data and AI business has two parts. First is with colos, right, the likes of NTT, STT, Equinix, Iron Mountain, and we work a lot with them. And the second is with the hyperscalers, which is Amazon, Google, Meta, and those kinds of customers.

Out of 6,200 megawatts, roughly 27%-28% is with hyperscaler clients. These are typically big and bulky deals. You won't have more than one deal announcement in a year because they tend to be big and bulky, and therefore it's tough to give a precise, date and megawatt estimate. But what I would say is two things. First, The, the demand and the quantum of client conversations with hyperscalers and with colo data centers is, is higher than ever before, right? The demand and conversation volume with both hyperscalers and colo data centers is higher than ever before.

Second thing, I do think that our clients foresee a lot of compute factory work beginning to move to India because there are bottlenecks in other parts of the world, and that would naturally translate into a lot more demand for clean energy from us. So, we do see that as a continued growth driver.

Nikunj Ghodawat: Puneet, one apology on PLF correction. I think it's adjusted for the curtailment.

Puneet: Okay, that's all from my side. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Apoorva Bahadur from IIFL Capital. Please go ahead.

Apoorva Bahadur: Hi sir, thank you for the opportunity. So, I think in your letter to the shareholders you have mentioned that you have started signing contracts and placing orders for DCR-compliant or ALCM compliant solar modules. Can you help us with, A, the quantum that you're signing right now? How are you seeing the phasing out of solar capacity post-December, as well as the pricing which is available right now?

Kuldeep Jain: Well, we, I know that we are looking at a small volume of about 100 megawatts to 150 megawatts to be bought for Q1 of, next, calendar year, which is really Jan to March. But honestly, we will hold off on placing these final orders till, I'm told by my teams that all the work has been done.

But given there is always a possibility of some sort of an extension, and, and these decisions are typically made at the very fag end. We've held off on that, and I don't think it's fair to discuss what pricing our esteemed vendors are offering us. I think that should not really be discussed here.

But what I would say from our business perspective, we had always factored in those kinds of prices for volumes we are building from next calendar year onwards. And therefore, it has no impact on our IRR requirements.

Apoorva Bahadur: So, we have been able to sort of pass through the increase in overall capex for our future tenders?

Kuldeep Jain: Yes.

Apurva Bahadur: Okay. So secondly, on our tie-ups with data centers, and I think you provided some color on this about the co-located ones as well as what we're signing with hyperscalers. But as we see like more and more of data center capacity, especially the AI ones being set up in India, they would require round-the-clock supply, right?

So, how are we thinking about this? I know, we have done quite well in terms of setting up hybrid capacity, solar and wind, but do we have any intention of setting up large-scale storage capacities or entering into those type of products which offer a much higher reliability of supply, or tying up with some other vendor with maybe a PSP or helping us sort of firming up the supply which we provide?

Kuldeep Jain: Sure, Apoorva. First, for the benefit of everyone, let me just highlight that about one gigawatt of data center capacity requires about three gigawatts of wind power, three gigawatts of solar power, and about two and half gigawatts to three gigawatts of energy storage as well, right? So, that's the sort of requirement it translates into. And this then substitutes about 75% of the demand that the data center has in terms of electricity, right? And that requires a capital expenditure of about INR40,000 crores.

This is from Page 8 of our corporate presentation that is there, and therefore this demand is very, very substantial. And yes, you're right, it does involve some amounts of storage as you can see here, but the mix will be a lot of wind plus solar plus storage, right? That's the winning combo in our mind, and that's what we see the clients expressing a strong preference for, to deliver the least cost of power to them, right?

And so, this is what is being, offered. And of course, we could always look at options to this, and clients may also sometimes look at alternative options where they couple it with some storage that they have bought from a PSP, and BEST can be at a client site by us or by the client, or it can be at the power generation site. So, there are a lot of options on how to cut this. We of course have been offering, wind plus solar plus BEST solutions to our clients.

Apoorva Bahadur: We are yet to sign any, any agreement which incorporates all of this as of now.

Kuldeep Jain: We are bound by SEBI guidelines to disclose to the world as soon as we sign material agreements. So, once we sign those agreements, as I said, we will of course, discuss that. But yes, the activity volume of, , sales conversations on these is, at a record high.

Apoorva Bahadur: Sure, sir. Understood. Very helpful. And lastly, if I mean, if you can provide some color about our next phase of growth. I mean, we have been doing very well. It's quite commendable. I think we have managed to maintain the capacity under contract, under construction at about more than three gigawatts consistently since the beginning of this year despite adding about 550 megawatts in the first half.

And we are maintaining the one and half gigawatts run rate as well. But as our size grows, sir, how should we think about the annual run rate? When should we expect this graduation beyond one and half gigawatts to maybe two and beyond? And who exactly would be the incremental customer which you are targeting, especially in STU segment? Because I understand that's a shorter execution cycle segment.

Kuldeep Jain: Yes, so there are two elements here. Firstly, if you look at these 2,600 megawatts of contracted yet to be executed capacity, it is about 21 months of growth at 1,500 megawatts a year run rate, right? So, sort of if you look at your order book amounts to how much of your growth, it's about 21 months of growth.

Now again, if you flip it between STU and CTU, in STU you typically contract solar for delivery within 9 months and win for delivery within 15 months, right? So, you, you will never have a three-year, four-year, five-year backlog in our kind of business.

If you have that, what you have is actually an issue of customers feeling that they're not getting the power on time, and there may be issues of LDs or contractual, liabilities of not meeting customer commitments. So, what we've really succeeded in, if you look at these two numbers put together is, if you look at the last 18 months, the operational capacity has more than doubled from 1,700 megawatts to 3,600 megawatts.

More than doubled in 18 months while maintaining a healthy, 20 months or so of order book pipeline at all times. So that's, that's the way I would read the, the numbers together. And of course, this one can always say, oh, this should go up, and if it starts going up, it indicates that we will be able to start executing at a faster pace, right?

Now in terms of where the additional demand comes from, so I think two segments. One is there will be some growth in, we've got a lot of new CTU evacuation capacity and applied for a fair bit as well, as you can see the bottom half of the page. So once those start contracting up, which

are at very late stages right now of closures, but when those contract up, that translates into that number growth.

And the other is, I think the domestic base of STU client base is very diversified across all sorts of sectors and segments. And , therefore there are many, many growth engines, and we are not too stressed about which segment or sector or state that is going to come from. That's the benefit of being in more than 10 states. And we are contracting and executing at about 1,100 megawatts -1,200 megawatts a year in the STU plus rooftop segment, which really means 100 different deals every year. So, it's a very, very diversified base, and therefore we are not too stressed about that.

Apoorva Bahadur: Understood, sir. And lastly, if I may squeeze in just one more question on, CTU connectivity for Kopal. I recollect in the last call we had discussed that, we have been assigned two bays and the second bay commissions on March 27th. We are generally seeing some delays in transmission projects. So, how are we placed over there? Are both the bays, on time for commissioning? And how much would we add capacity on each of the bays?

Kuldeep Jain: So, understood, yes, you're right, there are two bays. We will commission in the current quarter, which is the October to December quarter. We will commission in one of the bays. That is about 220 megawatts of total capacity evacuating. We may not commission all of it on the generating side, but the bay will definitely commission. The second one, which we, and to point out, this is a bay, this is not a transmission line.

So, a bay is a limited area within the grid substation. There are no ROW risks within the bay. It is a matter of installing the equipment, right? So, it's not an ROW uncertainty-driven timeline. It is a matter of within the boundary walls of the grid substation for them to complete the works.

In fact, I was there for a site visit about 10 days back. I'm informed that it is likely to be done within the month of January itself by the grid. Of course, there may be some delays, but definitely within this fiscal that should be up and operational. And that second bay will have the 300 megawatt connecting into it.

Apoorva Bahadur: Understood, sir. Thanks a lot. I'll get back in the queue.

Kuldeep Jain: Thank you, Apoorva.

Moderator: Thank you, sir. The next question is from Sumit Kishore. Please unmute yourself, introduce yourself, and proceed with the question.

Sumit Kishore: Hi, I'm Sumit Kishore from Axis Capital. My compliments to both Kuldeep and Nikunj on a very strong operating performance in the second quarter and first half of the year. My first question is in relation to your operating cash flow in the first half, the operating cash flow was down about negative INR2 billion.

It seems that there have been liquidation of payables, and that seems to have been weighing down operating cash flow and possibly has contributed to the net debt increase also. So, if you

could clarify on whether this payable position is,why has that reduced in number of days? That's the first question.

Kuldeep Jain: We have paid a vendor, Sumit, that is the honest answer. There were some payables against wind turbine deliveries, which were paid out. It was a bulky amount. The loan was drawn down, the vendor was paid out, and therefore there was a decline in payables and there was an increase in debt.

Sumit Kishore: Okay.

Nikunj Ghodawat: We've explained this in greater detail on point 9, that is why it's on the investor letter.

Kuldeep Jain: Investor letter question 9, we've explained this in a bit more detail.

Nikunj Ghodawat: We've explained this thing.

Kuldeep Jain: But you're exactly right, as you suspected, it's because a large vendor payment went out based on a drawdown of loan…

Nikunj Ghodawat: Yes. And these are capital creditors. So, it's just reflected in operating cash flows, but these are actually capital credit.

Kuldeep Jain: Yes.

Nikunj Ghodawat: That's another important one.

Sumit Kishore: Yes. So, I know this is a lumpy sort of movement, but your FY26, your payable days was quite high, almost 334 days. That payable days has now come down to 134 days. Where should generally be your payable days when we are modeling? That's just a small follow-up.

Kuldeep Jain: I think the current number is more reflective of what it should be, 135 odd days, right?

Nikunj Ghodawat: Yes. The module behind it is turbines a little higher, so 140-odd days. Last year, yes, we had elongated payable period, but I would say that was one-off. We could manage better terms from a vendor, but that's not normalized way of thinking.

Sumit Kishore: Sure. The second question is in relation to your evacuation availability, which stands at 6.1 gigawatt. And therein I see that you have received, for 1 gigawatt CTU and another 2.2 gigawatt CTU applied for. So, there seems to be increasing focus on CTU connectivity connected projects in pipeline, clearly you have this AI-related portfolio, data center related, which is almost 41%, 42%. But, how do customers think about CTU-connected RE projects in light of curtailment issues?

And B, if my understanding is right, a bulk of your contracts with these hyperscaler sort of customers was more for the green attribute, or are they going to directly consume this green power? So, could you share some perspective around this?

Kuldeep Jain: So, for our hyperscaler clients prefer CTU-connected projects, that's point number one. So, if you think about hyperscaler client buying attributes or what kind of projects they want. First, they want CTU-connected. Second, they want wind-solar hybrids to have a better time of day as well as through the year kind of match profile. So, they don't want just solar, they want wind plus solar hybrids.

Third is, they're beginning to prefer CTU-connected wind-solar hybrids in South India to address both curtailment risk perceived in regions like Kutch and Rajasthan, as well as the fact that a lot of the hyperscalers are setting up their own data centers in South India. That's the zone in which they are preferring, right? So, this is one thing about buyer behavior.

And therefore, because all of our CTU-connected capacity till September 2028 is already sold out, we have been applying for more and replenishing our stock of available capacity. In fact, even after this 30th September period, we have further applied for another 2 gigawatt of CTU connectivity. So, there's more addition we've done after that as well. So, that is one part of your question.

The second part of your question is in terms of contracting terms. With hyperscalers, we have found all of them seek to retain a flexibility at their sole choice of whether they use it directly as power into a data center or use it for the green attributes, right? They prefer that flexibility at their discretion.

The reason is that they are always expanding their data centers as well as they're always having energy offset attribute requirements. So, if you're a very large buyer, you're always expanding on all fronts, and these are also contracts where execution may be a couple of years away, it is sensible to retain that flexibility at their discretion that they could take the power directly into a data center or use it for attribute offset.

And since under both models we as a power generator get the same identical tariffs locked in for 20, 25 years, we are indifferent about what our customer chooses to use it for. So, these are the attributes of how hyperscalers are purchasing the kind of capacity they prefer and the contract flexibility they do require.

Sumit Kishore: Okay. And just one question on storage. Do you see Clean Max moving into storage use cases with customers first on CTU-connected projects or the STU-connected customers?

Kuldeep Jain: So, we've already begun with our STU-connected customers. And, I think it's part of our newsletter as well. I think on question 8, what progress we have made on BESS, we have highlighted that to some extent. And yes, so we have begun. We are building a farm with some amounts of STU, with some amounts of storage.

In addition to the customers mentioned here, we have a few contracts with more customers in states like Maharashtra where this is there. So yes, we do foresee BESS becoming, or storage becoming a more important part of our business going forward. Although to be honest, today the scale is such that it does not warrant reporting BESS as a separate business line item.

The way we say solar and wind as separate items, BESS is not yet big enough to say here's a third, right? I think that would be when it crosses like a 5% or 10% of the overall P&L kind of threshold, you would start reporting that. Today it's a blended integrated service.

Sumit Kishore: Sure. Thank you, and wish you all the best.

Kuldeep Jain: Thank you, Sumit.

Moderator: Thank you. The next question is from the line of Bharani from Avendus. Please go ahead.

Bharani: Yes. Good afternoon. Am I audible?

Moderator: Yes.

Kuldeep Jain: Yes, very much, sir.

Bharani: Hello. Yes. So if I backwork the number you have given on period-ending capacity and execution, I see that we have one close to about 475 megawatts of new contracts in H1. So, I wanted to understand whether all these are in primarily group captive STU-based new projects? And if so, can I get some color on what is the competition like in this space? Who are we competing with and what is our right to win these projects?

Kuldeep Jain: Well, thank you so much for your question. You're right about the number of new contracts signed in the first half of the year. These are largely STU and rooftop solar clients. Honestly, it's an extremely diversified base because electricity is consumed by all, whether it's office buildings, whether it's bulk material companies, whether it's data centers, whether it's automotives, and so on. Electricity is consumed by all. And therefore it's a very, very diversified pool of customer contracts and offtakes that we do indeed have.

Bharani: So, I wanted to understand, if I were to look at the same business segment for some of our competitors, I see that for the same group captive purpose, competitors also have CTU-based solutions. So, I wanted to understand why we prefer the STU-based methodology? What are the pros and cons of both these models?

Kuldeep Jain: Well, what we find is that in group captive with CTU solutions, they can work for very, very large consumer use cases. These are if you have like smelters, whether an aluminum smelter, steel smelter, those kind of applications with hundreds, with a minimum of 50 but typically hundreds of megawatts of consumption, then it can work, right? So, that does happen.

In our case, honestly, we have so much demand from hyperscalers for CTU-based projects that we took a business call to reserve almost our limited CTU capacity for hyperscaler clients. Although the same sets of customers do speak to us, but we've typically refrained from offering them those, kept that CTU capacity more for our hyperscaler customer base.

Bharani: Sure. And since you spoke about the hyperscalers business segment, I see that the number of customers we have in this space is in single digits, while in the STU group captive segment we have hundreds. So, the bargaining power of the customer is higher in the CTU case. And I

wanted to understand, though we have done well last year, if I see the new capacity addition or contracts won in this segment so far, it's not significant.

You yourself mentioned that it is bulky, the one or two transactions per year. But even for the future project wins that we will win in this segment, what is the right to win for us in this segment from people like Googles and Metas of the world, especially if large competitors are emerging and they are also vying for the same pie?

Kuldeep Jain: You're right. Everyone has to compete for business of their customers, right? This is a reality. Yes. And we are quite proud that today of the volumes contracted by the hyperscalers in India, about 35% of the aggregate volume. So, we have a 35% market share of the so far contracted hyperscaler energy deals in India, right?

This is firstly a starting point, and obviously the names of the hyperscalers are well-known, and for years everyone has been competing for their business. And we are proud also to have multiple deals over multiple years with each of the hyperscalers. So, it's also a diversified base. It's not just a market share driven of one or two relationships. It's diversified across multiple different relationships, right? So, that's two things we would highlight.

And now, on a go-forward basis, what I would highlight is that this is -- the ability of anyone to compete is a function also of the kind of volumes that they have in the demand-supply gap in aggregate. So, the overall requirements of hyperscaler energy volumes in India are quite high, right? And they do prefer wind-solar hybrid projects often in South India, because some of those hyperscaler data centers are coming up in South India.

And, therefore there's, in my view, a lot of demand-supply mismatch. Their aggregate requirement is a lot more than the available open access CTU capacity for them. So, I do feel everyone will do well, all the suppliers, us and our competitors, all of us will do well given the aggregate demand-supply imbalance.

Bharani: Understood. My final question is on state-level regulations. Though we are present in four key states of Gujarat, Karnataka, Maharashtra, and Tamil Nadu, the presence in Maharashtra and Tamil Nadu is on the lower side compared to the first two.

I just wanted to understand, is there any specific state-level regulations and factors which make Gujarat and Karnataka more open for open access and group captive projects vis-a-vis Maharashtra and Tamil Nadu? And if so, is there a hypothetical risk in the future on regulations in these two states which can hurt our business?

Kuldeep Jain: So, I think your first part of the observation is exactly right, that we do more volumes in Gujarat and Karnataka than in Maharashtra and Tamil Nadu. That's the numbers which we put up. But it's interesting that what is the cause? In my mind, the cause is that we started many years ago in Gujarat and Karnataka.

Like, our first ever plants were commissioned in Gujarat, I think, in 2021, and in Karnataka in 2018. And therefore, we've built up a solid customer base over a period of time coupled with large sites which can take on more and more capacity and supply to the customer. So, in

comparison, in Maharashtra, we only, I think, commissioned our first open access solar and wind power plant in fiscal '25-'26 was the first time we commissioned. So, it's more ramping up in terms of clients and available wind and solar sites.

But honestly, I think the potential in Maharashtra and Tamil Nadu is equal, it's just that we've had many more years to execute against that potential in Gujarat and Karnataka. So that number difference is just in terms of maturity of our presence in the state and not so much any differences in regulation.

Bharani: Sure. And the second part of the question was there isn't any hypothetical risk in regulations in the states of Gujarat and Karnataka that can hamper our business?

Kuldeep Jain: Even in Maharashtra and Tamil Nadu, we are not seeing any hypothetical risk in terms of regulations, honestly. The regulations were brought out by Maharashtra in terms of not allowing daytime solar power to be used in the night. And we had put out a note on the regulatory risk on that as well.

And just to recap the analysis for all investors, what we had said is that, okay, the trend we do think that no one will allow you to use daytime solar power in the night, the way Maharashtra has also now clarified. And let us analyze the risk to our EBITDA of this being applied by every state retrospectively, right?

And the risk is different because Maharashtra also said only prospectively we intend to apply this. So most states have said, okay, any change in regulation is prospective and not retrospective. But we ran the theoretical analysis of a retrospective application and the risk to EBITDA was only 2%, right, of our entire fleet EBITDA till date, you apply it retrospectively.

And even that 2% can be addressed because what will you end up in such a situation is that you have power plants built and certain customers who cannot take all that power, and you just end up giving it to someone else. So, even that risk can be adequately addressed by selling the power you do have to someone else, and the risk in itself is a theoretical maximum of 2%.

Bharani: Understood. Thank you, and all the best, sir.

Nikunj Ghodawat: Thank you.

Moderator: Thank you. The next question is from the line of Siddhant from Tusk Investments. Please go ahead.

Siddhant: Yes. Good afternoon, sir. So I have a couple of questions. My first question is on the PLF side. So, our blended portfolio PLF like on average for the last couple of years has been close to 19% to 20%. While when we report the segment-wise PLF under solar, wind, and hybrid, those are a lot higher, like for solar it's 25, wind 30 plus, and hybrid is like 40 plus. So, can you share some guidance like how to look at the PLF on a portfolio level? And going forward, can we assume a higher PLF in our models?

Kuldeep Jain: So, the thing is, you can look at the PLF and capacity either on DC or AC basis. We tend to report our capacities on a DC basis, right? So, if you're taking the DC capacity, then the AC PLF that is mentioned, suppose the trailing 12 months was 28% for only solar on an AC basis, you have to divide by 1.5 times, look at the DC PLF. So that's the arithmetic you have to do. There is a bit of confusion regarding DC, AC.

Siddhant: Right. So I was talking about all the AC PLFs. So, like the solar 25%, the wind 35%, and the hybrid 45%. These are the numbers reported on the PPT. So if I take like our blended portfolio on AC basis is coming to 20%. So…

Kuldeep Jain: Why don't we connect you with Raval and you can take this offline and we can ensure that you have got the right number in Excel. I feel your frustration that this number should be right so that you can model it right. I get that. But maybe we can take it offline with Raval. Raval, our Head of IR, and we can ensure that the models get aligned.

Siddhant: Definitely, sir. Sir, my second question is regarding the tax. Like, as mentioned earlier, that we do get tax benefit on an accelerated basis from tax accounting. But in H1, I see that we have paid around INR170 crores of tax. So, how should we look at this tax?

Nikunj Ghodawat: We should look at it as income tax we have to pay under law.

So, I think the way you need to understand is that assets are at an STV level. So, if assets are having the tax depreciation, those are in a different legal entity. That's point number one. We have various assets in different subsidiaries of the company.

Second is that holding company is where primarily the cash tax liability occurs, and the subsidiaries has then a lot of this deferred tax, right? So in consol, when you look at it, the cash tax which holding company is paying, because holding company has investment income from all these investments and also has certain other incomes like EPCs and other services it does for the group.

So, there is a tax element at the holding company which is calculated as a standalone basis by the income tax law. So, if there are incomes coming at the main company, those get taxed. And when we underwrite the asset, we take that as a potential outflow, and basis that only we underwrite it as part of our listing. In fact, in one of our investor letters, it is very detailed explained, and I can forward that to you, the entire tax computations for the company.

Siddhant: Okay, sir.

Nikunj Ghodawat: I hope this explains.

Siddhant: Yes, sir. It's much better. So, thank you for answering all the questions, and wishing everyone a very happy Deepavali and all the best.

Nikunj Ghodawat: Thank you.

Kuldeep Jain: Thank you.

Moderator: Thank you. Ladies and gentlemen, this will be the last question for today from Meet Bhuva. Please unmute yourself, introduce yourself, and proceed with the questions. Mr. Bhuva, I have unmuted your line. Please proceed.

Meet Bhuva: Hello. Am I audible now?

Moderator: Yes.

Meet Bhuva: Yes. Hi. This is Meet Bhuva from Integrity Ventures and Partnerships. I have a couple of questions. First one, like, our weighted average tariff has decreased from 4.2 to 4.04 around, so just wanted to understand the reason behind this. Is it the change in the mix of contracts, or what is the reason? Hello?

Nikunj Ghodawat: Yes. So, see, our business, we reported every quarter. So of course, how the mix of solar and wind has been there in that particular quarter on aggregate basis does impact, so that's absolutely right. And second is that of the overall portfolio, approximately about 20% of our contracts are dollar-denominated.

Meet Bhuva: Okay.

Nikunj Ghodawat: So, there is some movement in currency that might impact a little few paisas every quarter. So, these are the two reasons.

Meet Bhuva: Got it.

Nikunj Ghodawat: And we have the weighted average, so that's the two paisa movement on a weighted average, if you look at it, it was 4, it's 3.98 now.

Meet Bhuva: And another question I have, like we are seeing a lot of demands from hyperscalers, data center side, domestic demands as well. So, the business is in kind of a good traction. Just wanted to understand, as you are looking at, what are the major risks are there in this business at this point of time, and what risk could come in future as well?

Kuldeep Jain: Meet, what are your businesses is obviously an excellent question, but I feel very broad brush a question to answer very well and specifically in this first interaction between us. I would encourage we set up a more detailed chat to be able to answer that well. And of course, since we just got listed in March, we have a very current risk section in our DRHP, which I would encourage you to go through.

Meet Bhuva: Yes. Sure. Thank you so much. That's it from my side.

Kuldeep Jain: Thank you so much, Meet.

Meet Bhuva: Yes.

Moderator: Thank you.

Kuldeep Jain: Thank you, Meet.

Moderator: We'll be taking some few more questions from the participants. We'll take the next question from the line of Vatsal from Ardeko PMS. Please go ahead.

Vatsal: Hello?

Moderator: You're…

Kuldeep Jain: Hi, Vatsal.

Vatsal: Yes. Am I audible, sir?

Kuldeep Jain: Yes, very much. Please go ahead.

Vatsal: Yes. Thanks for the opportunity. So my first question is…

Kuldeep Jain: Please go ahead, Vatsal.

Vatsal: Yes, thanks, sir. Thanks for the opportunity. So my first question is, we are increasing the proportion of wind in the portfolio going ahead. So how do you see the comparable IRR of wind versus solar at the current juncture?

Kuldeep Jain: We see them as being equal or better than solar.

Vatsal: Okay. And…

Kuldeep Jain: So the tariffs for wind are quite higher than solar. That is correct.

Vatsal: Okay. Got it, sir. And the second question is, how do you decide the hybrid and the base architecture for a client? Like, would you look at the base on a prop book, and what are the key underlying parameters to evaluate the efficiency there?

Kuldeep Jain: So, the architecture of, or the solutioning of energy between wind, solar, and BESS for a client is a function of two things really. One is, what is the comparison of the client's demand pattern, time of day and time of year demand pattern versus that of these different energy generation technologies. And second is what would be the implied price of delivering the solution to the client, right? Everyone wants more and more renewables, but what's the implied price for that?

Now, on the first one, to give you a sense, if you have more of an office building like a GCC or a tech park in Bangalore which has 50,000 people working there, you'd need a lot more energy from solar because most of the work is done during the daytime hours, and so you need more solar.

If you have a pure round-the-clock demand, like let's say a data center, it's just pure flat through the day and night and so on, then you have power output mix is higher from wind than from solar in those kind of situations. So, there's some amount of architecting that we do based on understanding the customer's power demand.

The second part of the solution is whatever solution you want is going to cost you money and offer you savings. So, the client then evaluates that to make a joint decision with us.

Vatsal: Okay. Got it, sir. And sir, lastly, what led to the higher depreciation this quarter since our commissioning run rate was a little bit slower?

Kuldeep Jain: The higher depreciation is a function of fixed asset base at the start of the quarter. So, since last quarter, we commissioned about 500 megawatt of assets, which were obviously added to our fixed asset base at the start of this quarter. That reflects in the depreciation cost in this quarter.

Vatsal: Okay. Got it, sir. That's it from my side. Thank you.

Kuldeep Jain: Thank you so much.

Moderator: Thank you. The next question is from the line of Nikhil Poptani from Kizuna Wealth. Please go ahead.

Nikhil Poptani: Yes, sir. Thank you for giving me the opportunity. So, my first question is like, we have seen our tariffs falling, and we are seeing that our project costs including the rise in the repo rates that is happening, which will increase our borrowing cost too. So, are our project IRRs or ROIC for the project getting affected?

Kuldeep Jain: So, the line wasn't perfectly clear, but let me try to rephrase your question, which is that with the likely increase in RBI's repo rates, what is the likely impact on our project IRRs, right? This is what I understood.

Nikhil Poptani: Yes, sir.

Kuldeep Jain: And my answer would be as follows, that firstly, we have cushioned the impact of a rise in RBI repo rates by having 50%, more than 50% of our borrowings are now fixed rate. So that is cushioned because it does not get hit with the impact of RBI's repo rates.

Now, as a result, our borrowing cost is today about 8.2%, 8.3%, right? This is where our borrowing cost is, and our modeling has always been at about an 8.75%, because honestly, even when we began the year, our overall corporate-level borrowing was at 8.8%. So any project we have built in our life, we have always modeled at least 8.75% cost of interest within it.

Now you're right, we do think our estimate is that maybe, or rather planning is that maybe we should plan for at least 100 bps increase in the RBI repo rate or the overall borrowing cost, and that will translate based on 50% fixed as a 50 bps impact on us. 50 bps impact on us means our project finance goes from 8.2% to 8.7%. It's still within the ballpark of 8.75% that we had always underwritten, and therefore we don't think from an equity IRR perspective in the long run it really impacts us.

Nikhil Poptani: Okay, sir. That was a great explanation.

Kuldeep Jain: So, even in a nutshell, even a 100 bps increase in RBI's repo rate leads us to have the same equity IRR we had always modeled.

Nikhil Poptani: Yes, sir. So thank you, sir. That was great explanation. All of my questions have been answered. Thank you, sir, and all the very best.

Moderator: Thank you.

Kuldeep Jain: Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Kuldeep Jain: Thank you so much everyone for joining. We are really delighted and thank you for your time. And happy Diwali to everyone. We hope you have a great new year. Thank you so much.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Clean Max, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.