“Adani Green Energy Limited

Q3 & 9M FY '26 Earnings Conference Call”

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MODERATOR: **MR. MOHIT KUMAR FROM ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to 3Q and 9 month FY '26 Earnings Conference Call of Adani Green Energy Limited, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar: Thank you, Danish. Good evening. On behalf of ICICI Securities, I welcome you all to the Q3 and 9 months FY '26 Earnings Conference Call of Adani Green Energy. We have with us senior management on the call. We'll start with a brief remark on the results followed by Q&A. I will now hand over the call to Viral, Head - Investor Relations for the introduction of the management and the opening remarks. Over to you, Viral.

Viral Raval: Thank you, Mohit. Good afternoon, everyone. We are pleased to present the results for 9 months FY '26. Welcome all the participants to our earnings call. I hope you would have had the chance to go through our earnings presentation. We have with us Mr. Ashish Khanna, the CEO of the company. We have Mr. Saurabh Shah, CFO; Mr. Raj Kumar Jain, Head of Business Development.

Without wasting any further time, I would like to now hand over the call to Mr. Ashish Khanna for opening remarks, which will be followed by Q&A. Thank you.

Ashish Khanna: Thanks, Viral. Good afternoon, everyone. I'm delighted to share Adani Green Energy's robust operational and financial performance for the first 9 months of fiscal year 2026, underscoring our relentless growth trajectory and industry leadership. Our energy sales surged by an impressive 37% year-on-year, reaching 27.6 billion units. This robust growth is a direct result of significant greenfield capacity additions and strong plant performance.

Our operational renewable energy capacity expanded by 48% year-on-year to 17.2 gigawatts, reinforcing our leadership as India's largest and fastest-growing pure-play renewable energy company and putting us firmly on course to achieve 50 gigawatt target by 2030.

In calendar year '25, we added 5.6 gigawatt of greenfield capacity, which represents nearly 14% of countrywide solar and wind capacity addition. Our landmark Khavda project, the world's largest renewable energy installation, continues to advance at an accelerated pace with an operational portfolio now standing at 7.7 gigawatts of solar, wind and hybrid assets.

We are now on track for deployment of one of the world's largest single location battery energy storage project in coming months. Our hydro pumped storage project on Chitravathi River in Andhra Pradesh is also on track.

Our industry-leading financial results further reflect our operational excellence. Revenue from power supply increased by 25% year-on-year to INR8,508 crores, while EBITDA grew by 24% to INR7,921 crores, achieving an EBITDA margin of 91.5%. These results are powered by advanced technologies and digitized operations, leveraging sophisticated data analytics,

machine learning and artificial intelligence for real-time monitoring, enabling superior operational performance.

Adani Green Energy's commitment to sustainability and responsible business practices continues to be recognized globally. We have been named world's number 1 green utility in the 2025 Global Top 100 Green Utilities ranking by Energy Intelligence. AGEL is top sustainability performer in power generation sector for a second consecutive year in NSE's sustainability ratings. As we look ahead, we remain steadfast in our commitment to India's energy transition by enabling large-scale adoption of affordable clean energy. Adani Green Energy is powering sustainable growth for India and the world. Thank you.

Viral Raval: We may now open the lines for questions and answers.

Moderator: Thank you so much sir. Ladies and gentlemen, we'll begin with question-and-answer session now. Our first question comes from the line of Abhinav Nalawade from ICICI Securities. Please go ahead.

Abhinav Nalawade: My first question is grid availability has been low since the last 2 quarters. How much of it has impacted generation for solar, wind and hybrid as well? What would have been the generation if, say, the availability was 100%?

Ashish Khanna: Well, Abhinav, it's a good question. Yes, grid availability has been impacting us, not because of any other reasons, but because the schedules are not being met and there have been delays in the grid augmentation, which is happening. We were expecting in the last quarter, some 2 to 3 gigawatts of augmentation, which has not taken place. However, having said that, as we speak in this month itself, we have been able to augment -- there has been an augmentation of 1 gigawatt, which is helping us, and there is no grid curtailment as far as Rajasthan is concerned on that account.

At Khavda, the challenge remains - we were expecting it to be there in the last quarter that the augmentation will take place, however, as we see in the coming month itself and in this quarter, we are expecting 2 to 3 gigawatt of augmentation from Khavda itself for evacuation of power. I think there would be further augmentation at the end of March by another 1 gigawatt of the lines, which we are closely monitoring as well as their schedules are concerned.

Yes, because of the seasonality and certain ROW issues, there have been delays in the last quarter by agencies who are executing this grid augmentation. But we do expect things to improve in near future.

Abhinav Nalawade: That was helpful. My second question is you're selling about 46% on merchant. So how much of it was infirm power? And when can we expect that to be sold on PPA?

Ashish Khanna: Well, on the merchant aspect, I think there has been -- you see, first of all, let us appreciate the fact that the infirm power on an overall basis of returns is an add-on to what our expectations on return are on day one. So by nature, whatever we earn on it is in addition to what we have envisaged on the return part.

The second aspect is that, yes, in the current (scenario) -- and in our strategy, it has been to maintain around 20% merchant. And then there is infirm power, which is getting -- I think most of it also being utilized once the PPAs are going to be operationalized. In the current context, it has started already coming in, and we do expect in the coming year itself more than 1 to 2 gigawatt of it, which is possible. But having said that, some of it (merchant power) we are also going to utilize in the coming year for our input power for our battery storage, which we have already announced, and that's going to be a big take on that part, too.

Abhinav Nalawade: Okay. Got it. Final question will be as per -- looking at the current capacity of 17.2 gigawatts, what will be a run rate EBITDA?

Ashish Khanna: Can you repeat?

Abhinav Nalawade: Yes. As per our current capacity, operational capacity of about 17.2 gigawatts, what will be a run rate EBITDA?

Saurabh Shah: So for end of FY '26, we are projecting a run rate EBITDA of INR 17,000 crores, including other income of about INR 1,000 crores. And run rate EBITDA from power supply would be about INR16,000 crores.

Moderator: Our next question comes from the line of Bhavik Shah from Invexa Capital LLP.

Bhavik Shah: Sir my first question is I'm failing to understand, like, why is the revenue going down despite our capacity is increasing? Like, I'm thinking like as of September end, we had 16.7 gigawatts which is operational. So ideally, the entire thing should have been come into revenue in the December quarter, right? So when I just divide the revenue with the operational capacity, it is less than INR0.65 lakh per megawatt. So what am I missing here? Is there some one-off or like there is something which is missing?

Ashish Khanna: Bhavik, you have observed it right. I think it is not missing. It is the seasonality. So there are certain things which have not helped in the last quarter when this capacity has been augmented. Most important of it is the seasonality impact, which is there. As you would otherwise also be aware of that the wind for that matter has been particularly low in this last quarter compared to whatever we have been considering as such.

Coupled with it, the curtailment impact, which we just shared across, to an extent has also not helped the cause in overall per se. And of course, the market pricing for the merchant power has also been subdued in the last quarter. However, having said that, in this particular quarter, as this year has begun, we are looking at a better market pricing as far as the merchant power is concerned.

And I think the curtailment as I shared with you is also going to reduce substantially with the addition and augmentation of the grid. We do expect better things in this particular quarter, but your observation is very right because of these factors, there has been a dip as far as the revenue realization is concerned.

Bhavik Shah: Right, sir. Sir, just can you throw some light on the curtailment part? Like, why we didn't have this issue in the last quarter? And why is it coming up now in this quarter? So how much is the gap in terms of the evacuation which you are having? And will it like in the next year continue to be there?

Ashish Khanna: You see the curtailment was always there. It was not that there was no impact of the curtailment in the last quarter. One of the things which has helped us in the last quarter is, if you look around, is that the wind has been an important source of our revenues, which has been much better, as you know, in that particular quarter. And wind generally comes on a timing where the curtailment is much less. It impacts solar to a large extent than to the wind part of it.

So it was not that the curtailment was not there in the last quarter. But in this particular quarter, we have been seeing that what was supposed to come in this particular quarter, which we were expecting has been now delayed by 2 months and weeks for that matter. And that is why we have seen a much adverse impact in this last quarter compared to a quarter before. And like I said, we are expecting relatively better as this quarter ends on the curtailment part.

Bhavik Shah: And sir, regarding our interest costs, which has shot up, like, how much of it is on account of, say, the currency depreciation, which you're having? And how much will be actual interest cost if that depreciation would not have been there?

Saurabh Shah: See, we don't have any impact on appreciation of rupee because we are fully hedged in terms of principal as well as interest. So whatever is the mark-to-market that gets generated on interest or currency depreciation gets adjusted out of the hedge benefit that we get. So as such, the interest, whatever the interest cost is, is mainly because of the capacity addition that has come up in the last quarter or in the last 9 months, and that is the interest cost that we are paying. There is no impact that rupee depreciation on this.

Bhavik Shah: Understood. And sir, do you have any guidance for the current year and the next year in terms of revenue and capex both?

Saurabh Shah: So in terms of revenue and in terms of capex, so capex, I'll take first. So we are looking at capex, which will be higher than what we have done this year or what we will be doing this year by the end of Q4. We are looking to grow the capacity by FY '30 to 50 gigawatts. So on that line the capex will continue to be in the range of about INR35,000 crores to INR40,000 crores in terms of capex that we will do for the next year.

And, as such, our run rate EBITDA (as of end of FY26), as I said, would be in the range of INR16,000 crores for power sale and in terms of run rate EBITDA in terms of overall EBITDA would be INR17,000 crores.

So the revenue in that sense at 92% of EBITDA margin that we see. It will be in that same range of INR18,000 crores to INR19,000 crores for end of this year against the run rate EBITDA. But for actual number for next year would be in the -- so if you look at the actual revenue per se, it would be in the range of about INR17,000 crores to, say, INR18,000 crores for next year.

Moderator: Our next question comes from the line of Manish Somaiya from Cantor.

Swetha: This is Swetha here on behalf of Manish from Cantor. My first question is on revenue realization. We see in the presentation that grid availability is down again this quarter. And we want to understand what are the factors that are impacting the grid availability, especially for solar.

Ashish Khanna: Swetha, let me reiterate what I've said. Predominantly, our expansion is coming at 2 places, if you look. One is Rajasthan, other is Khavda. At both these places, there has been an impact on the grid availability per se for our new projects. As I said, in Rajasthan, we have been impacted. But, however, in this particular month, 1,000 megawatts has now been released, and there is no curtailment on that. In Khavda the curtailment remains, and we were expecting 2 to 3 gigawatt (of transmission augmentation), which we are envisaging now, to come in the last quarter itself.

Now since there has been a delay as far as the grid enhancement is concerned, that is the impact which has taken place in the last quarter. We also expect that additional 1 gigawatt may be coming by the end of this quarter for evacuation from Khavda. So in a nutshell, what we were expecting of this 2 to 3 gigawatt in the last quarter is what has now been delayed and is now going to come in this particular quarter in the coming weeks.

Swetha: That's very helpful. Another question on revenue was, were there any meaningful changes in tariff mix for the quarter that impacted the revenue per unit of sales?

Ashish Khanna: No, I think there was no change in tariff mix per se, but since the merchant power pricing has been subdued in the last quarter, you would see that the revenue is not in line with what has been there in the past as such. But there's no change in the tariff mix per se. The merchant power tariffs have gone down in the last quarter.

Swetha: One more question on the profitability. We just wanted to understand the breakdown of the margin. And also, how should we think about steady-state sort of operating and maintenance cost per megawatt, especially as the portfolio scales? This is the power supply margin.

Saurabh Shah: So from the perspective of solar, the O&M cost that we take is about INR3.5 lakh to INR4 lakh per megawatt. And in terms of wind, it is INR6 lakh to INR6.5 lakhs per megawatt.

Ashish Khanna: But Swetha, let me add on this. You will appreciate the fact that as we are growing, we have some assets which are of a very small in nature. And obviously, when you average it out, those assets have relatively higher maintenance cost. Now since we are expanding in areas like Khavda and Rajasthan, which have a larger capacity, especially in Khavda, where we are growing with 30 gigawatt at a single location, these costs on an overall basis are also going to reduce as and when we keep on growing our capacities in Khavda.

Swetha: Congrats on a great quarter.

Moderator: Our next question comes from the line of Nikhil Nigania from Bernstein.

Nikhil Nigania: My first question is on wind. We understand the context on solar. But when we calculate wind PLFs we see them down as well. Would you attribute that largely to wind speeds or again to grid curtailment?

Ashish Khanna: No, no, no, it's absolutely wind speed. Nikhil, it is wind speed, and that's not only for us, but you can look around, the wind speed, particularly in region like Khavda has been the sole factor for our lower PLF at Khavda.

In the last half year -- in the H1, we have seen much, much better wind speeds than what we have experienced in the past. However, in the Q3, because of the seasonal change, we have seen a dip. We hope that things are going to recover on this. But our operational capabilities are the best as of now. We remain the best there. It's only because of the wind speed, which has impacted our PLF or in our terms, we call it CUF.

Nikhil Nigania: The second question I had was the grid constraints are beyond our control, commissioning of transmission lines. So do we see a risk that next year, we would be able to do 5, 6 gigawatt again addition? Or do you think that should not be a challenge?

Ashish Khanna: If you look at it, while I agree with you that grid augmentation is not in our scope. We are very professional as well as bringing our power to the pooling stations -- to the substations at the grid level. Having said that, with the plans which we have seen of augmenting predominantly from Khavda, we do expect another 10 gigawatt to be added in the next year and that is a big plus. And while the expectations or the current forecasting is that it will be added by the end of this calendar year itself, but we are keeping a very close monitoring on it.

The other fact and the factor which is going to help us is huge deployment of battery storage at Khavda. And this, you see that the power going as a -- solar power going as an input to this and then making us realize much better revenue from that stored power, battery storage.

As we have already declared by the end of this financial year, we are going to commission India's largest or one of the world's largest at a single location battery storage project. We also intend to enhance the capacities maybe more than 2x of what we are currently doing in this financial year, in the coming year.

So there is a great arbitrage which is available with us for infusing this power, solar power co-located with the battery storage and then taking full advantage of the peak power pricing from the storage price. So it is a win-win from both sides. And that will also help us to mitigate the risk of grid curtailments.

Nikhil Nigania: The third question I had was specifically on regulation. We saw CERC release a draft regulation on DSM mechanism tightening while your battery plants, of course, add or solve for that, do you see that getting -- coming in, In some form or another, tighter DSM norms for wind and solar?

Raj Kumar Jain: Yes. So Nikhil, this is Raj. So I think, yes, there is an intention from CERC to make it tighter. Industry has made multiple representations how it is not necessarily suitable for renewable sector where a lot of it is based on what weather is there or what it gives us. So similar thing which is there for thermal cannot be an ultimate goal for renewable.

However, as you have pointed out, for me, as I am augmenting storage at these locations, for me, this is not a challenge. Rather, it's a business case for me for ensuring that I'm able to capitalize on it. So we are not necessarily concerned about this particular regulation too much.

Nikhil Nigania: One last question from my side. We see government come up with these norms of virtual PPAs. You guys have the largest land bank and grid connectivity. Do you plan to participate in those opportunities as well in the C&I space?

Ashish Khanna: We keep our options open, Nikhil, but it all depends on the profitability on each and every aspect when we go out for these PPAs. We keep our options open on all the opportunities which come.

Moderator: Our next question comes from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Sir, my first question is how much battery capacity you are putting up? And what is the tentative time line for setting it up?

Ashish Khanna: Mohit, we have already, I think, shared across that in this particular financial year, we are going to commission 3.5 gigawatt hour of capacity. And like we said that we do expect and we are aiming to add more than twice of it in the coming year. As and when it is finalized, we will share with you.

Mohit Kumar: And sir, do we continue to -- will you continue to maintain this merchant capacity for the medium term, what you're having right now? Is that a fair assessment?

Raj Kumar Jain: Mohit, we obviously take a very opportunistic view on this. As Ashish has mentioned, this helps me in my arbitrage opportunity on storage. This merchant capacity would be able to feed our storage plants in Khavda, and I'll be able to take the better pricing in the evening peak markets with this. So there is a significant flexibility. Obviously, we always keep our options open to deploy this in PPAs where I'm able to make a reasonable return and see this flexibility giving me the highest shareholder value.

Ashish Khanna: And if Mohit, I can add on what Raj is saying, you will appreciate the fact that paramount importance for us is to go at a scale and build projects at a scale, which has the least cost from all parameters which gives us the flexibility as well as the advantage of extracting maximum returns from those assets.

And as you know, Khavda is a case where we are building things at a scale. And then having built up things at a scale, you have the option of co-locating battery storage and other options, too. So there are lots of options available with us provided the returns are more than the threshold, which we have and which is also reflected from our results.

Mohit Kumar: Understood. My second question is, sir, I think, of course, you addressed the curtailment issue. But again, asking in a different way. Are you seeing any curtailment in existing long-term GNA? I'm believing that most of the curtailment is coming in temporary GNA, right? And is it possible to define the impact in terms of -- under long-term GNAs? And is there any compensation for this curtailment under the long-term GNA? That's the question.

Ashish Khanna: Mohit, we are not experiencing any curtailment on a long-term GNA. So it is not right on me then to further dwell on that question, but we are not facing any challenges on the long-term GNA.

Mohit Kumar: Understood, sir. My last question, sir, of course, the government has announced that there is -- they're looking to cancel this 40 gigawatt of solar PPA. I do think that we -- our exposure is very less. But can you please quantify your exposure? And has there been any discussion further? And have you heard anything on that front?

Ashish Khanna: So if you look at much of our exposure is not very high in the 40 GW. And I do believe that this news about canceling the PPAs, let's see where happens. I think on one side, we do believe that there would be by canceling of these LOAs, there would be connectivity released in the system. But on the other side, we all have bid with a certain return expectation and are committed for that price. So while I leave it on to the judgment of those organizations, which has signed the LOAs with us, but our overall exposure on the type of LOAs you are saying is very, very small.

Moderator: Our next question comes from the line of Pradyumna Choudhary from JM Financial Group Investments.

Pradyumna Choudhary: I just had a question regarding raw material cost now that they've seen silver prices really going up. So what could be the impact in terms of -- like if you could quantify how much silver contributes to our total cost? And how do we plan on hedging from the same in terms of where the tariff has already been fixed, but the project is yet to be set up completely?

Ashish Khanna: If you look at it, I think there is always -- at the end of the day, these are commodities, which will keep on going up and down. And when we make a business case, we don't take into consideration the lowest cost of commodities. We take a very conservative view on the cost of commodities. And if I now dwell -- go deep into it, the commodities which we are buying, of course, if you look at, about 60% of the solar capex on a project is the module price. We have the advantage in the future to have our own module production. So in some way, we have mitigated the risk of a supply as well as the costing part of it.

Similarly, if you look at it from a wind turbine, majority of the cost comes from a wind turbine in case of wind projects. And there, too, we have our group company manufacturing the India's largest 5.2-megawatt machines and even going for other types, too. So to a large extent, we have this price risk being mitigated in future. And like I shared with you, when we make a business model, we now go by the most aggressive pricing as far as the commodities are concerned.

So returns expectation remains. And let me also reassure to you that most of the projects where we are going ahead, we also tie up the things well in advance so that the contracts are maintained, and we have a certainty of the items which we need for those particular projects.

Pradyumna Choudhary: Okay. Can you just quantify in silver usually what percentage of total cost it contributes in a solar project for us?

Ashish Khanna: Can you just repeat your question? I missed you in between.

Pradyumna Choudhary: How much contribution does silver have in our total cost in a solar project?

Ashish Khanna: So if you see on a largely basis, the module is 55% plus/minus 5% on the overall project. And in a module, my understanding is that it is between 15% to 20% as far as the silver is concerned. So on an overall basis, it's not going to make or break the light from the module part is concerned.

But yes, these recent increases in the silver and otherwise do impact it on a short-term basis. But these are commodities and whenever we make a business model, like I said, we are very sensitive about what can happen to the commodities rather than being very aggressive about it.

Pradyumna Choudhary: So sir, just to follow up here. Usually, what's the target time line for us like once we -- the time line between the tariffs being decided and our equipment being ordered like the cost for the equipment being decided. Usually, what's the time lag between these 2 things?

Ashish Khanna: I'm not sure whether I have understood your question well, but let me reply to you what I have understood in the process. Pradyumna, if you see, if we are adding 5 - 6 gigawatts in a year. So one of the advantage of having such an amazing speed and the scale of working is that we are impacted less by the commodity variations.

If you are executing a project in 18 months, then the vagaries of commodities generally impact you a lot. Since we are very fast in our project execution, and then more importantly, after execution, taking the revenues out from it so that our revenues come early. That is not the case. So if I have understood your question in a manner that are we really adversely impacted in a project execution because of this commodity.

Yes, we all are impacted. But since our project execution speed is phenomenally high, and we don't have a typical 18 months period for even 500 megawatts, we completed it in 1 month's time on an average, if you see across, the impact is much, much less.

Pradyumna Choudhary: Actually, my question was what's the time lag between when we decide -- when we are able to fix the tariff for our project versus when the equipment cost like when we place the order for those equipments what's the time lag between that because that would decide the kind of risk in terms of commodity price volatility we are exposed to, right? So that's what I was trying to understand.

Ashish Khanna: The way we work is that whenever we have a project in place, first of all, we are very clear that, that project where is the land and where is the evacuation of this thing. So once we have those elements in place, then it is a matter of a project execution. Now if I tell you the project execution time, our philosophy is that the balance of systems because if you look around, as I said, 55% to 60% is the module pricing. We complete the balance of the systems very quickly. We get the modules in place and with our high speed of execution, then we do actually get the revenues out in the quickest time. Like -- if you ask me, on an average, like, I'm sharing with you, if we are executing 500 megawatt of commissioning, we are deploying 500 megawatts of modules in a month's time on an average. So the time period is very short in this particular process.

So it is very difficult to answer your question in a manner that if I go out to get land, if I then start the whole process and then go out for a transmission line and ROW issues, I have one period in place. But since I already have Khavda with us, where I have a land in place, I have

infrastructure in place, I can quickly add on to the transmission line. And only thing which matters is how quickly I can execute the project, our time lines are very different.

Moderator: Our next question comes from the line of Anuj Upadhyay from Investec.

Anuj Upadhyay: Sir, can you just quantify your merchant realization when it comes to both solar and wind for the quarter and comparable quarter for the previous year?

Saurabh Shah: During the current quarter, our solar merchant realization was INR2.20 per unit. And for the last quarter, it was -- for Q3 '25, it was INR2.82 per megawatt per unit. And for the wind, it was around INR3.5 for this quarter, while it was INR4.15 for last.

Ashish Khanna: And let us also add that there RECs on the top of it.

Moderator: Next question comes from the line of Kalpit Sabhaya from GYR Capital Advisors.

Kalpit Sabhaya: So my question is like how strategic will the battery and the pumped storage be in the Adani Green's portfolio over the next 4 to 5 years?

Ashish Khanna: Kalpit, very strategic. Very, very strategic if that is what can satisfy you. We are going to deploy, operationalize and take full advantage of it. We are also having the advantage of an input solar available with us at a time where we can co-locate the batteries as well as the solar projects. The pumped storage, we have already announced. We are on track. And in this particular quarter too, we have announced that our Chitravathi project is on track to come in the coming -- in this calendar year itself. And the work among the other projects is also at a very big pace.

We do believe that renewable power from a stand-alone solar is going to shift towards a point of RTC power where more and more organizations and including the government will look towards a certainty of this power during the peak time or during -- as a round-the-clock power. And our strategy towards investment and expertise in this particular way will be a differentiator between us and others in this industry. And of course, as you know, we work at a scale which is unprecedented in this country for that matter.

Kalpit Sabhaya: Okay. Okay. And sir, as you mentioned that in the next year around we are planning to capex approximately INR35,000 crores to INR40,000 crores and approximately INR16,000 crores will be our recurring earnings like EBITDA and all. So for the remaining balance capex, how are we planning? Like, are we going through debt raising? Or what are we planning actually?

Saurabh Shah: See, for us, we are constantly into the debt raising phase because of the under construction projects that we have. A lot of that is already sanctioned for the next year's phasing also because we continue to raise debt at a pace where for the next 9 months to 1 year horizon the debt is already available with us for the next set of requirements. So from that aspect, the sanction of debt for about 9 months are already there in with us.

Kalpit Sabhaya: Okay. Okay. Understood. And sir, like currently, we are already having the net debt of INR76,000 crores. And we had about 9 months of area where we can fulfill our requirements

leading to repayments and interest payment, right? So what is the next expected peak of debt net -- net debt level?

Saurabh Shah: From an operating debt to EBITDA -- run rate EBITDA, we are at 4.6. And from an overall debt to run rate EBITDA, we are at about 5.6 levels. So we see that it is more or less in the same range that we will move along in the next set of 2 to 3 years till we reach the 50 gigawatt capacity.

Moderator: Our next question comes from the line of Surya Narayan Nayak from Sunidhi Securities.

Surya Narayan Nayak: So you said that the -- before setting up the facilities, you would look at the evacuation issues and you start the BOS activities very fast. So that is fine. So you are saying that due to the grid availability issues, the evacuation is not possible and curtailments are actually creating issues as far as revenue is concerned. So I understand what is the gap that is coming from the understanding of the facilities of the evacuation and setting up the facilities.

So what is lagging because ultimately, it is creating stress on the balance sheet so far as the EBITDA to net debt that is concerned, that is one thing, number one. Number two is that what is the plan of battery storage in the power areas I mean in terms of capacity of the solar to battery storage in terms of banking of the power?

And lastly, in terms of EPC, we have seen that recently, your framework has changed and you have changed giving assignments to outsiders. So what is the intent of that of the shift to expedite the work and -- or let's say or to reduce the cost?

Ashish Khanna: On the evacuation part, like we said that there is a gap and there is a delay, which has impacted us that is there. But you will also appreciate the fact that, say, the evacuation of 2 to 3 gigawatts, which we were expecting in the last quarter you can't build a 2 to 3 gigawatt in 1 day and the evacuation will come.

So we have to time it up. We have to time it up on this factor. You will appreciate the fact that what we are saying 2 to 3 gigawatt in Adani's framework is virtually twice or more than twice by a normal or a top renewable company. So we do things at a scale.

And since we are talking in gigawatt terms and not in megawatt terms, we have to start the work well in advance and take advantage of that on the day the evacuation comes, we should be ready for it. any 3 gigawatt, even with our best in the industry scale of 400 to 500 megawatt a month basically will take 6 months plus or 7 months if we are timing it up after the evacuation has come. So we have to time it up. And there will be always a challenge of on the day it comes, how much we can evacuate and how much we cannot, which is work in progress.

Second point, there is a quarter shift, which we shared with you, which has definitely impacted us in this process. That has been an impact in the last quarter, and we are not hiding it from anyone. It is an impact on us, which we are not liking, but we are hoping that in this particular quarter, things will pan out as we are seeing.

Regarding your question on the battery storage, we have already said that 3.5 gigawatt hour of battery storage is what we are committed to commission in this particular quarter or in this

financial year. And like we said, we are hoping while the numbers are still being worked out, but our expectation is that we will do more than twice of it in the coming financial year as far as the battery storage is concerned.

So in a nutshell, this battery storage will act as absorbing the power, which otherwise would have been curtailed on a short-term basis because on a long term, we keep on mapping when and how the power is going to be evacuated. But there will be always a challenge on a short-term basis. We cannot take that point away from the business we are in, in infrastructure.

Regarding your question on EPC, yes, we are the best and we continue to remain the best. But we realize that for the scale at which we are going to go for, we do need other EPC -- other contractors too at a scale which can work with us. Frankly speaking, we don't call them contractors. We call them partners who will co-develop these projects with us as partners and take it forward. We have a road map of 30 gigawatt in the next 4 years per se.

And I think it is important that we take advantage of all the best resources which are available in this country to build these projects. Ultimately, by 2030, we are going to be 50 gigawatt, and we need all of the best resources which are available in the country to help and support us on that particular cost while we remain steadfast and our performance till date has shown that it is not because of any other reason, but to augment what we can do to enhance our capacity addition build.

Surya Narayan Nayak: So storage facilities will it be designed for 2 hours or 4 hours?

Ashish Khanna: It is -- you have to appreciate the fact that it is not a design criteria per se. But yes, we are conscious of the fact that it can be extended from that standpoint. Even if you have 3 hours, you can evacuate the power to 2 hours or 4 hours depending on that particular frame. But 2 to 3 hours is what is the generic there, and you can extend it.

Surya Narayan Nayak: So you are saying irrespective of the evacuation challenges the setting of the installations of solar will continue?

Ashish Khanna: We are saying that evacuation is a challenge on a short-term basis. We are timing it up so that we install our solar project in line with what is coming on a long-term basis. However, to mitigate the risk on a short-term basis, battery storage will come very handy in mitigating those risks. I hope I'm clear on our statement on this account.

Surya Narayan Nayak: Okay. And secondly, sir, finally, you said roughly 11% of the project cost is impacted by or that is silver related and which has seen a very stupendous rise of rate. So my question is that whether some of the power -- some of these IPPs, which were stocked and where the DISCOMs were not showing interest due to the subdued tariff. So will it show some kind of spike in interest because the -- then the cost of projects will also go up, so as the tariff may also have some sort of upward trajectory movement maybe in short term. So will it spike interest and it will remove the -- even it will impact the merchant tariff in our case?

Ashish Khanna: So I think if there is a shortage of power, it will improve the merchant tariff in our case, for sure. Having said that, I think we have to look for when we are signing a 25-year PPA, it has to be a

win-win for both the parties. I don't think so that DISCOM are just holding it up because of the pricing part. There was a challenge with that.

And again, this 42 gigawatt was bid without any backup as far as the offtakers are concerned. And I think that's a challenge in the whole system. You first bid the project, you get a price and then you go to the offtakers for that particular price. A silver pricing, which is a critical component in a module to change the whole dynamics, I'm not very sure that's the right way to put it across.

Moderator: Our next question comes from the line of Abhinav from ICICI Securities.

Abhinav Nalawade: Just a final question on overall industry. I mean we're seeing a slowdown this year compared to the past 2 years in terms of tendering. What are your views on tendering within renewables for the next couple of years?

Ashish Khanna: You're talking from our standpoint or from an industry?

Abhinav Nalawade: Overall industry standpoint.

Ashish Khanna: I think in the industry, there has been a realization that like we have been said in this call itself that there are 42 gigawatts of I would say, LOAs but not translated into PPAs and PSAs. So I think there is a backlog out there. I like to believe that -- it is not a matter of one particular way. When we talk of renewables, we should look holistically taking into consideration the storage, taking into consideration wind, taking into consideration solar, which can be utilized for input to storage, whether it is pumped storage or it is battery storage.

And I think it is important that we look at the whole thing very holistically. I also do believe that there could be some, I would say, rather than the central grid to be utilized, the state grid can be utilized and tenders can come from a state too, where they have connectivities on the STU level, which can be connected and which will not be impacted on that way. I think there are many aspects which are very dynamic in nature today as far as LCAM is concerned, which is going to come up as far as this untied capacity is concerned as far as new evacuation capacities are concerned.

And in any case, there are commodity pricing, which is going to impact the tariff per se on a short-term basis. But when you look at renewable per se, I would suggest that we should look into a holistic manner on a long-term basis for a solution, which is good for the buyer as well as for the seller. In this particular case, developer as well as the procurer. And I think a stage has come where the peak power tenders, the RTC tenders are going -- we will see more of them rather than a pure-play solar tenders per se.

Moderator: Our next question comes from the line of Pradyumna Choudhary: from JM Financial Group Investment.

Pradyumna Choudhary: Sorry, just beating around my previous question a little more. So like you spoke about there being a 12-month time line between a project being executed, being actually commercialized.

So -- and silver prices during this time have actually gone 3x. And again, silver for our projects is around 10%, 11% of the total cost.

So what does it really do to our IRRs of these projects, right? These are anyway 15%, 16% IRR projects. So how do we really deal with it? Is there a way to -- is there a way to pass on these prices because otherwise, the IRR really takes a hit, right? 3x increase in a commodity contributing 10% of the cost increases our total project cost by quite a bit?

Ashish Khanna: I don't know why you're saying we are not answering it very clearly. Let me answer it very clearly. And if you're not clear, do say it rather than a subsequent question. What we have said is, when we bid the project, always take into consideration the vagaries of commodities. We have bid these projects a long time back, not at the current stage itself. At any stage, we have a clarity on what can go with the commodities because it remains a commodity.

To the extent we can hedge, it's one matter, but we take that into consideration on our return expectation. That is why you will appreciate the fact that whenever you see the tenders being bid and all those factors, you will not find us at a certain level, which people question as well as the tariffs are concerned. So we are very, very conservative in our costing. We are very focused on our return expectation. And when we bid the project, that is the time we are going to buy that particular element.

Now today, well, the silver has gone up. But in the past, the silver was not that up. And in future, too, there is no guarantee that silver will remain at this particular level, which will further impact the module pricing. At the time when -- again, I'm saying at the time when we are buying it, we'll look at it. But at the time when we are bidding, we are overly conservative on our commodity pricing, particularly in this field because there are -- these are primarily commodities per se.

So price at a higher rate, yes, ideologically, the returns should be impacted. But since we are conservative on that particular cost, it is still a very different and a decent level of returns, which this project gives to us.

Pradyumna Choudhary: So like I understand that we will be conservative in the price range. But at the same time, we wouldn't have accounted for a 3x increase in silver, right, during this period. So like no one would have, right? So there, how are we really -- and my sense is modules are amongst the last equipments to be ordered, like just before the project is being completed is when modules are really ordered, right? So then how do we really account for such projects?

Ashish Khanna: Yes, yes, I can answer you on one part. I'll also ask Raj to further help you. Somehow, I think I'm not getting that clear to you. The fact remains that if you are in the industry, then around 4 years back, there are certain module pricing. Sometime back, if you look at the cell price at that particular time or the module prices 1.5 years back, was even less than the cell pricing, which was quoted a few years back. You do take advantage of those situations too when the prices go dramatically down.

However, like I said, these are projects where you make profits. At a particular time when the commodity goes up, there is always a dent on the return. However, if you are conservative at

that particular time, you make a better return. And if you are conservative at the time of bidding per se and your returns expectations are higher than the normal, you also make a decent return on that too from an industry standpoint. Raj, you'd like to add on to this?

Raj Kumar Jain: I think, Ashish, you have been very clear. And again, just to bring it to the light, the recent module prices, which you saw in the last year were the lowest in the history of module pricing. And obviously, in case of our portfolio, we have almost all our bids, which are at a price where we had factored in much higher module prices as well as built in relevant risk framework where we had discounted them with those potential vagaries in the various factors, whether it is modules or other considerations.

So yes, obviously, if the module prices go up, it will increase the cost for the developers, including for us. But it is a question whether you have factored in. If people have gone very aggressive based on last year prices and they have won something, they may face certain issues, but that is not the case with Adani Green.

Pradyumna Choudhary: Understood. And my last question is, what are the -- like if you could just tell us how much increase in module prices are you seeing currently on a Y-o-Y basis compared to same time last year? What were the prices then and what are the prices now that you're seeing?

Ashish Khanna: Yes. So yes, it's around 10%, which we are seeing. I think you have to appreciate the fact - do you have a long-term relationship with the suppliers. At what scale one is buying. What is the relationship with those particular suppliers which you have, which country you are buying from, what are the capacities which are available there at that particular time.

So it's not an apple-to-apple comparison per se. There are things which changes across. We do -- we have been seeing an increase in the recent past of around 10%. But at the end of the day, they are commodities. They can go up and down in that time. Some people are even reporting slightly more. But that's up to the individual company when and how they buy it.

Moderator: Ladies and gentlemen, due to the interest of the time, that was the last question for today. I would like to hand the conference over to management for the closing comments. Thank you, and over to you, sir.

Ashish Khanna: So I really appreciate all those who have participated in the call and are being closely monitoring our organization, I think it is the most exciting time for us. There have been challenges which we openly and transparently have been sharing with you with respect to the transmission line constraints, the augmentation, which was expected to come on that delay. There has been some subdued market pricing as well as the solar price is concerned. And of course, the weather has not helped us, but these are very seasonal in nature.

And I think on the overall industry part, we have to give it a longer time frame than a quarter on that. The fact remains that our EBITDA margins and our costs remain -- the EBITDA margin remains the highest in the industry and the cost remains lowest. Our expansion is going on.

We are very excited about our storage solutions, which we are adding at a great scale, which I said is further going to derisk some of the challenges which we have been facing with respect to pricing as well as with respect to evacuation constraints.

It's a very exciting time for us. Q4, we are very excited to further add up and then reach the commitment of an expansion in this particular year, which we have already committed. We are very excited to reach that. And of course, Adani Green will remain as number 1 renewable company in this country from all aspects. Thank you once again for joining this call and of course, organizing it.

Viral Raval: Thank you very much ICICI Securities for helping organize the call. And thank you all the investors and analysts for joining this call. Please feel free to reach out to us for any further questions. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.