

# **ReNew Energy Global Plc (RNW) Q1 2025 Earnings Call Transcript**

Seeking Alpha - Earnings Call Transcripts

August 16, 2024 Friday

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**Length:** 6084 words

**Byline:** SA Transcripts

**Body**

ReNew Energy Global Plc (RNW)

Q1 2025 Earnings Conference Call

August 16, 2024, 08:30 AM ET

Company Participants

Nathan Judge - Head, IR

Sumant Sinha - Founder, Chairman and CEO

Kailash Vaswani - CFO

Vaishali Nigam Sinha - Co-Founder and Chairperson of Sustainability

Conference Call Participants

Justin Clare - ROTH Capital Partners

Maheep Mandloi - Mizuho

Angie Storozynski - Seaport

Puneet Gulati - HSBC

Uma Menon - Bernstein

Amit Bhinde - Morgan Stanley

Puneet Gulati - HSBC

Presentation

Operator

Thank you for standing by, and welcome to the ReNew 1Q FY'25 Earnings Report. All participants are in listen-only mode. [Operator Instructions]

I would now like to hand the conference over to Mr. Nathan Judge. Please go ahead.

Nathan Judge

Yes, thank you and good morning everyone and thank you for joining us. We put out a press release last night announcing our results of the fiscal year first quarter 2025 ending June 30, 2024. And a copy of the release and the earnings presentation are available on the Investor Relations section of ReNew's website at www.renew.com .

With me today are Sumant Sinha, Founder, Chairman, and CEO; Kailash Vaswani, our CFO, and Vaishali Nigam Sinha, Co-Founder and Chairperson of Sustainability; and Anunay Shahi, SVP, Corporate Finance and Investor Relations.

After the prepared remarks, which we expect will take half hour, we will open up the call for questions. Please note our Safe Harbor statements are contained within our press release, presentation materials, and materials available on our website. These statements are important and integral to all our remarks. There are risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements. So we encourage you to review the press release we furnish in our 6-K and the presentation on our website for a more complete description.

Also contained in our press release, presentation materials, and annual report are certain non-IFRS measures that we reconcile to the most comparable IFRS measures. And these reconciliations are also available on our website in the press release presentation materials, our annual and Form 20-F.

It is now my pleasure to hand it over to Sumant, who has been recently appointed as a Co-Chair of Alliance of CEO Climate Leaders.

Sumant Sinha

Yes, thank you, Nathan. Good morning, everyone, and glad to have you all on our earnings call of today.

Last quarter, we had a slightly different format where we talked about our long-term outlook and our vision. I thank all of our investors and stakeholders who appreciated the effort and clarity on the long-term vision.

Turning to Page 5 of the presentation, last year we kick-started our journey of doubling our operating portfolio by 2029 by winning more than 8 gigawatts in auctions. Of these wins, we have already converted 2.2 gigawatts into PPAs, with the majority expected to be converted over the next few months. While we pursue this growth, we will continue to be focused on shareholder value creation, accessing only the cheapest sources of capital, and exploring avenues wherein the returns are materially above our cost of capital.

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Our recent auction wins are expected to generate returns higher than the historical average, and we expect the trend to continue given the robustness of the auction market. We also recently filed our annual 20-F for fiscal 2024, wherein we are in compliance with SOX requirements. In addition, we are also steadfast in our ESG commitments, and our debut integrated report is a testament to the standards that we benchmark ourselves against.

In fiscal 2025, we expect several of the unsigned PPAs to be signed, providing us with an even clearer path beyond the current 15.6 gigawatt committed portfolio, along with full clarity on execution timelines. Furthermore, given the terms at which we have secured the pipeline, lower module prices, supply chain security, as well as given our conservative assumptions, we expect to generate better returns on the current pipeline of projects than the ones that we have executed to date.

Moreover, we will continue to be disciplined and highly selective in our approach towards bidding for future growth, and we look to secure projects with a lower risk and higher return profile. We reiterate our FY '25 guidance, as well as our longer-term outlook. We have already commissioned almost 500 megawatts of capacity this financial year, and are well advanced on many other construction projects.

Finally, safety is of utmost priority to us, and it has been deeply embedded in our culture since day one. As a testament to that commitment and focus, we were recently awarded a 5-star safety rating by the British Safety Council for one of our projects.

Turning to Page 7, we have come a long way in 12-years by constructing 10 gigawatts. What took us 12-years for the first 10 gigawatts, we intend to repeat in less than five years for the next 10 gigawatts. There have been some learnings that we intend to implement in our future portfolio. Firstly, our thesis of having an in-house team for EPC, O&M, and digital platforms has provided us with significant differentiation vis-à-vis others, where we not only save on costs, but the turnaround time for our projects is lower than most peers.

Do keep in mind that wind, which is a lot harder to execute, is approximately 50% of our delivered megawatts, which means that we have done so with a higher degree of difficulty than others who have been largely focused on solar. Keep also in mind that wind CapEx is almost double that of solar CapEx. So everyone megawatt of wind is from a capital standpoint, more than one megawatt of solar.

Secondly, when we took the decision to get into manufacturing, we received some strong feedback about it. However, today it has become a significant competitive advantage for us. As the government of India has implemented ALMM, we have a secure source of modules. The availability of modules at the right cost is becoming a key differentiator in the Indian renewables landscape. Finally, our capital discipline, as well as our ability to access the cheapest and most diverse sources of capital, both for equity and debt, differentiates us from others.

Turning to Page 8, execution is a top priority and a key differentiator for us. We have executed 2 gigawatts of capacity over the last 12 months, and reiterate our execution guidance of 1.9 gigawatts to 2.4 gigawatts for fiscal FY '25. Year-to-date, we have executed approximately 500 megawatts, including 400 megawatts of a solar SECI project, and have received COD approvals for all of the projects that were pre-COD at the time of fiscal 2024 earnings.

In addition, we have over 600 megawatts of capacity that is in the advanced stages of completion and will enable us to hit our construction targets. We signed 2.2 gigawatts of PPA during quarter one FY '25, and continue to be optimistic about signing the majority of the PPAs from our current pipeline in the current fiscal year.

Our module manufacturing continues to scale up, and our module supply is now fully met from our own manufacturing facilities. The Jaipur facility will produce more than two gigawatts of modules this year, while the Gujarat facility is already operational and should be ramped up fully by the end of the year. We have also started to secure external sales contracts for module supply, and we currently have contracted to sell around 600 megawatts this financial year. These contracts will ensure that our surplus capacity is put to good use, and will enable a faster return on capital deployed.

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Now, let me hand it over to Kailash to talk more about the finance strategy. Thank you.

Kailash Vaswani

Thank you, Sumant.

As can be seen on Slide 10, we continue to deliver consistent growth. Since the same time last year, we have constructed over two gigawatt of projects, a near 24% increase in operating capacity after adjusting for 400 megawatts sold during the year. While there have been a 24% increase in operating megawatts, I would like to remind you that our adjusted EBITDA last year benefited from late payments surcharges, which was absent this quarter, and we continue to fade away as we have largely received most of our LPS, that was due to us, and our customers are currently paying the bills on time.

In addition, we sold 400 megawatts during the year which contributed to last year's EBITDA. Lastly, this quarter, we saw a slightly lower PLF, and that impacted our revenues by about INR1.3 billion. We have seen a recovery in the weather in July, which was about 10% to 15% better than last year. To conclude, while there was almost 3.9 billion increase in revenue due to higher megawatts, our adjusted EBITDA increased by only about INR400 million due to all these factors.

Moving on to Slide 11, the leverage at the operating asset level continues to be well below the 6x threshold that we have set. On a trailing 12-month basis, the leverage was around 5.7x, excluding our under construction portfolio, contribution from JV partners in the form of CCDs, and our manufacturing and transmission businesses. The 5.7x leverage is after taking into account the fact that we commissioned a large capacity of 650 megawatt in the last month of the previous year, for which the EBITDA contribution has been only for a single quarter.

The debt related to our manufacturing and transmission business does not contribute to our adjusted EBITDA, but it does provide us a competitive edge for our business. As we continue to grow our portfolio, the proportion of under construction projects as a percentage of overall portfolio should come down and will improve the ratios in addition to our efforts to be disciplined in our approach towards capital deployment.

Let me hand it over to Vaishali for comments on ESG.

Vaishali Nigam Sinha

Thank you, Kailash.

We are delighted to present ReNew's inaugural annual integrated report for fiscal year 2023-24. This is a testament to our commitment to exceeding geographical reporting standards and advancing global transparency. With the release of our integrated report, ReNew has achieved its several firsts, setting new benchmarks in our ESG vision, performance and transparency, which I will elaborate in the coming slides.

The annual integrated report has been crafted in alignment with IIRC, GRI, SASB, UNGC, among others. The financial and the non-financial parameters for fiscal year '23-'24 have been externally assured by S. R. Batliboi & Co. and [E&Y], LLP respectively.

Turning to Page 13, showcasing the key performance highlights for fiscal year '23-'24. In fiscal year '23-'24, ReNew has made significant strides in its ESG efforts showcasing a strong commitment to safety, sustainability and social responsibility. We successfully avoided 16 million tons of GHG emissions reflecting a 15% year-on-year increase and saved 358,000 metric cube of water marking a 13% improvement.

Our operation sourced 41% of electricity from clean sources and we achieved carbon neutrality for Scope 1 and Scope 2 emissions for the fourth consecutive year. Through our socioeconomic programs, we positively impacted over 475,000 lives with a CSR spending of INR240 million. Our workforce reflects a 14% gender diversity rate with women representing 10% of STEM roles. We maintained a lost time injury frequency rate of 0.22 and all our suppliers were assessed against ESG criteria.

Turning to Page 14, highlighting the key features of ReNew's inaugural integrated report. With the release of ReNew's annual integrated report led to incorporation of key value additions to mention the value creation framework, impactfully showcasing the inputs, business model, outputs and outcomes. Also, laid a special emphasis on the robust corporate governance and risk management framework at ReNew by listing our risk identified and mitigation strategies adopted.

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Moving to Page 15, preparation of integrated report led to many firsts at ReNew, namely the very important double materiality, a two pillar system with a core set of shared disclosures that place each pillar on an equal footing and includes both financial and impact materiality under one roof for economic and sustainability reporting and our effort to identify environmentally sustainable economic activities and to support sustainable investment. We voluntarily aligned ourselves with the EU taxonomy, making us one of the first few Indian companies in the sector to do so.

Turning to Slide 16, we would now like to highlight our special initiatives for fiscal year '23-'24. Our flagship program Lighting Lives, an initiative focused on last mile electrification of schools with less than three hours of electricity through solar energy, electrified 183 schools, established 119 digital learning centers. Women for Climate, an important part of our programs, our socioeconomic empowerment program focused on building climate resilience where we have trained 350 women saltpan farmers.

On the site, some of the specific initiatives we have undertaken are programs led by our employees, that is ReNew'ers, ensuring sustainable, equitable and responsible growth. We have an annual volunteering campaign which covers most of our sites and ReNew'ers. We provide safe drinking water by building 223 water tanks, desilting 22 lakes. Our Gift Warmth program, which is also another flagship program recognized by our honorable President of India where we distributed 836,000 blankets across the countries where it does get quite cold, donating rice to the needy and contributing towards a hunger-free India where we distributed about 143 kilos of rice across our sites in the country.

Let me now hand it over to Kailash to talk about our guidance.

Kailash Vaswani

Thank you, Vaishali.

I just wanted to end by reemphasizing that there has never been a better time to be an Indian renewable from a market opportunity, returns and capital deployment perspective. Coming to our guidance, while we had around INR1.3 billion impact from weather this quarter, we saw the trend reverse in July and makes us confident that we will deliver on our annual EBITDA guidance. Hence, we are reaffirming our megawatts and lockdown guidance as well.

Do note that historically our Q2 numbers have been about 10% to 15% higher than Q1 and we should see a similar trend in Q2 subject to weather conditions and adjustments related to LPS and project sold.

With that, we will be happy to take questions.

Question-and-Answer Session

Operator

[Operator Instructions] Your first question comes from Justin Clare with ROTH Capital Partners.

Justin Clare

Hi, thanks for taking the questions. So I wanted to start off here. You had indicated that you've contracted, I think, 600 megawatts of external module sales. So I was wondering if you could talk about the potential revenue and margin profile for those sales, the anticipated timing of recognition. And then if you could share, is that with a customer within India, or have you looked to market outside of India for selling those modules?

Sumant Sinha

Kailash, do you want to take that?

Kailash Vaswani

Yes, sure. So, Justin, thanks for your question. So these are customers within India to secure some of these module supplies. And again, we are not disclosing the details of that in terms of pricing and all, but these are agreed in terms of overall margins and would add to the EBITDA of the company as we go forward.

Justin Clare

Okay. Got it. And then, so you have commissioned portions of the RTC, and peak power projects here. Was wondering if you just update us on the performance that you're seeing for the commissioned portions of those projects. How does it compare to your expectations? And then how do you feel about meeting the requirements under those PPAs?

Sumant Sinha

So, at this point in time, we have commissioned parts of it and we are not selling it under the PPA, because the full system isn't ready. So right now all the sales are happening through the merchant market. But we are seeing attractive realizations on whatever we are selling in the merchant market better than our base case.

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Justin Clare

Okay. Okay. Got it. And then maybe just one more, just how are you thinking about asset recycling this year? Are there particular projects that you're in the market with looking to monetize, and just what's the potential to see an asset sale in fiscal '25 year?

Kailash Vaswani

So again, it's going to be very opportunistic Justin. Right now, we have a few discussions going on, and when there was a requirement of capital, currently asset recycling is offering us the lowest cost capital. So, we've been disciplined about it, and to meet our requirements, we may monetize some assets.

Justin Clare

Okay. I appreciate it. Thank you.

Kailash Vaswani

Thank you, Justin.

Operator

Your next question comes from Maheep Mandloi with Mizuho.

Maheep Mandloi

Hi, hello, thanks for taking the questions here. But maybe just following up on Justin's question on the module sales. Could you just talk about the timing of that 600 megawatts of something you, kind of like plan to do this fiscal year or next? And could we kind of think of that as programmatic is look at the production, and your needs and everything else, kind of assuming that it's sold in the Indian market?

Kailash Vaswani

Yes, so in terms of timing, it's going to be a function of, the production cycle that we are following. Most of it is going to be back-ended towards the end of this financial year, and some part of it will slip into the next financial year also. So that's where it is. And again, we have set up this entire capacity for our captive requirements. So largely we would prioritize that to meet our IPT solar business requirements.

And if there's an opportunistic play there in terms of better margins, then we may look to sell some of these modules to third-party customers. Again, it's early days. So we are not really giving any guidance on that till we stabilize on terms of what our requirements are likely to be. And how much surplus we will have, and what opportunities are available to monetize that.

Sumant Sinha

Kailash, if I may just add to that, sorry if I may just add to that by Kailash. If you look at how much we are going to be producing this year in terms of setting up project capacity of solar, and how much we have in terms of production capacity on the manufacturing side, I think it's fairly clear that we will be selling some amount into the market on a regular basis going forward.

The only thing is it depends obviously on, when our requirements are versus when the production will be happening. But we should assume that there will be a chunk of sale that will happen from a manufacturing business into the market. And this for you to know there are two kinds of sales.

Obviously there are there are pure module sales only, and then, there are module sales along with cells. And those have different realizations given the supply demand for modules and supply demand for cells. And so that's really how you should think about it.

Maheep Mandloi

Got it. And just on that, are you seeing any interest from other markets outside of India?

Sumant Sinha

Yes, yes we - are seeing interest. At this point, we are waiting for our cell plant to get commissioned, which will happen later this financial year. And then of course, there will be a period of stabilizing. And I think once all of that is done, then we will be in a position to start supplying cells into the markets, any markets, either the domestic content requirement market in India, or the export market. So I would imagine that will probably start happening from next financial year onward sometime.

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Maheep Mandloi

Got it. And just maybe one small modeling question or housekeeping. DSO increased a little bit this quarter. I think last quarter, we were expecting it to be flatter, short down. Is this Telangana, or anything else kind of impacting that?

Kailash Vaswani

It's mostly just a quarterly distribution, because the quarter one, revenues were a little lesser, compared to what the receivables were. So that's why the ratios are a little bit higher. But it's nothing significant.

Sumant Sinha

So I would say, Maheep, also there is also - typically a seasonality in our receivables, because billing starts to go up quite substantially in the high wind months. And the receivables tend to come in on a more even basis.

Maheep Mandloi

Got it. So it seems more seasonality, not any changes…?

Sumant Sinha

No, not really. Not really.

Maheep Mandloi

Got you. I'll jump back in the queue here. Thanks.

Operator

Your next question comes from Angie Storozynski with Seaport.

Angie Storozynski

Thank you. So my first question is about the wind PLFs coming weeks. And I understand that there is some weather variations. But I'm wondering, in the U.S., we're having more and more examples of issues with wind turbines, onshore wind turbines. And I'm just wondering if the underperformance of your wind assets has anything to do with any equipment issues, or is it just the weather?

Sumant Sinha

It's just the weather, Angie. There is no wind turbine performance issue. In fact, our performance of wind turbines has been, as per our expectation, across all the region, across all the turbine models that we have. And we have turbines from various different suppliers, both Indian and international. So we haven't seen any systemic issue there. It's just really been the wind.

Angie Storozynski

And if you think about your assumptions, like the longer term assumptions for the wind PLFs, have you sort of tweaked them, i.e. lowered them, just to account for those relatively disappointing PLFs that we have seen over the last couple of years?

Sumant Sinha

We have done that, Angie. So for all the future forecasts and the bids that we are doing, we have significantly changed the methodology. So basically, the point is the following, that if you take a longer history, then the forecast for the future ends up being higher. If you take the more near-term years and base your forecast off of that, then the projection ends up being a little bit lower.

So if you follow the traditional methodologies - of using 25 years of data, you'll end up typically with a higher PLF. So we are beginning now to give a little bit more weightage to the more recent years, so that our future forecasts are more conservative than they would have been.

I should also add that none of the third-party wind forecasting agencies have made that shift. So, we are being more conservative than where the market is right now. And even for budgeting purposes, therefore, we've reduced our year-on-year forecast as well.

Angie Storozynski

Okay. And then secondly, again, just a comparison to what's happening here in the U.S. on the renewable side, there's also discussion about data centers and co-locations and renewable power feeding into those high-power tech users. Is that a phenomenon that you actually see in India? I mean, maybe not now, but going forward? And is that the type of business that could give you premium margins for renewable power in your build?

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Sumant Sinha

Yes, so for sure, Angie. All of that is feeding into overall aggregate power demand, which is going at 7% to 8% a year in India right now. And just a word about the overall demand supply situation in the country. At this point, we are not able to meet the power demand growth. So far we've had certain excess capacities on the coal side, but a lot of those capacities now have got exhausted with the demand growth that we've witnessed.

Coal capacity additions are quite limited in India, because we just don't have an EPC/equipment market that can add coal capacities beyond a certain speed. And so renewables really, is the only other alternative, which is going at a certain pace. And until that pace steps up, you will see deficits in the market, and therefore higher merchant prices. And that's really what we are seeing right now overall in the market.

Angie Storozynski

Okay. Thanks.

Operator

Your next question comes from Puneet Gulati with HSBC.

Puneet Gulati

Yes, thank you so much. My first question is on the solar cell capacity. Can you talk about where are you in that journey? When should we expect commissioning for the solar cell?

Sumant Sinha

Yes, so we're very close to getting it to a point of getting the first cells out. And I would say in the next few months, you should be able to, we should be able to start seeing the initial trial production run start. And then of course, there'll be a period of stabilization as you know, Puneet, because obviously cells is a little bit more complex than modules.

Our expectation is that by the end of this financial year, the cell plant will be in reasonably good shape - in terms of its output.

Puneet Gulati

And so by next financial year, it should be totally clear.

Sumant Sinha

Yes, by the end of this financial year. So let's say in the next, as I said, next two, three months, we should start seeing the production start to happen. And then there'll be a ramp up period, which I presume will last a few months. But certainly the production will start. This year itself, this calendar year itself. And then after that, there'll be a period of stabilization and ramp up. And then from next financial year, we should be able to be in good shape to deliver most of the capacity.

Puneet Gulati

And how's the transmission tie up for the 1.5 to 2 gigawatts that you are looking to commission this year? Is that all tied up now?

Sumant Sinha

Yes, so Puneet, all of our transmission - and when you say transmission, you mean, I presume the interconnecting to the grid?

Puneet Gulati

The connectivity, yes.

Sumant Sinha

Yes, so all of that is fully tied up, Puneet, not just for this capacity to be commissioned this year, but for our entire capacity going out for the 22 gigawatts that we have won altogether. So almost for the entire capacity, our transmission and connectivity is tied up. And the important thing to note is that over and above that, we have some excess capacities that we have blocked, via the mechanism that is allowed in India.

So, we have a few gigawatts excess over that, beyond the 20-odd gigawatts that we have won right now. So on the connectivity front, I think we have been very proactive about getting connectivity in the best substations. And I think a little bit underappreciated fact is that it's those connectivity applications in the better substations that will allow us to get - generate and drive higher profitability in future projects.

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Vaishali Nigam Sinha

Which we have done, I think, more proactively than other operators.

Sumant Sinha

Yes.

Puneet Gulati

Okay. Sorry, in terms of those transmission connectivity, are these also coming in schedule or in line with your commission capacity, or could there be a risk of delay, something that we experienced in the last fiscal year?

Sumant Sinha

No, so the thing is that every substation, there's pretty good visibility on when the transmission contractor is likely to commission the substation. And obviously, the more near-term the commissioning date is, the more the certainty of that date being met is. And the more future out it is, the less the certainty. But by and large, within a three to max six-month time period, for projects that are coming up for three, four years later, connectivity does tend to get done.

So, we're not seeing delays more than that. And of course, we are able to manage our own construction timelines, to be in sync with what we are seeing happening on the transmission construction timelines.

Puneet Gulati

Understood. That's helpful. Thank you so much and all the best.

Sumant Sinha

Yes. And for this year, we're not seeing any delays, by the way, just if that was also something that you were looking at.

Puneet Gulati

Oh, great.

Sumant Sinha

Yes.

Operator

Your next question comes from Uma Menon with Bernstein.

Uma Menon

Hi, thank you for taking my question. My question was regarding the short-term power sale that you had mentioned that happened in Q1, '25. Can you tell - let us know what part of it - what part of that made up the revenue or the EBITDA? Like, how much of that was a part of the revenue or the EBITDA in the quarter?

Kailash Vaswani

What sale were you referring to?

Uma Menon

The interim power sale?

Kailash Vaswani

Yes, yes, I got that. Yes, yes, sure. So, we have in the RTC project, we have around 400 megawatt. And in the peak power project, we have around 300 megawatt, which is currently on the basis of merchant sales. I mean, the 400 megawatt of solar, 300 in RTC, 274 in RTC, peak power is wind, and another 300 in RTC is wind. So, all of this is currently on the basis of merchant we are selling the power. And in terms of the breakup of that, we can circle back.

Uma Menon

Sure, thank you.

Operator

Your next question comes from Amit Bhinde with Morgan Stanley.

Amit Bhinde

Hello, yes. Sir, my question again was on the solar module manufacturing front. So, as of now, you have already sold 1 gigawatt in F '24, internal consumption. And with that, what is the kind of cost and realization that you are approximately seeing and the kind of margin that you can make on it, EBITDA margin and the PAT margin - of ballpark figures?

Kailash Vaswani

Yes, so I'm saying that these sales are internal. So, again we are not reporting any numbers on them right now. But obviously, we target, again, on a transfer pricing basis, a certain margin that we charge to these businesses. But then eventually everything gets capitalized. So it gets, we get a little bit basically capitalize a lower cost, because in consolidation everything gets knocked off.

Amit Bhinde

Right, right.

Kailash Vaswani

But I think your question…

Amit Bhinde

Higher, like high-teen EBITDA margin or mid-teen or say low-teen EBITDA margin kind of. Any idea on that that you can give us?

Kailash Vaswani

See, we are targeting around, a certain margin which is lesser than 10%, because it's all internally captive.

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Sumant Sinha

But I'll tell you what, see, the question is that for us, the margin on the transfer pricing doesn't really matter, because as Kailash said, it gets consolidated, right? So, what we are, however, doing is, we will be starting at some point in the near future to start reporting the P&L, of the solar manufacturing business separately, assuming an arm's length transfer pricing between the two businesses. Okay? So, that's something that we're going to start doing at some point in the future.

Amit Bhinde

Right. And sorry, one more point on this one. The EBITDA margin, as you said, you would like to keep it below 10%. So would it be somewhat equivalent in the external sales as well? Or would it differ materially?

Kailash Vaswani

No, it's not the same. It would be very opportunistic in those cases.

Sumant Sinha

No, it does differ materially. It does differ materially, yes.

Amit Bhinde

Right, right. Got that. And just another question is, I mean, any visibility on the capacity that you have to put out for IOCL, JV on green hydrogen?

Sumant Sinha

No, not yet. Simply because, that bid has to happen. I mean, where does bid have to happen that we'll have to win first? And then we'll have to see, basis that, how much capacity we need to allocate for that JV.

Amit Bhinde

Right, right. Got that, yes. Those were my questions. Thank you.

Operator

Your next question comes from Puneet Gulati with HSBC. Puneet Gulati, your line is open.

Puneet Gulati

Yes, thank you. Thank you for the follow-up. My question is if you can talk a bit about your experience with respect to the recently commissioned solar and wind plant in terms of what kind of SNIR you're experiencing there, both for wind and the solar?

Sumant Sinha

So on the solar, Puneet, there's been no issue in that the PLSR, even for the older projects and for obviously the new projects as well are pretty much in line with what we had assumed. As far as when PLFs for newer projects is concerned, the projects that we have commissioned now, these forecasts were made four years, five years ago when we were following a little bit more the older methodology, which we have subsequently changed.

Okay. But also what's happened is the machine types have changed a lot, because these are the machines that we're now commissioning are three plus megawatt machines with much higher hub heights and so on. So the PLFs of these new machines are therefore higher, but we don't have enough of a.

Puneet Gulati

PLFs, what are these PLFs?

Sumant Sinha

So you see we'll have to wait for a whole year to finish before we can assess, but in general the PLFs of these new machines would have been at least 10% to 15% higher than the older machines just given the nature, the more sophistication of these machines and their higher megawatt and structural configuration.

So we should be expecting a higher PLF, but we'll have to wait for the whole year to finish before we can conclude anything whether that Delta was finally delivered, or not delivered. I mean the reality is that these machines are definitely performing at a higher PLF than the older machines.

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Puneet Gulati

Okay. And does that apply for solar modules as well?

Sumant Sinha

Solar modules to be honest I haven't again tracked that particular data, whether in fact the new modules are giving higher PLFs or not. So let me get back to you on that.

Puneet Gulati

Great.

Sumant Sinha

I mean the fact is that all the new projects are now bifacials, so they will therefore definitely give a higher PLF.

Puneet Gulati

Correct. So that's the delta in time, how big that delta is?

Sumant Sinha

Yes so that you know we'll have to, we can't just give you an obstacle feedback. We'll have to look at the performance over at least a year. And then, we'll have to also look at the difference in location from location. And then, then sort of do some analysis and conclude, what exactly the difference is.

Puneet Gulati

That's it. Thank you, Sumant.

Operator

Your next question comes from [Macaulay Smith with 91].

Unidentified Analyst

Hi thanks for taking my question. I know you answered earlier on briefly on the receivables, but could you just add a bit more color just during the quarter it seems like there was an increase in both receivables, and payables particularly on the receivables as we were assuming improved collections, and looking at the same period last year we don't necessarily see the same seasonality?

Kailash Vaswani

Yes, so see as far as the payables are concerned it's a function of you know the CapEx program and some payments would have become due on account of the investments that we are making. And those keep getting cleared off - sometimes the customer may give us a credit period. And they'll take an LCA they may discount it, because of that there will be payables, which may show up.

As far as the receivables are concerned, yes there has been an increase, which has happened quarter-on-quarter, but again year-on-year there's been an improvement. So last year it was 114 days this year it is below or around 80 days of their amounts. As I said earlier, it's mostly an account of the fact that the first quarter the revenue, you calculate DSO on the basis of trailing 12 months revenue.

So again, first quarter being lesser revenue, there will be some impact on account of that, because receivables are largely constant. As I also reiterate that there is no significant impact that we are seeing, or any delays that we are seeing with any of the off-takers, all of them have been fairly prompt in making their payments, which are due to us.

Unidentified Analyst

Okay. Thank you. And then my second question, was just on the recent tap for the 2026 bonds if you could just add any color on the purpose of those proceeds?

Kailash Vaswani

So it is again, for repaying some other debt within the system, so it is largely being done for that purpose.

Unidentified Analyst

Thank you. That will be all my questions.

Kailash Vaswani

Thank you.

Operator

There are no further questions at this time. That does conclude our conference for today. Thank you for participating, you may now disconnect.

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**Load-Date:** August 16, 2024

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