"Adani Green Energy Limited Q1 FY2019 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Adani Green Energy Limited Q1 FY2019 Earnings Conference Call. We have with us today Mr. Sagar Adani, Executive Director – Adani Green Energy Limited; Mr. Jayant Parimal, CEO – Adani Green Energy Limited and Mr. Ashish Garg, CFO – Adani Green Energy 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 "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Jayant Parimal, CEO. Thank you and over to you Sir!

Jayant Parimal: Thank you. Good afternoon to everyone and thank you for joining us for this maiden analyst earnings call after our public listing on June 18, 2018.

The Company issued a press release on Saturday that is August 11, 2018 announcing its financial results for the first fiscal quarter of 2019, which is June 30, 2018. A copy of the press release is available on the investor section of Adani Green's website. With me today is Sagar Adani, who is the Executive Director and Mr. Ashish Garg, the CFO. I will provide a business update and then Ashish will discuss our first quarter financial performance and Sagar Adani will be reiterating our fiscal 2019 guidance after this we will open up the call for questions.

Let me first take you to our Adani Green Mission and core values. We in Adani are committed to do whatever is good for the nation and we are predominately infrastructure player. Our strength is we are the largest infrastructure group in India over 30 years of experience in energy sector.

As far as the industry is concerned, you are aware that there is a significant power demand, which is increasing at a rate of 6%, 7%, 8% every year. There is a strong momentum of renewable energy. The government is committed to renewable energy they have already declared a target of 175 gigawatts by 2022.

Now our Honourable Union Minister is also talking in terms of increasing it further to 227 gigawatts by 2022, so that is a very good encouraging thing and we have lot of scope to grow. We have very good solar resource as well as wind resource in India. The cost of projects are very competitive as a result cost of renewable energy is significantly lower than the average procurement price of the energy in India, by every passing year it is falling further.

The health of the distribution companies is improving and there is a significant drop in module prices and cost of implementing the solar project. We are now looking at setting up a solar plant a typical solar plant at a rate of Rs.3.25 Crores per megawatt DC, which is significantly lower than what we used to spend two, three years back. Now the challenges are the low tariffs and there is lot of competition because of low barriers of entry, there are lot of new players who are coming in. And in financing side we are finding challenges because you of the NPA issues, which several public sector banks are raising now, banks are not lending to power sector as aggressively as they used to. Nonetheless, we see ray of hope in new areas of growth in what is called commercial and industrial segment. Historically till now we have only done long-term PPAs, which are of 25 years with the state utilities or central utilities, which are at fixed trade and these are all grid scale plant. Over the years there is an opportunity to set up plants, which supplied power directly to commercial and industrial users and we believe that we will be able to extract slightly better value compared to the utility scale plant. Nonetheless we will continue to put more emphasis on utility scale.

And we are also looking at certain international select geographies like US, Australia and Vietnam with a view to have value assertive growth. There is no target as far as I say, but we are looking at some 600, 700 megawatts portfolio in the geographies.

Now with this basic introduction I would like to hand over to Ashish who will take you to the current results, the margins etc., and then we will take you further on other operational guidance for 2019.

Ashish Garg: Thanks Mr. Parimal. A very good afternoon to you. I am very pleased to present the Q1 fiscal 2019 first earnings after our listing in June. The Company recorded a very strong growth in its earnings on the back of volume growth. I will take you in detail on some of these as we go along.

Our revenues were up by 148% with a comparable quarter last year and our revenues were 472 Crores and this was achieved on the back of 192% year-on-year increase of 1250 megawatt additional solar capacity in our solar business to 1898 megawatt from 648 megawatt last quarter. We have commissioned close to 34 solar plants prominent among them are two plants of 100 megawatt in Chhattisgarh, two plants totaling to 100 megawatt in Pavagada, Karnataka, eight plus locations totaling to 350 megawatt of SECI PPA in Karnataka and 12 plants totaling to 240 megawatt in Karnataka.

Our solar revenue was 456 Crores and was up by 153% quarter-on-quarter. Our wind revenue was 16 Crores and was up by 66%. Through a scheme of demerger as you are aware the undertaking of renewable undertaking from Adani Enterprises were demerged into AGEL and as a result one of the subsidiaries of AEL, PDPL Prayatna Developers Private Limited became 100% subsidiary of AGEL. It consists of 220 megawatt of solar capacity, which is fully operational in Q1 2019 and resulted an increase in revenue of about Rs. 65 Crores. Our average realization for the quarter was Rs.5.10 for solar and Rs.4.33 per unit for wind. Our weighted average PPA price for 1898 megawatt of solar capacity is Rs.5.20 per unit and for 60 megawatt of wind capacity, which is operational is 4.32 per unit.

On the EBITDA front we have achieved EBITDA of Rs. 439 Crores shot up by 155% and as a result we were able to clock a healthy EBITDA margin of 93%. Our cash profit, which is EBITDA plus other income plus finance cost and income tax expense was Rs. 299 Crores for the quarter and was up by 248% for the comparable period.

We have achieved a CUF of 21.68% against 21.14%. The AC capacity of 1898 megawatt translates to current operational DC capacity of 2487 megawatt, which results in AC:DC ratio of about 1.31 times. In the current quarter roughly about 180 megawatt of DC capacity was yet to be fully connected and therefore for the next few quarters we expect that we will have a higher generation by about 7% to 8% as some of these capacities become fully commissioned.

Our plant availability for the current quarter was 99.55% against 99.88% for the comparable quarter. Though there was a slight drop in the plant availability we believe that our O&M team has done a very good job as we were in the midst of commissioning almost 34 new plants over the last 12 months and we have been able to stabilize the plant in the period of about three to four months, which is a very I would say remarkable event and we have been able to achieve P50 generation in most of our plants.

Over the next few quarters we believe that once the entire DC capacity is commissioned and all our plants is stabilized based on the current AC/DC ratio our AC CUF would be in the region of upwards of 25% for the full year.

We target a plant availability of 99.9% though on the P50 technical estimates are currently based on about 99.3% we will try to extract maximum from our commissioned plants. On the interest cost for the current quarter the interest cost was a net of derivative gains and exchange fluctuation accounted as a result of 6(e) under Ind-AS 23 was Rs.145 Crores, which was consisting of Rs.193 Crores gross interest and Rs.48 Crores derivatives gain.

Apart from that we had a loss of about Rs.176 Crores, which is accounted as an expense in profit and loss as per accounting standard Ind-AS 21 this was largely as a result of mark-to-market losses on buyer's credit for a letter for credit and capital creditors amounting to US$788 million.

Our overall gross debt as of June 30, 2018 was close to Rs.9981 Crores. Our senior project debt, project buyer's credit and LCs amounted to Rs.6556 Crores. Once fully drawn for this current capacity of 1958 megawatts we believe that our debt will be close to Rs.8600 Crores. We need to draw balance of about Rs.2185 Crores, which will be drawn most likely in the current quarter for the existing capacity.

Our estimates completed capex for 1958 megawatts is about Rs.13040 Crores and for the balance 362 megawatt, which currently we are constructing, which is 50 megawatt of one solar plant in UP and another about 300 megawatt of wind in SECI I and II which we won and one small 12 megawatt of wind project in Gujarat. The estimated capex for this 362 megawatt capacity is about Rs.2386 Crores and the equity needs for this 362 megawatt capacity is close to Rs.585 Crores.

In next two quarters we are targeting to release close to Rs. 1500 Crores as a result of cash flows and debt upsizing from our existing operational capacity in the loan and capital market. This together with the FY 2020 free cash flows we believe that we can meet the equity needs of our entire committed capacity of close to 3145 megawatts which consist of 1958 megawatt of operational capacity and 1107 megawatt of capacity, which is currently under development and for the PPA's which we have already won.

With this I will just like to close that we are very excited as we go along as we look at the renewable energy market, which is growing very rapidly and we will be happy to take any questions.

Jayant Parimal: Just to add to summarize what we are trying to say is that by the end of FY2019 we will have exit capacity in excess of 2158, which will have exit EBITDA of approximately 2100 odd Crores. On the solar side as Ashish mentioned broadly annualized CUF on an AC basis will be 25% and then the wind projects and all will fully get commissioned in the next year, which includes SECI II, SECI III and SECI IV and recently won 200 megawatt solar project from MSEDCL and 50 megawatt of SECI project. So we have lot of project pipeline, which is 250 megawatt of solar and 937 megawatt of wind, which will get completed by 2020. We can move to Q&A now.

Moderator: Sure thank you very much. Ladies and gentlemen we will now begin the question and answer session. We would take the first question from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Good evening gentlemen. Thank you for this conference call and the opportunity to ask questions. My first question is on the PLF for the wind asset and plant availability is 84.5%, how has been the grid availability is it constrained by grid availability or is it because of the lack of season at this point in time and second is on the financials if you can highlight the gross fixed asset numbers, receivables and why are you accounting depreciation on WDV method which has depressed your earnings in the initial years?

Jayant Parimal: Thank you for your question. Now let me talk a few things about wind portfolio. We have only 60 odd megawatts of wind what we have given you is multiplication of plant as well as grid. So predominantly it is plant availability. These turbines were sourced from Inox and these are located in the farms owned by Inox, so we have only say 40, 50 megawatt in a 500 megawatt farm or so, so O&M is essentially controlled by Inox. Unfortunately, you are aware that the wind manufacturer they had certain issues in the past and they were not able to maintain the farm at a very high availability level. Although the contractual availability is 96% they have not been able to honor that and there is a contractual penalty for that. Nonetheless, we have lost lot of revenue because of that. They have assured us to improve it, but since last two three months they have improved it and going forward all our wind plants are coming owned wind farm, since our own wind farms where we will have significant control on O&M therefore the plant availability as well as grid availability in case of wind also will no longer be an issue and there will be as comparable as what we achieve in solar. So this is as far as the plant availability of the wind turbines are concerned. Now you had asked for WDV and all. Ashish will reply you.

Ashish Garg: On the receivable side as of June end we were having our total receivable of close to 726 Crores, which represents close to about five to six months of receivables. Our receivables in Tamil Nadu is high as a result this number looks high and in the initial few plants when we raise a bill of initial period so for example in the bills that we have raised in April and May it take some time to realize the first bill cycle. We believe that going forward this number is likely to come down and as the new capacity some of the SECI and NTPC payment period is about one and two months this number will more or less come down to a level of about five to six months.

Jayant Parimal: Ashish to add as far as NTPC, PPAs are concerned they are very prompt they pay on the same day and take a 2% discount, similarly SECI is also very prompt but as Ashish said all our plants are new and the first bill takes time and after first bill is submitted even the processing takes time because they have to set up everything, they count every piece of paper and then only they pay so there is a delay, but going forward everything will be stabilized and other than Tamil Nadu where also we have a very, very good cycle since last two-and-a-half years there is absolutely no delay of payment in any of the PPAs.

Ashish Garg: On the depreciation side this policy of WDV is something, which has been carried on historically. As a result one of the benefits that we derive is some tax efficiencies on the standing of the payment of tax under minimum alternate tax, but I do agree that yes this does artificially depress the earnings, which you see in the face of the profit and loss.

Abhishek Puri: Just a gross fixed asset number also Sir?

Ashish Garg: Gross fixed asset will be given separately.

Abhishek Puri: I will join back in the queue. Thank you so much.

Moderator: Thank you. We take the next question from the line of Mohit Kumar from IDFC. Please go ahead.

Shirish Rane: Sir this is Shirish Rane from IDFC Securities. You mentioned about free cash flow of 1500 Crores through debt upsizing and various other initiatives in FY2019 can you little bit elaborate on it in terms of how does this come from and how much is operational cash flow, how much is debt upsizing and by when you think you will be able to complete the debt upsize?

Ashish Garg: Sure. So the 1500 number comprises of predominantly the debt release in one of our initial first plant Tamil Nadu. The current EBITDA in the plant is upwards of about 650 Crores for the full of last year and our debt outstanding on the book of that plant is close to about 2500 Crores. We believe that there is upsize potential and we are in advanced stage of discussion for the refinance of that loan with another financial institution and we are looking at that in excess of about 3600 Crores in that plant. Apart from that there would be a release of working capital, which is currently funded entirely from equity of close to Rs.400 Crores alone in that plant. So our numbers of Rs.1500 Crores at some level of conservatives built into that. Separately apart from that then there is two SPV’s that we have PSEPL and PDPL. In PDPL we believe that there is upsize potential of about Rs.250, Rs.300 Crores based on 5.6, 5.7 debt to EBITDA on resizing of the debt and similar upside potential is there in PSEPL. Secondly for some of the projects we did not raise any project finance we do have some letters of credit outstanding so there is Rs.100 to Rs.125 Crores cash release once we project finance those assets that we are expecting to release. On the timing front the Tamil Nadu one is most imminent and first we believe that we will complete that by maybe September or October of this financial year and others would be also completed maybe by one or two months down the line. Apart from that there would be free cash flows because what we are also doing is not only elongating the overall debt maturity profile. In the current project finance market our debt maturity profile typical of 18, 19 year loan is close to about 10.25 to 10.5 years. In the capital market when we look at financing some of these loans we believe we have the opportunity to take the average debt maturity to upwards of 15 years. So this will increase our equity IRR by 3% to 4%, but more importantly also release some upfront cash as we go along and all our covenants that we are having in the new facilities allows us to withdraw cash every six months, which we can use as a growth capital. So this free cash flow is something, which will be I would say every six months that we can use currently they are in excess of about 600, 700 Crores per annum.

Shirish Rane: Sir related question what would be the interest cost on the total debt 8600 Crores and the upsize debt?

Ashish Garg: Total debt that we are having as of now is about Rs.9980 Crores as I said we need to draw another Rs.2100 Crores of debt and the overall interest cost on that will be closer to about Rs.1100 Crores. So this includes Rs.1750 Crores of one sub debt that we have at a parent level and about Rs.1500 Crores of shareholder loans.

Shirish Rane: Understood Sir. Thank you very much.

Moderator: Thank you. Next question is from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Thanks for the opportunity again. Just wanted to check regarding the interest cost that you have mentioned Rs.1100 Crores includes the payment that will go for the parent or the group company debt, which is Rs.1461 Crores?

Ashish Garg: Yes that is right.

Abhishek Puri: And the average cost is roughly about 9.1%?

Ashish Garg: Yes so once we fully draw the loan it will trend towards 10% for some of the initial benefit that we have under the letters of credit will run away in next two years. Our debt cost will slightly increase to 10% over next two years and also some of the loans are on the MCLR, which are on the upward trajectory, so we do believe that once they are reset maybe 0.25% increase would be on that account.

Abhishek Puri: And in terms of this forex loss that you have reported in this quarter what is the proportion of FX debt in this overall number?

Ashish Garg: There is not much of foreign exchange debt all our loans are in INR, but we do have some buyer’s credit, which was hedged on a mix of swap and options, which resulted in mark-to-market volatility. Apart from that some of the projects we had supplied from the overseas companies, which were denominated in dollars and some of them are unhedged as the project financing was not fully drawn, so these are as a combination of that is as I said about total of $788 million was the overall dollar exposure out of this buyer's credit foreign letters of credit and capital creditors.

Abhishek Puri: Lastly just on the incremental wind portfolio your weighted average tariff is 2.68 on 937 megawatt what are the kind of IRRs one can really expect because the tariffs have significantly fallen from the last 4.33 average that you have on the operational portfolio as of now?

Jayant Parimal: Look I agree with you compared to past the wind tariffs have fallen dramatically, but you would have to appreciate that some of these wind is being set up in certain areas, which were not tapped because of the lack of state transmission utility now because we have CTU based bid so we can extract those wind resources and they are very good wind resources and with new turbines, which are significantly higher in hub height and rotor diameter is far bigger and the capex also on a per megawatt basis has come down compared to past, so we believe that in this new bids also we will be able to generate equity IRR at P75 level upward of 16% to 18%.

Abhishek Puri: Could you give us some details regarding the capital cost, the utilization rates and who are the suppliers for these new turbines that you are talking about?

Jayant Parimal: Not all the capacity is booked with somebody I can only tell you about the initial 200 megawatts, which is right now under implementation and let me clarify you that the new implementation methodology, which we are following is that in fact practically the EPC is done by us and we are sourcing only the turbine and taking the technical help of them to get it erected and commissioned etc., etc. and even O&M will be predominantly be under our control because these locations are, our locations, these wind resources are our air wind resources, the pooling stations are ours etc., etc., so the initial 200 megawatt is all in project cost the approximately Rs.6.3 Crores per megawatt and we believe that we should be able to achieve a P75 number of approximately 40%.

Abhishek Puri: Thank you so much. I will get back in the queue.

Moderator: Thank you. We would take the next question from the line of Swarnim Maheshwari from Edelweiss. Please go ahead.

Swarnim Maheshwari: Sir I have two set of questions first one so just on your hedging policy we would be like importing almost 60% of your requirements for the solar plants particularly so how do we go about this like as soon as we win the contract and at the time of supplies there would be a gap of at least like six to seven months so would we like hedge it at the time of giving the contract or how is it in total what is the unhedged exposure for us at this point in time?

Jayant Parimal: Although Ashish will explain you in more detail, but let me just explain you. You will appreciate that when we are bidding and there is a gap between when we bid and when we get a PPA and when we get a PPA and when we order equipments and when we order equipments so we actually get it shift and then there is a bill of lading. So there is a significant gap in between and there is a lack of product to hedge all these things between these. The actual hedging will only start after BL in real sense. So you remain unhedged for sometime so in our financial model normally we do capture a secular decline of INR vis-à-vis dollar you may argue it can go up in short-run it can go down and that all is there, but once the BL is there we try to hedge it and hedging is in the mix of both forward as well as the option.

Ashish Garg: Just to expand on that when we calculate project cost and returns, the calculation is based on basically the bidding times effect and the forwards existing at that point in time. We have a very expert centralized team who monitors all those exposures and run it on an everyday basis as to where our position is. Our overall hedging policy is that we physically do hedge from the time the material is received to the time the payment is made and then if the loan is in dollar then we kind of completely hedge the loans, but from the time we bid and from the time we receive the material those exposures are monitored on a daily basis and vis-à-vis the rates, which are factored are compared to how the market is behaving so it is more I would say operated at the overall size of the book and as we speak up overall from the time our existing capacity there is a substantial gain that is currently outstanding in the overall books. During the last quarter erase some of that, but as we go along there is substantial effects premium that we have already built into our entire planning.

Swarnim Maheshwari: Out of this $800 million of dollar exposure with us and this would be totally unhedged or some part of it is hedged?

Ashish Garg: Predominantly it is hedged.

Jayant Parimal: Yes so now it is predominantly hedged there was a loan, which we actually 170 million we draw in July and as we draw the loan the entire portion became hedged. A portion of the buyer's credit is hedged partially in SWAP an option so the volatility is more because of the option mark-to-market.

Swarnim Maheshwari: So safe to say that the movement we actually draw some bill of credit we go for some partial hedging and when we actually go for debt drawdown then we go for complete hedging?

Jayant Parimal: As soon as we get a bill of lading we try to hedge it completely only to the maximum extent only thing is that the methodology mixture could be different it may not be 100% forward it maybe 60% forward, 40% options, etc., etc., and when we draw forex loan they always come with a covenant of RBI governance of hedging so we go as per the RBI policy.

Ashish Garg: Just to give you a flavour as of June out of the overall exposure, which was completely hedged about 55% of it was as by way of forwards and about 45% was as by way of options.

Jayant Parimal: And whatever loss you saw this is just because of asymmetrical movement of forwards and options, so unfortunately in last quarter there was an adverse movement the forward give us significant loss, the options did not give us as much gain as the loss of the forward this is why you have a delta between the two.

Swarnim Maheshwari: Sir my second question is in the beginning of the call you mentioned that maybe over the next two, three years your targeting solar plant cost at somewhere around Rs.3.5 Crores, Rs.3.25 Crores per megawatt so this implicitly kind of assume that you guys are expecting the module prices to go down to like less than from the current Rs.2.7 Crores, Rs.2.8 Crores to somewhere around Rs.2 Crores per megawatt?

Jayant Parimal: Look you are aware that right now safeguard duties in place so the prices will remain inflated once the safeguard duty falls off and there is no other duty in place definitely it will come down compared to wherever we are, how much it will come down this is again a guess work, nobody know the exact case. So whenever we are bidding we are taking into account only the quotes, which are available two, three, four, five months ahead we do not have full clarity about what will happen two years from here hence or one-and-a-half years from hence then we do not take that into account we only take into account the quotes, which are available with us.

Swarnim Maheshwari: So with essentially safeguard duty you are actually assuming that, that will get removed and hedged the cost would go down?

Jayant Parimal: Yes assuming it is active from July 30, 2018 it has got 24 months time so if nothing else come then it will expire on July 30, 2020 and we have only 250 megawatt of solar bids as of now and which we will have to execute before that time and in both the cases the safeguard duties are passed through so it is at best it is a working capital issue in the meantime and it will get pass through and regulators also offer the carrying cost so that is how it is.

Swarnim Maheshwari: Thank you so much and wish you all the best.

Moderator: Thank you very much. Next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi: Thank you so much for the opportunity. Sir just followup to the safeguard duty obviously sir just wanted to check whether we have got any kind of clarification from the government and regarding that I think the thing has been stayed by the Odisha High Court, so what is the updated status and where do you see the resolution?

Jayant Parimal: We have no clarity on the Odisha High Court stuff because there are contrary reports from Odisha and Madras High Court and all, so we do not know exactly what is the status, so we cannot tell you what exactly the status and there have been challenge in the courts of law and in due course of time the courts will come out with their judgement, so we are not very sure what exactly the position today.

Rahul Modi: Sir because we have heard one of the developers making a statement that different case it is not loud as a pass through we would not come up with those projects contrary to what we feel that it will be a pass through so can you just try to bridge the gap in terms of what is the thought process?

Jayant Parimal: You will appreciate that the Government of India has revised it channel bidding guidelines from one year back or maybe six, seven months back where they added duties knowingly to take care of antidumping duties and safeguard duties so we believe that all the bids those financial bids were opened after this channel bidding guidelines and a new channel bidding guideline, which includes 250 megawatts. The safeguard duties will be a pass through and anything before that maybe may not be we are not very sure, but we have no exposure to any PPA, which is prior to the new standard bidding guideline and Maharashtra DISCOM also has clearly orally stated that we have 200 megawatt of Maharashtra DISCOM so there they have clearly stated that it will be a pass through and only 50 megawatt is the key way, which is under that standard bidding guidelines we believe it to the pass through so we do not see significant exposure on that issue.

Rahul Modi: Secondly just wanted to check on the view like in the recent auctions we have seen that the bids at 2.7 have been cancelled or not accepted if I may put it that way and only one bid at 2.44 was accepted so any dialogue on that with the nodal agency or the concerned people as because how do you take it as this entire issue?

Jayant Parimal: As an association we have gone and represented before the Government of India that this is not done after all reverse auction is a mechanism to discover the market price transparency and the market like share market views things on a dynamic basis and depending on different things it may go up, it may go down in past the model prices in China have gone up the INR has depreciated significantly so when some people had bid 244 one year back the INR was at 62, today we are at 69 points something so the things cannot be compared in this way, so we have represented and we believe that it is a setback government should not have done it, but anyway they believe that they have right to recall the bid and this is why they have done it.

Rahul Modi: Yes primarily thanks for the clarification because primarily they have the right, but at the same time it is again defining the logic of bidding as you said, so do you think that they are themselves looking at only threshold IRRs to be given to developers or lower their threshold IRRs and definitely not higher you think, that is the thought process?

Jayant Parimal: I do not know really if that is a thought process then we were always in the tariff regime where regulator was decided what IRR to give and people use to go if they find it attractive they would go in a particular state if the government thinks that way then rather than bidding they should come out with a new FIP may be as low as 240 or whatever and keep on inviting people let people find it attractive they will go and set it up and personally we do not think it is a good thing but they have done it so we hope that it does not get repeated.

Rahul Modi: Sure sir and just lastly sir on the issue of the bids obviously in the last bids we have seen that the entire quantum could not be filled due to lack of transmission so what is your view do you think that there are only site specific issues or there is a pan India issue with regard to connectivity with regard to renewables from this?

Jayant Parimal: Connectivity issues because most of the bids are now coming CTU. You will appreciate CTU never were build keeping in mind renewables, so CTUs are far and few in between so the availability of CTU is a big issue if where a state specific bids perhaps this would have not been a case and solar is still you can set up in different part of the country. The difference between PLF may not be so significant, but wind is a very, very localized and specific resource. It is there in limited part of the country and they shift your location a few kilometer here and there whole thing has gone, so unless you have significant CTU evacuation capability in those regions nothing can get done, so what you are referring to is a wind under subsection and solar you do not find so much of under subsection, but in wind you find under subsection because these are all CTU based bids wind resources are localized and then the CTUs are limited in those cases for argument sake most of the people in past including us had bid keeping in mind Kutch region of Gujarat, but Kutch region of Gujarat had only so much of CTU available and that all got blocked so they are planning to upgrade it, but I do not know how much time it will take, so this is why you had a tepid response on CTU linked bids especially in case of wind.

Rahul Modi: Sure Sir. Thank you and all the best.

Moderator: Thank you. Well ladies and gentlemen that seems to be the last question for today. I would now like to hand the conference over to the management for their closing comments.

Ashish Garg: Thank you. Just before that there was a question from Abhishek regarding the gross block I would just like to give the number as on June 30, 2018 our gross block was Rs.10976 Crores further there was a capital work in progress of about Rs.1164 Crores.

Sagar Adani: Thank you gentlemen for all your questions. I think the next few months there are lot of auctions going on in the government with regards to significant capacities being put up for development and we at Adani has fully geared up and fully ready to try and build as much as capacity as possible at a very attractive healthy and profitable returns, so over the next few months will be quite a good test for what capacity we have been able to build in to our pipeline and looking forward to the next call gentlemen. Thank you.

Moderator: Thank you very much. Ladies and gentlemen on behalf of Adani Green Energy Limited we conclude today's conference. Thank you all for joining us. You may disconnect your lines now.