# "Adani Green Energy's Analyst Meet"

## April 10, 2019

**MANAGEMENT:**

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**Ashwin Bajaj:** Good afternoon, everyone and a very warm welcome to Adani Green Energy's Analyst Meet. I am Ashwin Bajaj, Head of Investor Relations for the Adani Group Energy Companies. We have a very interesting afternoon lined up for you today with a deep dive into Adani Green's business with the complete management team - a presentation followed by Q&A. Please note that the entire event is being video recorded and the discussion today is subject to the disclaimers on Page #1 of the 'Presentation.'

So the agenda and the management team presenting today is as follows:

I will provide an overview of the group, followed by Anupam Mishra from Corporate Finance who will talk about the group's project execution, expertise and strengths in the energy space.

He will be followed by Raj Kumar Jain -- Head of Business Development who will talk about the industry and India's great and its ability to take on the new renewable capacity that is coming on-stream in India.

He will be followed by Jayant Parimal – CEO of Adani Green Energy who will give you a deep dive into the company various aspects of it, its capabilities and project execution.

Following him, it will be Ashish Garg – CFO of the company who will talk about the AGEL development pipeline, financials, etc.

And we also have Mr. Sagar Adani who is the Executive Director, who will be anchoring the Q&A. He is on stage as well.

So coming to Page #5 about the Adani Group, while you are familiar with the Adani Group which is the largest infrastructure developer and operator in the private sector in India, couple of interesting facts – it's among the largest renewable players in India with its capacity on track to get to 4.5 GW in the next two years. This is through a combination of solar and wind. It is also the largest private sector player in power transmission and ports and the group has six separate and clean listed companies focusing on their areas of business respectively. The combined market cap of the six companies is over Rs.1.5 lakh crores or about $23 billion as of today. The group has two companies that are rated investment grade at the international level by S&P, namely Adani Transmission and Adani Ports. We are the only infra group in India to have two investment grade rated companies at the international level.

Moving to Page #6, something very interesting about the group's value creation for equity investors over the years since the first company IPO'ed about 25-years back in 1994, which was Adani Enterprises Limited. AEL over the years has created significant value. It IPO'ed at Rs.150 per share in November 1994 and that one share of Rs.150 is now worth Rs.93,000 factoring in the splits, bonuses and spin-offs over the 25-years, and this is a staggering CAGR of 29%, compared to the 9.6% CAGR of the Sensex. This is not a very well-known fact, but quite interesting.

So, with that let me now hand over to Anupam.

**Anupam Mishra**: Good afternoon, everyone. I will just take you through few slides on the project execution abilities of the group and our presence across the energy landscape.

If you see not only in Adani Green but across the various asset classes that we have in infrastructure, ports, thermal power, transmission and renewables, we have built some of the most marquee assets in the country and not only are these marquee assets on domestic India scale but also on international scale.

Case in point being Kamuthi Solar, it is 648 MW single location solar power plant. When it was set up, it was set up at a record time period of 9-months, while the earliest that a project of this scale had been set up in the world was three years. That was in California in the US. Mundra Port, everyone has witnessed the growth story of Adani Ports and how the entire group started with Mundra.

Mundra Power: 4620 MW, larger single location private thermal power station in the country. The HVDC transmission line that we have was actually the only private sector HVDC line in India. So there is a track record of delivering world-class assets. That is what we bring on the table for Adani Green. We call it Adani Group's execution engine. That is something that is sort of a shared knowledge that we have across all the infrastructure businesses that we have, which we bring on the table in Adani Green as well.

In terms of execution, I would say, renewable is fairly less complex as compared to thermal power or a port business. At the same time, the discipline that the thermal power business and various other infrastructure asset classes, they have given us, we have brought that on the table over here.

Today, Adani Group is probably the only infrastructure player in the country which has presence across the entire energy value chain, starting from coal input level, we are talking about panel manufacturing, thermal power generation, renewable

power generation, the largest private sector thermal power generation, actually 10,440 has gone onto 11,000 MW. We have recently been awarded Korba Power, which is in the closing stage. Renewables, as Ashwin mentioned, 4.5 GW of renewable capacity, and going on to transmission as well as distribution business recently with the acquisition of BSES in Mumbai. What that gives us is that we basically have various touch points across the major stakeholders in the energy landscape in India, say it the government, the regulatory agency, the stat agencies, the distribution and transmission utilities, DISCOMs and what we are able to do because of these touch points is that we are able to derive the maximum leverage and the maximum benefit for all our businesses due to these common shed benefits.

We have a few slides on the industry which I would request Raj Kumar Jain, Head, Business Development, Adani Green to take over.

**Raj Kumar Jain**: Thanks, Anupam. Good afternoon, everyone. I will just touch base on the landscape we operate in. I am sure all of you are aware of this. So I will be brief in all of these. So India currently consumes close to 1100 units per person whereas if we just take the world average, Indian power sector can grow 2.5x just by looking at what you can do. And this does not include new consumption themes like EV and charging and all of that. So that expected growth can be even higher than what we are seeing today at 6%. In this landscape, how much does the renewable play their role? Only 8% as of now. So there is a huge scope available.

In terms of what could be done for the penetration, as a data point, at certain times in Karnataka, the grid has operated at 70%-odd as the renewable power at that particular day.

In terms of potential, can we meet this demand from renewables? India has 1,000 GW plus known potential from the resource perspective. So this can be tapped by renewables. And do we have an advantage in the world where this can be delivered at a competitive cost? Answer is yes. Our radiation is as good as any other developed country which has excelled in this.

Now, if you look at next slide which is what is the opportunity? Today we only get 60 GW between solar and wind. Over the next five to six years, this is expected to be at least 165 GW. So, close to 100 GW opportunity which entails an investment of US 100Bn. So, it depends on the capital which can be deployed, but the opportunity is significant. Is there a national economic driver? Answer is yes. Now not only the prices are lower than the APPC of most DISCOMs. Certainly,

the central CERC APPC which they have given. Now, this is lower than even the variable cost of coal. So DISCOMs have natural incentive to basically tap into this source of energy and this is expected to grow because it helps them in clearing their own finances, as well as this is a deflationary cost addition to them because it is a fixed price PPAs which we are talking.

Why the prices are competitive? So solar sector has seen a paradigm shift over the years. You have seen that the equipment prices has gone down. They used to be significantly higher. We have seen 60% fall in recent past. Does it mean that the quality is compromised? Just think of it, that you have a module which was 2 square meter, that module used to produce only 100 watt peak. That module with technology is now producing 350 watt peak. So cost has to come down.

Second, the thickness of the wafer which used to be close to 240 micron earlier, now it is around 80 micron. So cost has to come down. So, all of this is helping the prices coming down, not necessarily in terms of quality. Quality you have, you can ensure based on what you specify while you are procuring. So what has changed in the sector? Earlier this was mostly RPO-driven as there was very high cost. Only investors, which did not have this as an infrastructure strategic investment, but did as just as financial investment. All that has changed. Today, large project sizes, great competitiveness in terms of procurement and making it an infrastructure play has changed the paradigm. So today's prices are a result of all of these.

Wind Sector: Again, the way it used to work in the wind sector is again an investment play where OEM used to do the entire work and give you "Okay, can you invest at this returns? That has changed significantly. In that model, they used to just put a wind mast, find out, okay, what is the CUF which can come there, put their product, whatever they had in their hand and give you a cost and wrap around a thing which is saleable, nothing else. Today, this has changed after the bidding environment, first in 2017. So today all the strategic players, not the investors, are talking to OEMs as equipment suppliers, not a solution supplier or investment case supplier. So we have or most of the guys would look to work with the OEMs to get to the best machines, not necessarily whether the machine has reached its obsolescence, but what is workable now. You have seen the machine heights going up significantly. Second, what has happened is because of this, you are putting mast in areas where more resources are available. Some of it was not tapped because the bids used to be generally STU or state level bids. Now the CTU bids allows you to tap into the remote areas where the best wind resources can be tapped. OEMs are working, we are working, and all of us are working with the common goal, whether we can get a higher CUF at the lowest cost. So all the

interest are being aligned in a manner whereby this competitive cost can be delivered. As far as we are concerned, obviously, we have responded, we are working with the OEMs, we have developed our own sites and we are there in the entire value chain to capture that value which was otherwise left with various players inefficiently. So, working in this environment in the entire value chain helps in giving you the same returns or giving as a business the same returns what was otherwise available.

Now, whether it will remain competitive? Yes, it is expected, the prices will come down slowly, slowly over the period. In case of solar, the biggest motivator will be the equipment price because we are now talking about more than 400 watt peak modules or even more than that. Similarly, wind, we are talking about higher heights, higher sizes and all of that. There would be an increase in the land cost because land is getting costlier. At least today we can say that, there are lower wind sites which would be tapped, so which will need some increase. But on an overall basis, there will be reduction in the cost. So this will continue to incentivize DISCOMs to buy renewable power.

There is another product which is an answer to some of the issues which are faced in standalone wind and solar. If you see the wind chart, you can see it is not providing mostly the daytime power, it is only night or early morning power. In case of solar, it is only daytime power. So the grid, working with the developers, has now come on a solution whereby we are talking about hybrid plants...wind chart is the second one, this is solar chart. Both are being mixed in a manner whereby more consistent power or round the clock power can be given to the procurers, which was their issue earlier. This obviously not only optimizes the transmission corridor, it also reduces our transmission cost, it also reduces the inefficiency in the grid to the extent of that there is more stability, then it also uses the land efficiently.

I think another question which is being asked generally by the industry players is how India is planning towards integrating this kind of onset of renewables. If you look at today CTU or the Central Transmission Utility as well as CEA's work on expanding the network which will be required for connecting this capacity. Already close to 66.5 GW of evacuation capacities are being worked on. Some tenders have already been awarded. Some are being under auction, some are being done by the CTU or PGCIL on nomination basis. So the capacities can be evacuated. So that constraint will get addressed.

Another constraint which comes in is, okay, if this capacity comes, what will happen to the grid? Do the grid have the capability? Because some of this will

be located in the good wind resource area, solar resource area, what will happen to grid balance? So Indian grid has over a period worked on this. There is a recent study which is publicly available, done by CEA, published in Jan '19, you can publically see that study. It clearly says that on 400 kV and above which is basically CTU level, where you generally need the power transfer to happen, here is no congestion and this study is projected on an hourly basis for 8760 hours, what will be the power flow of the country and power requirement and this generation & demand centers for the country. So that study clearly establishes there is enough room available for flow of power from one region to another region, generation region to the demand region. So you can see the numbers, against the available capacity of 36.5, only 16 GW is being utilized or similarly against the capacity of 24 and 7 GW, much lower 3.5 and 3 GW is being utilized for transfer of power.

The study also talks about what happens to the thermal plants. Because obviously there will be higher generation during the day. So it has as I said projected in year '21-22 what will be the 8760 hours generation. And in that scenario, if the grid is to be balanced, what will be the consequences? So if nothing is done, and it is business as usual (BAU) then the technical minimum which on a worst monsoon day at 12 noon, when the solar is supposed to be where it can be at a highest number, what will happen. So there is a worst day which has been identified in the entire year. It says at that point, 26% will be the technical minimum at which these guys has to operate. Obviously, that is not a great scenario. In monsoon months, it is 42%, in non-monsoon months it is 55% and in a best case it will be 63%. So this is one way. What do you do with this? So they have looked at various solutions – One, can we play with some of the hydro and the gas capacity which is available. So you would have roughly 60 GW hydro capacity and 25 GW gas capacity there. They played with 6 and 3 out of it where they said okay, let us shift that from day time to the evening time. So that makes it to 36% from 26%. So the thermal plants will then operate at 36%. If as an alternative further, batteries are added, here 7 GW and TSO which is two shift operations of some thermal plants which is operated at six hours in the evening. If those two are done, then this can further increase to 46% and 62% in monsoon months. And if all of these is not done, but only 1% of RE generation is cut, then this can straight go to 56% and 59%. Mind you that, CERC has given 55% as the technical minimum for all thermal plants. So whether the integration can happen? Yes. Worst case scenario for renewable plants, 1% curtailment. And there is enough scope available. As I mentioned the only hydro which has been considered here is only 6 GW, not 60 GW. Similarly, based on gas availability, very conservative gas availability they have considered 3 GW.

Another question is so if they need to ramp down or ramp up what will happen to the cost to the thermal plants? So in the period when they need to ramp up or ramp down.., and when we say ramp up and ramp down, that is the capacity in the grid at that point in time would be for some 1800 MW per minute ramp up and ramp down based on a plant level of only 1% per minute ramp up or ramp down. So if that thing happens, and these kinds of plants, 200 and 500 MW unit, what is the cost implication? So, it is anywhere between 38 to 50 paise heat rate because of higher O&M cost, the grid may incur 38 to 50 paise for those plants if at all this method as an option is adopted. But there is always an option of going for 1% curtailment and balancing the grid from hydro and gas. So, I think these were the two or three questions which I thought would be important in terms of industry going forward and giving the path.

**Jayant Parimal**: Good afternoon, everyone. I hope Raj Kumar Jain has been able to convince you that Indian grid will remain stable, it can absorb 175 GW of power, and there will be no technical backing down of renewable. So we should not have any worry as far as absorption is concerned. Rule of law will prevail. We have mast run status. So even if rule of law does not prevail on the economics basis, even the worst case, it is only 1% volume curtailment.

Now, I would like to convince you on another thing. People have doubt whether the plants which we are setting up has a 25-year PPA, how will it behave, whether plant will last for 25-years, how will it degrade, etc., So PV Technologies basically the polycrystalline which is the majority now has a lot of history. Actually there are only two kind of degradation which happens which is year-one which is LID we call it, 1, 1.5% and then annually...and this is already accounted for in all the energy assessment and then every year 0.5%, 0.6% annual degradation takes place. And then you will ask who gives you guarantee of that kind? Model manufacturers do give us a guarantee. And then you will ask what is our experience? So our experience although we do not have much experience, we have only 3, 3.5-years of experience in Kamuthi where we recently sent some samples for testing. We found out that our assumptions of degradation is in some cases it is better and in most of the cases it is met. So we do not have any surprise as far as our power plants degradation is concerned. Now, on the global basis, there is a study which is a worldwide study, some 11,000-odd plants have been studied wherein these writers they have come to a conclusion that polycrystalline-based power plant on a medium term basis degrades at 0.5% to 0.6% worldwide.

We have another chart wherein we are trying to tell you that the CERC in its own study in 2011 had established or come to conclusion that the PV plants have 60-

years life, the polycrystalline modules they have 60-years of history. NREL estimates it had 40-years. Then there is a plant called Kyocera plant which is running since last 31-years. We have given their website. You can go and have a look. Mind you, all these power plants which were set up some 30-years ago or 35-years ago, at that point in time the modules were warranty-ed only for 5-years, later on it increased to 10-years because confidence increased. Then it came to 15. Today they are warranty-ed at 25-years. So, what I am trying to tell you is that in a five year warranty product or a 10-year warranty product can live for 30-years. I do not find any reason why 25-year warranty product where lot of confidence has gone in, lot of data is there, even our own data is there. Why it will not outlast 25-years? What happens at the end of 25$^{th}$ year? The capacity from 100 has fallen to 80. So instead of 100 MW it will continue to generate 80 MW. So after PPA life, one fine morning, it does not switch off, it will continue to give power for a very long time. This is why the founder of SoftBank when he had come to India, he declared that I will give free energy post PPA period of 25-years because the plant has huge life left. So this is just I am trying to convince you that all these power plants which are grid scale power plants, good quality power plants, they will outlast 25-years, in fact, in US it is very common for them to take 30, 35-years life as a standard in the business case.

Now, I would like to present before you our team: Jayant Parimal, I am CEO; then we have Ashish Garg – who is our CFO; Mr. Srivastav who is our Chief Operating Officer; Raj Kumar Jain you just met, he is our Head, Business Development, we have Rakesh Shah who is Head, Regulatory and we have a separate O&M Head, Sunil Modi. All these people are industry veterans of their respective areas and they bring huge experience to Adani Green.

As it was explained earlier, in Adani Group, we have DNA of execution. So in Adani Green also, we imbibe that and we are very good at these three, four things which are needed for a good project execution which means land acquisition to start with, good engineering, then good optimum cost procurement and then timely completion. As we had explained earlier, the Kamuthi plant which we set up in less than eight, nine months only, it is a good monument for us to show our execution strength.

These are the critical success factors which is needed for any renewable project execution. We have a good site selection which must have a grid connection facility, good land, good resource potential because cost is same everywhere, it is only the wind resource or solar resource which varies, site accessibility and possibility of future development. PPA tie-up nowadays we are doing only on the basis of 25-years bidding negotiations and pre-bid site tie-up is ideal, post-bid is

tight because we have only 12 to 18 months of time available for execution. In project execution, we have to keep in mind that we do financial closure in time, we prepare our sites in time, vendor, EPC, etc., is done in time, good project management and then trial runs. We are good at all these activities.

Now, this is another one differentiating factor which we are trying to bring to your table that in Adani Green, we have a very large development pipeline which is available, which is better than business as usual which will keep on feeding us for next three, four, five years up to 15-17 GW.

So, what we are trying to tell you is that on the solar side, generally, Gujarat and Rajasthan are good, you can go and set up anywhere and near to CTU. This is more applicable for wind. We have already in 5 GW of wind sites which are under self-development. What does that mean? That means that we have already installed masts. These masts are giving good results. They have more than 12-months in several cases, more than 3-years of operating data. So we know exactly how much it will generate. We have applied for the government land wherever the government like in Gujarat and all it is possible to take government land, wherever private land is to be procured, we have started procuring private land. These sites are next to CTU within a radius of 30, 40 Kms so that we can set up a dedicated transmission line and we are going to use the leading turbine technologies to drive down the LCOE. We believe that this 5 GW of pipeline on the wind side which we have will give us incremental return over and above whatever we are doing today.

On the solar side, as I mentioned, the best sites are in certain parts of Rajasthan, in certain parts of Gujarat. So only there are two ingredients – Land should be there, easily available, it should be cheap, it should be next to CTU and it should have highest resource. So you will be happy to note that we have access to more than 9 GW of sites next to the CTU which has got low cost land and one of the highest solar resources in this country. So we are ideally positioned with a significant portion of live and future bids.

We wanted to present before you two, three case studies to convince you that we will deliver what we propose to do. Kamuthi solar power plant is a testament of our execution capability. We signed a PPA in June 2015, we had a deadline to complete it by 31st of March 2016 and you will be happy to know a significant portion of that was commissioned in the month of January itself and by 31st of March 2016 we completed all of it. As a result, we were selected as a mega structure by National Geographic and they have 45-minute session on this and it is available on the YouTube, you can have a look at that. We acquired this 2,340

acre land for the plant. Actually we have acquired 3,000 acres, we have 3,80,000 foundations, at peak we used 8,500 people, more than 2.5 million solar modules have been installed. So this is a testament of our project execution. That was the single project which we handled, single location, massive project. Now this is another case study which we are presenting before you. In year 2017-18 we had 33 parallel sites running because we had 33 different PPAs, some with Karnataka DISCOMs, some with SECI, some with UP DISCOMs and NTPC, etc., So we were operating in 11-odd states parallely to complete more than a gigawatt of plant located in 33 different locations and despite two disruptions in the meantime Demonetization because land is involved, then GST, there was no clarity in June 2017 at what rate for 10, 15, 20-days, nothing have moved. So despite that we were able to complete 33-odd projects well in time and within cost. So this we are trying to convince you that not only in a single location but in multiple locations we are able to handle projects parallely. This case study we are presenting before you, that what we estimate at the time of bidding or at the time of executing projects, we are able to deliver. So this is a case study which we did in Punjab, 100 MW single location power plant. We started with good location, then we did a good tracker design, we sourced the equipment from the best of the fellows, we executed them well and we are running them properly, we used the best ecosystem at that point in time and we were able to execute the project below our budget cost. This is on the execution side.

Now, this is on the actual performance side. Whatever we estimated in terms of resource, we have been able to get it. Solar irradiation whatever we estimated broadly we have got it. Whatever grid availability we were trying to get, we got it. Whatever plant availability we were trying to get, we got it. And as a result we have been able to broadly achieve P50 or near P50 performances. So, what we are trying to convince you that if you design the project well, if you execute the project well, if you use good quality equipment, if you are able to have a good O&M, there is no reason why with passage of time we should not be able to achieve what is P50, and what we are trying to convince you that we do not compromise on quality, we try to source all the equipment from reputed OEMs, we have only given you some samples, as of now we are going mostly with String Inverters which we believe give us a value for money, we have got better visibility of the plant, we are able to control the plant better and maintain the plant better. So this is what we are trying to impress upon you that on the project side we are good, we are able to execute project in controlled environment and at the budgeted cost and we are able to extract what the energy yield estimates see.

Now this is another important slide. We have constructed the plant. Are we able to maintain it well? So in our O&M philosophy, we have operational strategy

where we are doing cluster base maintenance, we have excellence model, we have remote operation nerve center (RONC) and we will show you some of these things as a result and we are bringing technological advances in O&M to ensure that AGEL is at par with the global standards in operations. One such initiative is what is called Remote Operating Nerve Center (RONC), it is nothing but central control and command center, where all our plants are connected live on cloud and all the data points they get is stored in the cloud. We store them, we do data analytics, we are able to find out where there is a problem, etc., We will show you right now live RONC, it can be accessed from anywhere, when you come to our HO we will show you our control room which is a world-class, but because it is a cloud-based control room, so it can be seen from anywhere. So what you are seeing is an Indian portfolio, then kindly zoom in any site, we can go to any site what is the today's live performance, this is the live performance of that particular plant, I am not able to see which plant is it, but whatever, so you can see this is currently generating at this particular point. We have 45 plants, all 45 are visible, it is in Pavagada in Karnataka, so perhaps we are generating approximately 50-odd MW. Then we can drill down to each and every string, monitor everything and all our labs come here, all performances are there, we have data analytics, we have certain data service providers, Israel-based service providers who are using this data and giving us live feedback whether some parts of our modules are degrading more, is the temperature coefficient more. So this helps us to extract the best output from all our plants. So moral of the story is what I am trying to tell you is that the granular visibility which I have, you just tell us, we will be able to show you right now live, we can drill down to the modules and compare the performance compared to the target and this is how we operate it. So this is the remote operating nerve center. We welcome you next time when we are organizing such kind of event in Ahmedabad. We will show you our operation center where we have 8 to 9 operators sitting round-the-clock looking at the screens and finding out these anomalies, then informing telephonically automatically to the site that in certain module something has happened, please go and attend, and this is all auto like a call center approach and everything gets recorded, we are using Google Glass, etc., lot of analytics we are using. So, what we are trying to drive home is that we are among a few companies in the world which is using advanced data analytics and which has got such granularity of the whole portfolio, all the future projects will be switched on live using this. So we are able to maintain the plant well and we will be able to achieve and extract more from the existing plants.

So after this, we have Operational Portfolio Details. I will request Ashish to come and explain our Portfolio and Operational Details.

**Ashish Garg**: Good afternoon, ladies and gentlemen. My name is Ashish Garg. I am CFO of the company. We got listed in June 2018 on the National Stock Exchange and Bombay Stock Exchange as a result of the scheme of demerger from Adani Enterprises Limited, our group company and the shareholders of Adani Enterprises received shares of Adani Green without any cash consideration. Under the relaxation of the listing rules in Sec.192B of 1957, the public shareholding was allowed to be below minimum of 25% for a period of one year, that is June 2019 in our case, by which time we expect that we would be completing this minimum requirement. While this is a matter which pertains to the promoters holding, we understand that promoters are exploring various options including a secondary sale to meet the requirements of the SEBI in a timely manner. An announcement regarding the same would be made at a relevant time in line with the disclosure requirements. The company's business model is to win bids power purchase agreements through competitive bidding now, construct solar and wind plants as you saw in the earlier part of the presentation and from sale of energy through operating the plants throughout the life of plants. The projects are all housed in the various SPVs. Adani Green the parent owns 100% of these SPVs. Today, we have an operating and an under-construction capacity of close to about 4,560 MW across solar and wind, which is growing as we continue to bid and win new projects.

The key financials for the last announced results of the company as on December 2018 for the nine months period, our revenue was close to Rs.1,412 crores and our EBITDA was Rs.1,275 crores, thereby realizing an EBITDA margin of close to 90%. The asset base of the company was Rs.14,220 crores and the company has a strong credit rating of A from India Ratings with 'Stable Outlook'

This is the map of basically in all our operations which are very well geographically diversified across the 4560 MW with pan India presence across 57 locations and 11 states. Our initial focus was on solar. Currently we have about 60 MW of wind which is operating, but going forward we have close to 1.5 GW of wind which makes us almost 2/3rd of solar and 1/3rd of wind.

The unique feature of the company is that 100% of the entire 4560 MW capacity is contracted with 25-year long PPAs at a fixed rate thereby providing a very stable cash flow to the company. All the PPAs are with sovereign bodies and the company do not have any private PPAs. Two-third of the PPAs are with very strong counterparties and among which also about 61% of the overall PPAs is with NTPC and SECI which are investment grade rated central undertakings. Given that majority of the bids are now coming from NTPC and SECI, we expect that the similar off taker profile would continue in the future.

This is how we grew. Very staggering phase of growth. The operating capacity has grown rapidly from 2016 to 2019 at a level of almost close to 85% CAGR. The company has made significant movement in the current year from a majority under construction capacity to majority operating capacity and we believe that that mix would continue to now more on the operations side. We expect that our stable and risk-free cash flows can support a CAGR of about 30% over next five years on an enlarged capacity base of 2 GW, thereby creating significant shareholder value.

The company has also invested in some attractive overseas renewable opportunities primarily in the US and Vietnam. The company expects to create a portfolio of about 500 to 750 MW over next two to three years and our target returns is more than 10% in dollar terms. There are some details which are given in the annexure to this presentation.

On the performance side, Mr. Parimal had covered in detail as to how exactly we monitor I mean, the numbers speak for themselves. As capacity has grown rapidly, the company has made substantial efforts to stabilize its operations and achieve P50 level of generations as you saw P50 level of generation comprises doing thousands of things right. I mean, in terms of the site selection, resource studies, practices, its focus on plant design and construction, top quality equipment, leading global O&M practices, all these gives us a confidence that P50 level of generation is something which we will surely be able to achieve. We are also providing a bridge to what we believe is our targets in P50 levels and what we realize for the year as a whole and also for the month of March, I mean, the gap is narrowing down as we continue to stabilize operations. We believe it takes about three to six months' time to stabilize initial solar plant and achieve P50 level of generation.

We have achieved that level in some of the plants which was commissioned a year back and that gives us a confidence that in the next three to six months we will be able to achieve our desired level of generation across all our plants.

On the upper left site chart, you will see quarter wise generation forecast on the overall 1.9 GW of solar capacity installed. It varies from quarter-to-quarter in India. During the monsoon season there is a low generation due to the clouding impact, which is basically Q2 and highest during Jan to March period due to the optimal temperatures in India in most of the locations.

In its initial phase, as I mentioned earlier, the company achieved about P75 level of generation at about 23.3% against the 23.5 CUF at P75 level. This is after

accounting for some DC capacity which we are completing and some grid unavailability issues, most of which has now been addressed.

As you saw earlier on the RONC, our O&M team has identified most of the gaps resulting in lower generation across all our plants and is working 24x7 and we expect that in the next three to six months we should be able to achieve our desired level of generation.

On the P&L side, like I mentioned earlier, AGL clocked an EBITDA of Rs.1,275 crores for the nine months period, translating an EBITDA margin of 90%. While we commissioned new projects at a slightly lower tariff resulting in about 3% to 4% lower EBITDA margin at a plant level, we expect that this will be compensated by absorption of better overheads, resulting in about 90% EBITDA margins going forward.

We follow Written Down Value (WDV) method for depreciation and hence we have negligible taxes for the first six to seven years of our journey resulting in some of the cash being used in investments as the high phase of growth in the initial period, but on the flip side it also affects our profitability resulting in adverse or negative PAT and EPS. We feel the right way to look at the company therefore is more on a cash profit basis or cash EPS basis, and some of these numbers are therefore quarterly disclosed to the market.

On the balance sheet side, as earlier Ashwin mentioned, the group has two investment grade rated companies internationally. While AGEL is still not investment grade, we aspire to be investment grade at some point in time. The group focus is to maintain very strong balance sheet. Apart from equity capital the company also benefits from shareholder loans of about Rs.1,544 crores which are provided as a perpetual debt and thus can be treated as a low cost equity. The rate of interest on these loans is about 11%.

Overall, if you see for the 4560 MW of capacities that the company has, our project equity needs for us to draw the entire debt as project finance, we would need an equity of about close to Rs.7,000 crores, Rs.3,000 crores has come from as you saw from hard equity and some shareholder loans, another Rs.1,750 crores is raised from a mezzanine debt from a private Indian bank, about Rs.1500 crores is upstream from refinancing efforts primarily from refinancing of our Tamil Nadu project from Power Finance Corporation and some cash up-streaming from completed projects, that leaves another Rs.750 crores for the next two years which we expect that we can upstream from our completed 2 GW of capacity. With that we can basically see that the entire 4560 MW capacity is fully funded

from an equity perspective. We need to raise about Rs.10,000 crores of debt which we will continue to raise over a period of time.

On this, our rating of currently at 'A' category allows us to leverage the company at about 6.25x on net debt-to-EBITDA. With this we believe that we should not be crossing about 5.5x on net debt-to-EBITDA till about next two to three years, and therefore it gives us further opportunities to raise leverage within the company.

This is an important slide I want to draw your attention that this is basically how we want to evaluate the projects in the company on CAPEX to EBITDA basis. In the initial years the CAPEX to EBITDA was closely in the region of about 6.1. In the recent times we have won projects nearing 6.4x. Therefore on a consolidated basis as a whole we are about 6.3 for the 4.5 GW capacity and that gives us a significant equity IRR for the entire portfolio. Thus translating these numbers on the bottom line you will see that on 4,560 MW as I earlier mentioned without any equity raising that we have currently forecasted, it gives us the cash after meeting our debt repayments of about Rs.9 per share.

We continue to grow this portfolio to announce plants of about 10 GW over another next four to five years and our cash per share from Rs.9 can go up to Rs.15 per share when we meet our 10 GW plans.

This comprises two objectives -- One is that this portfolio comprise about 60% of NTPC and SECI projects about 930 MW of projects in all. Two things which basically are I would say important from equity perspective is that this structure allows us to extend the debt repayment schedule by about four years from 10.5-14 years. Throughout the life of the PPA we are able to size the debt to almost end of the PPA life 24-years. And as a result the equity IRR or if one were to calculate, its impact on equity IRR, it will be close to about 3.5% to 4%. Maybe I can request Mr. Parimal to conclude this presentation.

**Jayant Parimal:** Friends, you heard our colleagues present before you different dimensions of Adani Green Energy. I am on the concluding slide. I am trying to convince you why AGL is a compelling investment opportunity: First, as you all know we have a great infrastructure linage and Adani Green is basically in infrastructure business. Adani Group is a leader in Infrastructure, Ports, T&D, Thermal Power, and Renewables. We have proven track record of excellence in development and construction.

Another thing we want to convince you that there is a significant growth opportunity available in area where we are working. India plans to grow 75 to 175 only in next few years. Actually by 2030, it plans to have 500 GW of renewable. So there is no dearth of scope in renewable energy for the next 10 to 15-years, and we have large land bank, which are rich in solar and wind resources, that is located next to CTU and STU, and economics of the renewable power is superior, so no longer RPO is a driving force, it is the economics which is the driving force. So the DISCOMs will be forced economically to buy more renewable and not to back it down. I mean, rule of law is separate, but beyond rule of law.

Third is we are a disciplined company. We do not mind losing a bid. 6.5 CAPEX to EBITDA what you have just now seen is our benchmark unless we are able to do better than that, we do not do it and even in last one and a half years we did not have much solar because solar became very competitive and we thought we will not be able to match these kinds of returns which we expect our shareholders to get, but we did not get it. Wind was available so we took some wind and we are having an optimal capital management to drive cash available to equity holders. The last slide which Ashish presented wherein once we have a one year operating history, we try to bunch the assets, get it rated in a restricted group methodology and try to refinance the whole project with a view to push the weighted average debt period which gives better return, more juice to equity holders. We are trying to do the world-class O&M practices and we have proven track record of maintaining 2 GW of solar at 99.9% plant availability. We have Remote Operating Nerve Center which some glimpse you saw, we will invite you to visit our central control room in Ahmedabad.

And another thing last, but not the least, renewable by nature is stable, predictable and the kind of counterpart is which we are having, right now it is all 100% contracted, we do not have any private PPA as we speak, maybe in future little bit, but nothing significant. So everything is 100%, it is contracted business, long-term PPA, everything 25-years and over 60% offtake is with NTPC, SECI which are Government of India sovereign and everyone's track record on payment with NTPC, SECI is great and most of the time they take discount and pay you. So we believe that through you analysts, our investors we present a compelling investment opportunity and then I take this opportunity to thank you all.

**Sagar Adani:** Good afternoon, everyone. I think my respected distinguished colleagues gave a very good brief on the presentations. You must be up to speed with all the different aspects of Adani Green and what all we look at and how we look at it. I think more from a family point of view I would like to give just a five minute brief on how we look at it from a more strategic angle how we are approaching the

entire sector and the business. One point through the presentation that I wanted to clearly bring it out to all of you is that and we look at it compared to our different competitors in the space as well. I think one distinguishing important factor that I would like all of you to have in mind is that fundamentally we have a very different mindset for infrastructure, where we are hold to maturity investors. So it is not that we make an asset today for a certain valuation to sell it off two years later. So our approach and the fundamental mindset is very different. Why is that important? Because in every aspect of decision-making that happens this approach and this mindset is baked into it. I can give you specific examples in the renewable business, there are three, four major levers and major factors which are significant competitive differentiators as everyone went through in the presentation and talked about two, three of them being specifically your strong ability of executing projects, a very strong institutionalized capability of managing during the operations and maintenance of currently the 55 sites that we have increasing only further to the 70-80-90-100 sites going in the future. How do we make sure that every single site is controlled, operating at its most optimum level possible, the institutionalized O&M capability. And the last one being prudent and strong financial discipline and capital management. So in all of these three things the fundamental decision, the approach of making sure that we hold the assets up to the maturity because we feel there is a huge value. Simple things like equipment selection, we have the quality norms of the panels that we procure are more than twice as stringent as any other comparative not only in India buy globally. For projects, for the 2 gigawatts that we have executed, the 2.5 gigawatts under execution and the many gigawatts that will also go ahead and execute in the future, we have a very systematic pre-bidding to post COD philosophy. It is an execution engine that is being churned, that is being developed, that is churned out for a 44 assets so far. On a continuous basis has a very clear, we have an institution which works now like a factory. For every single site that process for us becomes much easier because we have about 350 people in projects now and we self-develop all our projects right from land acquisition, pre bidding land identification to land acquisition to equipment selection, to supply chain planning, to project execution on the ground, to making sure that we control the project in terms of both the time and cost, executed in the most optimum quality possible, make sure that in the post COD phase the ramp up to the O&M happens in the way that it should be, to support equipment life and equipment quality for a long term sustainable basis, so that even after the 25 years we can make sure the plants are running at the most optimum level possible. So in every single one of these aspects of the business that fundamental mindset is clearly there and that tangibly and intangibly makes a big difference for our company compared to many other people that we have in this space and that is a point that I wanted to drive forward specifically. And specifically on the

point of capital management as well. As Ashish mentioned, we will be going out with our refinancing issue hopefully in the next 2 weeks and we are the restricted group that we have developed which is a notch to two notches higher than the best other comparable and 3 to 4 notches higher than the industry average. So the structures that we plan in terms of capital, in terms of financing we have strong banking relationships, strong sponsor support so that the fundamentals that we have in terms of the availability of capital in the financing to develop the next 10 gigawatts-12 gigawatts-15 gigawatts are already clearly in place. So we are very bullish about the sector, we know that India renewables, not only in India but globally but specifically us focusing on India has a huge potential, a huge growth of availability and opportunity and we definitely intend to maintain the leadership position that we have, not only today but over the next many coming years. So that is just something that I wanted to communicate to all of you in terms of how we are looking at the whole piece together. And we can open up the forum for specific questions if anyone has any and then take it forward from there. Thank you.

**Ashwin Bajaj:** So, thank you very much everybody. We will now open it up for Q&A. I just like to remind you it is being video recorded. Would appreciate if you can introduce yourself before you ask your question. Please limit it to two questions and one follow up just to give everybody a chance and we can always come back to you. I think we have more than enough time to answer each and every question today. So there are microphones floating around if you can just put up hand. There is a question at the back. Subhdip?

**Subhdip:** This is Subhdip from JM Financials. Well, thank you for such a detailed presentation. Well, my question is more on the macro side, now I think. Well, all of us appreciate the fact that renewable has an immense potential going ahead over the long term and once probably battery storage matures, it might replace thermal altogether. But I think if I look at the next 1-2 years scenario in terms of potential for growth, given the backdrop of the last one year where we have seen so many cancellation of tenders largely because of I think states not agreeing to the prices that were bid out we have had letters from the Power Minister which are actually stating that the way states look at the tariffs is not just the pure solar bided tariff but also adding back the opportunity cost of a thermal plant which has been back down, the fixed cost of that. Then if you add that up maybe it is a Rs. 4.5 – Rs. 5 number. And also we are looking at states probably going in for an UDAY part 2 given the way their outstanding to GENCOS are growing. So in this backdrop, are you seeing speed breakers in the near terms say next 1-2 years on the solar and the wind side?

**Jayant Parimal:** Let me answer you. I agree with you there have been some cancellations because sometimes there is an expectation mismatch. The prices fell from Rs. 7 to Rs. 2.48, everybody thought it will go to zero, but people do not realize that it will not go to zero. It has already tapered off. We have given you all the number, you also know it, broadly Rs. 2.5 kind of a stuff. So sometimes there are states which are lower radiations still they believe they can get a Rs. 2.5. So there is an expectation mismatch and they do cancel it but next time they realize it that it will not fall, so they honor it. Right now there are more than 20 to 25 gigawatts of solar bidding which is happening and wind bids are separate. So I do not think that there will be a significant slowdown in addition of the capacity, maybe the kind of 20 gigawatts per annum or those kind of numbers may not be there but still 10 gigawatts is doable. We thought that in 2018-2019 the capacity addition on solar side will be fairly minimal, but even at that low level of activity the capacity addition is in excess of 8 gigawatts which is commendable, not what the country wanted but at least it is commendable. Going forward I foresee that at least 10 gigawatts incremental solar capacity will get added. So that is one, if not more. Now coming back to how the states evaluate it. The only method the state should evaluate, I mean apart from RPO obligation is whether Rs. 2.48 – Rs. 2.50 – Rs. 2.60 is it comparable to the variable cost of the last thermal plant which is standing. We have done our own internal calculation. We know we do not have national merit order dispatch, CERC is attempting to do it. If you do a national merit order dispatch, we need at least 110 gigawatts thermal power running constantly to balance the grid which means that at least 135 gigawatts of thermal plants should be operational at any given point in time. The person who is standing at 130 has a variable cost of Rs. 3.33. So till the point, the solar prices or wind prices are below Rs. 3.33 I do not find any economic reason for any DISCOM or utility not to buy solar or this thing because it is cheaper than their variable. We are no longer comparing it with APPC. APPC is at Rs. 3.54 etc. The last man standing on the marginal curve is Rs. 3.33, you can also evaluate it. We have done it. So we believe that there is absolutely no economic reason why the distribution companies, government of India entities will not bid more, buy more. There is some expectation mismatch I agree. They always thought that it will fall true**,** they never thought there is a limit, we have shown you LCOE, land prices will go up etc. That is only up to some extent the prices can fall. So there is an expectation mismatch. I am sure it will get resolved.

**Subhdip:** Just to follow up on that, while you did mention Rs. 3.33, I think there are couple of more developments you have won nationally on the solar side we have had talks about caps on the tariff and on the other hand you have necessity to procure the equipment from domestic manufacturing, so that might take your costing skew. And on the other hand you probably have thermal stranded capacity of 25

gigawatts out there where one is expecting large haircuts from the bank which might again lead to a temporary competition in that sense. So how do you feel about it?

**Jayant Parimal:** Even if the promoters or lenders take haircut it will only reduce their fixed cost which is a sunk cost. What we are competing is variable. So all those fellow who are stranded today their variable cost will be beyond whatever numbers we are talking about. If their variable cost were so low they would have been operational. So I believe that they are not our competitor. In any case 6%-6.5%-7% growth in energy demand is there. They will be able to absorb this thermal capacity because thermal capacity till battery is there you will need some basic thermal capacity to balance the grid despite whatever we shown you, solar plus wind and all, I mean it will improve but it will not completely takeoff the thermal power plants. Now then you had a question on domestic content requirement and all. Despite the anti-dumping or sorry, safe guard duty imposed on this thing, in most of the cases it is a pass through. So we have got it. Post July 2020 there is no duty and even with that with duty and all at the tariff cap which is 2.75 in most of the cases things are viable, it is not unviable. For the first time we have publicly declared our CAPEX, our estimated EBITDA, it is nothing but a simple calculation. You reverse calculate it. Even at these kind of tariffs which we have won or for that matter others have won, we are able to owner 6.5 CAPEX to EBITDA. So this means that things are viable.

**Girish:** This is Girish from Morgan Stanley. Whilst you said that the bids are at Rs. 3- Rs. 3.3 which are really comparable you have not really added the transmission subsidy that the renewable sector today is getting. So what are your thoughts around the sunset clause actually not being revoked beyond 20-22? That is a first question. Second question is there are already some states which are beyond the 15%-20% mark when it comes to renewable. So it is good to know that at a national level there is a study etc. which is done but real physical infrastructure at the grid level, the state grid level, so any thoughts around that? Because we can keep adding capacity and then one fine day something can break up. So just from a responsible industry perspective, participant perspective what studies have you done at the state level to understand that we are not actually hitting the wall anytime soon?

**Jayant Parimal:** Sorry, second question first, okay? The grid of Karnataka is nothing great. It is rickety, old 1960s grid, this is all straight line kind of a grid. I mean they are trying to upgrade it, but it is nothing very write home about. But still at one point in time it absorbs 70% renewable, in energy terms. They did not publicize in fact I asked their Energy Secretary that this is the kind of achievement which England or

Germany or Western countries they are proud of they are right, but you have not publicized this. You go on the Tamil Nadu's website, it is publicly available information. There are several days when their renewable penetration is beyond 50%. So what we are trying to tell you, although I do not have access to any such study but we are only telling you from our experience that when the rickety states like Karnataka, Tamil Nadu they can absorb more than 50%, 60%, 70%, I do not find any reason why the state grids will not be able to absorb beyond 15% or 20%. And then now coming back to your question of correct way of evaluating is adding transmission cost, I fully agree with you. The CTU charges till 2022 is already democratized, socialized to everyone. If we are doing solar only our PLFs nowadays in Rajasthan and all it is near 30, thermal power plants operates at 60-65. So our transmission charges are double or 2.2 times the thermal power plant transmission charges. We are talking about hybrid. The hybrids can give you 60% PLF. So if you are operating at 60%, I don't think we are taking any subsidy comparable to a thermal power plant and the delta, and the correct way as I mentioned is to compare it to the other environmental cost etc. We are not against thermal because you need it because otherwise you cannot balance it. So what I am trying to tell you that even if you add that 5-10-15 paisa of indirect subsidy which is attributable to lesser utilization of grid resources, I mean we are better than Rs. 3.33 of the marginal cost of the last thermal power plant being dispatched even on the worst day. So we believe that we are competitive even after adding all these things.

**Dhruv:** Dhruv here from Motilal Oswal. Sir two small questions. One is what is our equity IRR threshold and if you can give us probably at what debt to equity? And what is the IRR we are making at some of the new projects we have won like for the wind which is under construction? So how do we see that?

**Jayant Parimal:** We have given you a better metrics. Equity IRR, beauty lies in the beholder's eyes, okay? So we have given you a 6.5 CAPEX to EBITDA. We don't want to breach it, okay? You reverse calculate it using different assumptions it could vary anything between 17% equity IRR to 26% equity IRR depending on what assumptions you are taking on the debt equity ratio, what assumptions you are taking on debt tenure, what assumptions you are taking on debt cost etc. At 6.5 you can go as high as 25%. But in a very reasonable assumption it is definitely 17% to 18%.

**Dhruv:** Sir, just one thing. When you mentioned about the 7,000 crores of equity, you mentioned something about upstreaming of assets, what does that mean?

**Jayant Parimal:** Look, 7,000 crores equity when Ashish mentioned, this is the equity in the SPVs because assets are held by the SPVs. So we have to give equity to the SPVs which

in turn is coming from the promoter company which is AGEL. So we have to give you a bridge to 7,000 crores. So what he gave you is a bridge from 1,554 crores is the pure equity which is voting equity given by all the shareholders, incremental 1,500 crores is perpetual debt was our equity given by the promoters, sum total is little more than 3,000 crores. Then we have 1,750 crores of another mezzanine debt sitting at AGEL level, so that takes to 4,750 crores, then balance. After all every year we have 2 gigawatts of operational assets. So we are getting some FCFE every year. Plus, normally the banks they allow you gearing only up to a limit during construction period. Post construction period another 12 months' time we are able to refinance the projects and we are able to extract cash back to AGEL. So that takes care that is the bridge of 7,000 crores. So what we need is 7,000 crores and this is how we have bridged it, 7,000 crores because we have been informed by the credit rating agencies you can verify it that for a good investment grade credit rating your Debt to EBITDA should be 6, not more than 6, we are operating well below that. So we are able to gear it up to 5.5, 5.75 and then we are able to extract more cash from there.

**Mohit Kumar:** Mohit Kumar from IDFC Securities. Sir, are you in process of raising foreign currency debts? Given that our tariffs are in rupee why are you going for foreign currency debt instead of rupee term loan?

**Ashish Garg:** So, in terms of foreign currency debt we look at it on a completely hedge basis. We are not keeping any currency risk when we will raise foreign currency debt. Even today we have some ECB of $250 million in one of the 350 megawatts projects but that is completely hedged. This is structure that we presented to you, that also contemplates that the entire risk both on the principal and the coupon is completely hedged in, the local currency which is INR.

**Mohit Kumar:** What is the tenure of the debt?

**Ashish Garg:** So this tenure, we will raise 5 year bond and then it will be refinanced every 5 years.

**Mohit Kumar:** Second question sir. You have participated in SECI-7 and SECI-8 wind option or are you going to participate and has the land issue being sorted out completely?

**Jayant Parimal:** These bids are out there. Every time it gets extended. So as what you mentioned land is an issue, in past it has been an issue, but we have been somehow able to survive in the sense that we had already acquired lot of land, government land both as well as private land. So SECI-7 also we believe we have sufficient room to bid for SECI-7. SECI-8, I am not aware of, but SECI-7 maybe. So they are extending

time and again. Evacuation infrastructure is the biggest issue. But good point about SECI is that they consider evacuation, they take into account and if need be they give you some suitable extension etc.

**Mohit Kumar:** Last question sir. Why are you looking for international opportunity given that there are enough opportunities in this country itself? I saw a slide talking about going to United States, is there any particular reason for that?

**Sagar Adani:** First of all, I can tell you that on a near to medium to even a long term basis that the international, India is going to be the focus and point of our operations. There is no second question, no thought, no doubt about that, no debate about that. Our total size in terms of both capacity revenue will never cross more than 10% in the most optimistic scenario. We believe that there are some strengths that we have within AGEL when we put ourselves in an international context in terms of the advantages that we currently enjoy in India, we can translate some of them into significant competitive advantages in other foreign geographies. But when we go about that we are going to be extremely selective in terms of what opportunities we pursue and which countries we will enter. Currently as we speak we are looking at only 3 specific geographies, Vietnam, Morocco and the US. In all three of which currently nothing is materialized completely in Morocco and in Vietnam we have a very small thing that we are looking at because we believe that Vietnam is similar to India in terms of the return thresholds and the growth opportunity and capacity it also gives us in the near term. India is much bigger potential in the longer term, but in the near term we feel that Vietnam is a market that we can look at because it is worthwhile from many different parameters that we assess the Countries. US, we are looking also currently at a small portfolio that is what I said to translate the strengths that we have in India to create a significant competitive advantage for us in the US and also at the same time see to a little bit of an extent if we can diversify our revenue stream from a very developed, stable, high credit rated agency. What it also does for us is and that is a larger strategic goal that we have in mind is that it opens up a flood of capital a US debt markets for us. So it creates a, let us say we put up a 200 megawatts project, 250 megawatts project in the US, in the larger AGEL context it doesn't have much value, it is 5%, right? So from a revenue term it does not have much value. But what it does is to raise the capital for let us say for the next 10 gigawatts of growth in AGEL you have that very good visibility in the minds of the investors that yes this company is there, it has US based assets, it gives them a much larger comfort as well that they know that we are present there. So to invest with us in India as well that opens up a big potential opportunity which we also actually pursuing. So these two three things kind of play together to make

our decision to explore in a very selective and in a very limited manner, international opportunity. We are not going to replicate India in the US, not at all.

**Jayant Parimal:** As you saw, the equity commitments and all are fairly minimal. We have already declared certain things. And as Sagar mentioned it gives us visibility even for our external commercial borrowing of bonds and all for roadshows we go to US, dollar terms mostly. If we are there it helps, that is all.

**Mohit Kumar:** Just a follow up on capital structure. FY21 I think we will have the entire 4.5 gigawatts up and running, so we will have debt of close to 18,000 crores – 19,000 crores at that stage and if you can just breakup what could be the debt maturity and interest profile of that debt at that stage?

**Ashish Garg:** So as you rightly said in the earlier slide somewhere we captured the overall project cost for the 4,560 megawatts. It is close to about 26,700 crores which is the total project cost and we expect that will be funded broadly as I mentioned on a project equity basis about 7,000 crores. That leaves close to about 20,000 crores of debt that would have been raised. There would be as I mentioned separately about 1,750 crores of mezzanine debt. So in the overall balance sheet consolidated there would be about 20,000 plus 1,750 crores of overall debt. By the time we would have repaid close to about 1,000 crores of debt. So we expect anywhere between 20,500 crores to 21,500 crores of debt in the company at that point in time.

**Mohit Kumar:** Sir, interest obligation?

**Jayant Parimal:** 20,000 crores gross debt, 2,000 crores is cash at that point in time. So net debt, external debt is approximately 18,000 odd crores. Our EBITDA run rate at that point in time will be 4,000 little few hundred crores, 4,100. So if you see the indebtedness of the company it will be 4.47 or 4.48. So net external debt to EBITDA will be 4.47 or 4.5. So will be far less indebted compared to where we are today. Right now we have given you some numbers, 5.3 or 5.4, but we will improve compared to that.

**Mohit Kumar:** But we will add more capacity as well?

**Jayant Parimal:** We will add more capacity, yes.

**Mohit Kumar:** So just wanted to understand the promoter getting repaid, the debt that is sitting from their side, will that continue till at least next 2-3 years or how will that work out?

**Jayant Parimal:** Right now it is perpetual debt. I don't foresee that it will get paid in 2-3 years.

**Mohit Kumar:** And the total interest as of FY21 would be how much, the coupon rate average?

**Ashish Garg:** Average cost of debt today is about 10.3%. I think on a long term basis we expect the debt to be about 10% because post completion some of the interest cost comes down. Soon an average it is about 10%.

**Mohit Kumar:** And this is all fixed?

**Ashish Garg:** No. I mean, in the Indian bank market there is no concept of fixed rate debt, it is linked to the base rate or whatever RBI now changes over a period of time, MCLR of each individual banks. The foreign debt is basically fixed, the bonds that we intend to raise those will be fixed in nature. I mean we will hedge it on a yearly basis.

**Ashwin Bajaj:** Any closing remarks from Jayant or Sagar?

**Sagar Adani:** Thank you everyone for your questions first of all. And we are obviously also happy to take any questions that you have offline, and we are happy to continue to take any questions that you have if they come up in the future. But we are very excited about what we are doing and the company that we have and we see a lot of growth potential and we having the fundamentals in place over the last 3 years to have built what we have already built. We are very excited to exploit the potential that is there in the future and we hope that so are you along with us. So thank you everyone for being here today. It is a pleasure to meet all of you and explain from our side what we feel about the company that we are. Thank you very much for engaging with us today. Thank you.