“Adani Green Energy Limited
H1 FY24 Earnings Conference Call”
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Ladies and gentlemen, good day and welcome to Adani Green Energy First Half FY24 Earnings Conference Call hosted by Investec India Capital Services. 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 touch-tone phone. Please note that this conference is being recorded.

I would now like to hand over the conference to Mr. Anuj Upadhyay from Investec India Capital Services. Thank you and over to you, sir.

Anuj Upadhyay: Thank you, [Anzo]. On behalf of Investec Capital Services India Limited, I would like to welcome you all for the First Half FY24 Post-Earnings Conference Call for Adani Green Energy. We have with us the management team of the Adani Green who will share the key highlights of the results followed by Q&A.

I would now like to hand over the call to Mr. Viral Raval, Head - Investor Relations at Adani Green, to take it over from here. Over to you, sir.

Viral Raval: Thank you, Anuj. Good afternoon, friends. Thank you again for joining us today to discuss Adani Green Energy’s H1 FY24 results and updates. I hope you would have had the time to go through the earnings presentation.

Just to introduce the management team here along with me, we have Mr. Amit Singh, CEO of Adani Green. We have Mr. Phuntsok Wangyal, CFO, Mr. Raj Kumar Jain, Head of Business Development and also along with us, we have Mr. Anupam Misra, Head of Corporate Finance at Adani Group. So in terms of the flow of the call, I will first hand over to Mr. Amit Singh for brief opening remarks covering broadly the business strategy and operational performance and then Phuntsok will give remarks on financial performance and an update on the capital management program. So without wasting any further time, over to you, Amit, for your brief remarks.

Amit Singh: Thank you, Viral. Good afternoon, friends. Good to be here today. As you know, renewables remain the cornerstone of global energy transition. Earlier this year India has really accelerated tendering with goal of 50 gigawatt per year and driving in that direction towards a goal of 500 gigawatt by 2030.

We believe a coordinated policy action in this direction along with a wider industry effort is much needed to deliver on that ambition. Here in AGEL, in line with India’s decarbonization goal, we remain very committed to deliver in excess of 45 gigawatt by 2030.

Adani Green continues to have the largest operating renewable portfolio with 8.4 gigawatt in capacity. We continue to ramp up our execution capabilities as we prepare for the next phase of growth and AGEL is extensively working on the next milestone of developing the largest RE cluster in the world at Khavda in Gujarat, on which we’ll share further updates on our progress there. As we drive our next wave of growth, our focus will remain on these five key pillars.
1. Development of a very affordable renewable energy along with storage solutions to enable better integration with the grid.
2. Capitalizing on project execution expertise at an increasing scale backed by advanced resource planning and fully integrated project management and assurance.
3. Development of human capital and expanding local content and supply chain because we need to make our supply chains resilient and cost effective.
4. Accelerating the digitalization and automation to both drive efficiency but also improve our overall cost of doing work.
5. And lastly, making sure that we optimize our finance cost while managing the duration risk of these projects with a very diversified global finance pool.

Now reflecting on our operational performance in H1 of FY24, as you would have seen, the sale of energy has increased by 78% year on year to 11,760 million units as a result of strong capacity addition and improved CUF across solar, wind, and hybrid portfolios.

The solar portfolio CUF has improved by 90 basis points year on year, 25.2% in H1 FY24 with improved plant availability and improved solar irradiation. This is largely contributed by a very high digital analytics on the O&M side and also making sure that we are ahead of the curve in solving some of the problems. The wind portfolio CUF has improved by 360 basis points year on year to 40.2% in H1 with consistent wind speed and significant improvement in grid availability compared to last year.

The solar-wind hybrid portfolio CUF has improved by 880 basis points year-on-year to 45.4% in H1 of FY24, backed by technologically advanced solar modules, horizontal single axis trackers, and wind turbine generators, as well as consistent high plant and grid availability. So overall, a remarkable operational performance for which I would like to thank my whole team and organization to deliver this.

Let me now hand over to Phuntsok to provide us updates on financial performance.

**Phuntsok Wangyal:**

Thank you, Amit. Coming to the financial performance for H1 FY ’24, I’m delighted to share that in line with the improvement of operational performance, we have continued to deliver strong and consistent performance across all metrics with very comfortable and good leverage level. Just to share a very quick performance update, revenue from power supply has increased by 66% year-on-year to INR4,029 crores, with corresponding total income standing at INR4,979 crores.

As far as EBITDA from power supply is concerned, it has also increased correspondingly by 58% to INR3,775 crores, with an industry-leading EBITDA margin of 92.2%. Just as a point of reference, last half year the EBITDA margin was 91.7%. From 91.7%, it has increased to 92.2%.

PAT for the half year is INR694 crores, whereas cash profit has increased by 63% to INR2,082 crores.

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Now, on the top of it, if you look at it from a leverage level perspective, now run rate EBITDA stands at strong INR7,645 crores, with net debt to run rate EBITDA at 4.99 as on September '23. And this compares to 5.9 last year. And if you recollect when we raised the Holdco bond, the
covenant which was agreed was 7.5. So from agreed covenant of 7.5 to 5.9 to 4.99 as on September end.

As Amit mentioned briefly when we talked about, we remain continuously focused on optimization of financing costs, with the overarching objective being that our duration risk, our interest rate risk, as well as our currency risk should be fully mitigated. From that perspective, we have a very diversified finance pool and we continue to work with domestic and international banks.

Now, this is getting reflected from the fact that for capacity addition plan for this financial year of 2.8 to 3 gigawatts, as we speak actually, we have secured funding for entire financing, part of which, for which drawdown is already made. And for part, actually documentation is currently underway. This reflects the continued support and confidence which all of our stakeholders continue to bestow upon Adani Green per se.

From a credit metrics perspective, all of our bond rating continues to remain affirmed. We have met all debt covenants as well as 96% of our (rated) credit facilities remain in A to AAA bucket (India equivalent rating scale).

Just briefly touching upon, as you all know, recently our board has approved expanding our relationship with Total, whereby we will be partnering with Total for a joint venture of 1,050 megawatts, which for the first time will also include underdevelopment pipeline, i.e. 300 megawatts of operational portfolio and 750 megawatts of under construction and near construction.

This deal is on track and in due course, actually, once the entire due diligence has been completed in line with regulatory requirement, we will be approaching the shareholders for approval. Now, this deal not only reaffirms the relationship with Total, but also expands the ambit of relationship from a pure play operational portfolio to being a minority investor, a substantial minority investor at the Listco level to a portfolio where there will be an element of construction risk per se.

From ESG, which remains a very important cornerstone for our operation while delivering excellent performance, we have also made commendable progress on our ESG commitment.

Amit was talking about our capacity addition, and as we have spoken in the past, a larger part of our capacity addition will come in Khavda, where as we stand, we have deployed a workforce of more than 5,000 people. And where we have tried to ensure that we extensively hire local talent and also upskill them. Because that's a remote part, actually, we have also created a social ecosystem for our employees and workers and are focusing on community engagement.

As we go forward, we are electing to use robotic cleaning to significantly reduce our water usage to almost zero across all of our plants.

Now, this is getting reflected in terms of the various affirmations which we have received and we are pleased to inform that recently in MSCI’s latest ESG rating update, AGEL’s corporate governance score has been upgraded to 7.4. This is in the highest scoring range with respect to
global peers. So overall, operationally, financially, H1 and Q2 have been a fairly satisfactory performance per se.

With this, I would like to end my comments and request to open the line for Q&A from various participants. Thank you.

**Moderator:** The first question is from the line of Puneet from HSBC Bank. Please go ahead.

**Puneet:** Thank you so much and congrats on good numbers. My first question is with respect to the refinancing. I guess a large chunk is due in FY '25 and this was largely dollar-denominated debt. What are the plans for that and what kind of cost of debt are you expecting for that refinance?

**Phuntsok Wangyal:** Sure, Puneet. I think as you know, in FY '25, we have two refinances which are coming into play. One is our $750 million USD Holdco bond and the second one is $500 million RG1 bond.

As far as Holdco bond maturing in September '24 is concerned, you would have noticed the public release which is being done towards the end of Q1 at the group level where it has been stated that as far as the group level is concerned, a liquidity pool has been created of nearly $1.3 billion to take care of near-term, that is 12-18 month term liability which is coming, which is effectively, if you really look at it across Adani group, that includes Holdco bond per se.

Now, on top of it, entire thought process as far as Holdco bond is concerned, it will be repaid as and when the maturity comes in. That is from a Holdco bond perspective. Now, RG1 bond, we are on track actually as we have communicated in the last earnings call. This will be able to be repaid through USD PP market. That is our preferred approach actually and right now the discussion is at a very advanced stage to conclude the RG1 refinance.

**Puneet:** And what kind of cost for borrowing should one be expecting for these?

**Phuntsok Wangyal:** As far as Holdco bond is concerned, as I said, it will be repaid actually. So then cost of borrowing etc. doesn't come into play actually. Now, from RG1 perspective, I think we need to look at it from three elements. Because, and it is pretty clear that the rates per se have gone up actually in between as far as benchmark rates are concerned. But what is also imperative to note is during the same period actually swap rates have moderated very extensively.

Second thing, which we have also observed, which I guess Puneet, you will also be aware of, which you will also be fairly familiar with is spread levels actually. Spread levels for a long tenure contracted project actually, which is what our RG1 portfolio is, the spread is coming down.

So, if you really look at it, we don't expect any material increase in effective cost of refinance as far as these instruments are concerned compared to the cost of borrowing which we have at our AGEL level, which is near to 9.6%.

**Puneet:** Okay. So, 9.6% all-in is what you are expecting including the hedging cost etc. Understood.

**Anupam Misra:** And just to add to that, I think if you look at RG1's current debt cost, it will definitely be cheaper than the all-in cost at which the RG1 current debt is there. So, there will be a cost saving overall.
Phuntsok Wangyal: Yes, Puneet, actually I think we have briefly touched this during our last call. As you would have noticed that even at our portfolio level actually, there are projects which are being funded through long-term amortizing instruments, but as a part of our cost optimization strategy actually, we have been doing regular refinancing. So, there are many non-sovereign projects which we have refinanced actually, where interest rates have been sub-10.

Now, those are completely non-sovereign, whereas RG1, a substantial part of the portfolio is sovereign. So, that will also get reflected in the cost of refinancing for RG1 instruments.

Puneet: Understood. And second, in your new portfolio, what is the mix of C&I in the entire portfolio as well as the operational assets?

Amit Singh: I'll invite Raj to comment on it.

Raj Kumar Jain: Sure. So, I think as has been mentioned here, out of the 20.4 gig, we have close to 3% as the non-contracted portfolio. When I say non-contracted, it is basically merchant, not on the C&I.

We have active discussions on the C&I bit as well, and that will get reflected as we conclude in the near term. So, that's probably the mix. So, essentially, even today, 97% of my portfolio is contracted for 25 years with the trade quality which you can see, that is more than 90% sovereign rated equivalent counterparties.

Puneet: Understood. And on the manufacturing linked tenders, is there any progress, any timeline which has been given now? And there were still some unsigned tenders. Have they got signed?

Raj Kumar Jain: So, we are now getting into the execution phase of these manufacturing linked contracts. And as we progress by end of the year, you will find some of these capacities commissioned after the guidance which we have given. Of 2.8 gigawatt, a large chunk of that is relating to these projects. Second, even in the next year, we will be commissioning a large chunk of these projects. With respect to the unsigned capacity, we are in very, very advanced discussions and expect that within this quarter, current quarter, the balance capacity should be signed up as well.

Puneet: Okay. That's very interesting. And lastly, if you don't mind, can you give some guidance on the commissioning plan for FY '25 and '26 and then balance for '24 also?

Amit Singh: Yes, I think today we are projecting 2.8-3.0 gigawatt as part of current financial year. And our bandwidth, we need to scale up our bandwidth and our capacity to grow that north of five. Now, based on the business plan and the timelines and mix of projects and customers, we are targeting in that neighborhood.

More color we will provide later part of this year. But one thing is clear that we need to ramp-up our capacity of execution, which we are at the moment quite significantly. And also, we need to make sure that the supply chain also kind of grows with us. So we are kind of working on that right now.

Puneet: That's good. That's all for my side. I'll come back in the queue. Thank you so much in all the best.
Moderator: Thank you. The next question is from the line of Nikhil from Alliance Bernstein. Please go ahead.

Nikhil: Yes. Thank you for the opportunity. My first question is on the investment from Total Energy, it looks like a very good sum given the quantum of capacity side of it. What do you understand is the investment all equity or is it a mixture of equity and debt or equity and debentures like it was last time?

Anupam Misra: I can take that question. This is a full equity investment in the nature of equity 100%. So what they’ve done is they’ve valued the portfolio of 1,050 megawatts. Out of this 1,050 megawatt, 300 megawatt is operational. So the entire cash flows of this portfolio have been taken. For the under construction and under development projects, the capex cost that will be incurred is taken as a negative in the free cash flow to equity in determining the value. So it’s a pre-money value for those two assets and that for that asset portfolio. The value has been determined at $300 million. This is a pure equity transaction. 

The way this has been captured is if you look at the entire Adani Green portfolio, it is basically Adani Green has been taken as a 40-gigawatt company. And from that standpoint, the mix of similar mix of operating under construction under development and you basically proportionate it to 1,000 megawatt you get to this number. So that’s the way they have the transaction has worked out.

Nikhil: Understood. That's very helpful. The second question I had was regarding the quarterly results. So wanted to understand what part of the revenue is a one-time income? I could see one item related to a land purchase of I think about INR120 crores. If you could just throw some color on that, what portion of that is one-time in the revenues?

Phuntsok Wangyal: Yes, so if you see one of the revenue from power supply actually, revenue from power supply one-time, there is nothing one-time actually, but what impact one of the H1 has is, if you recollect our Tamil Nadu projects, actually Kamuthi where towards the end of the last financial year, we managed to get our tariff increase across the board. So to that extent, actually that is getting impacted. Otherwise, revenue from power supply, there is no one-time impact per se.

Nikhil: Understood. What about other income? Because that number had a big jump this quarter as well?

Phuntsok Wangyal: Yes, so other income actually, other income -- if you see other income has got LPS element. Now LPS is something which is one-time, actually. This includes two types of LPS actually, one is which we have received for our Tamil Nadu project. You know there was a regulatory dispute in terms of whether CUF is getting capped at 19% or above. So that above 19% LPS income is there around INR 54 crores actually. So that we have already realized it. Then there is another element which is LPS for our past due actually. Now that is approximately INR180 crores out of which was approximately INR60 crores we have already received it.

So that is basically the one-time income. Otherwise, other income includes a large amount of interest income and all which are very steady in nature and which are likely to go up.
Raj Kumar Jain: However, just further adding even the LPS if you look at that if the LPS is not there it means I will have lesser interest outgo because the money is coming in time. So from that perspective, while the current LPS which you see is still accumulation for past period but per se that either the LPS would be there or the interest outgo will be lesser. So it will nullify each other in a steady state basis.

Nikhil: Got it, understood. One last question if I may ask, is then on the plan for the year? I think if I heard correctly, it's almost 2.8 gigawatts of additional capacity this year but given that we have done hardly 200 megawatts in the first half after a very strong last year in terms of addition. And even if you look at the capital work in progress, it's nowhere close to the number we had at September 2022 for example. So A, what was the reason for the slowdown in the last six months? And B, how do we get confidence on being able to execute so much in just six months for the full year guidance?

Amit Singh: Yes, I think there is a bit of a cycle of these projects and like I said earlier, we are undertaking the majority of this work in Gujarat, in Khavda, where we had to spend a lot of time and effort in putting the baseline infrastructure and operating environment for our people to work which we successfully completed earlier part of this year. And now the work is in full flow.

As I announced earlier in the remarks, we have 5,000-plus people working there. And we are seeing very rapid progress. So stay tuned. I think we will share with you an update on our commissioning as we go but we are very confident of our team's ability to deliver on those plans.

Phuntsok Wangyal: And Nikhil, actually if you recollect the guidance which we have given for capacity to be added during this year, we have always indicated that this will be towards the second half of this financial year. And in terms of your capital work-in-progress, where the solar construction starts you start with all the structural elements tracker etcetera, and all, then module which is the largest cost element come towards the last part of your implementation philosophy.

So modules have now started coming in post-September actually and that is precisely the reason you would see that capital work-in-progress -- you may get a sense that capital work-in-progress is slightly lesser than commensurate with the capacity augmentation which we are talking about. Hopefully, it clarifies this.

Nikhil: I really appreciate the answer. Thank you. That's very helpful. That's all I have.

Moderator: Thank you so much. The next question is from the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.

Apoorva Bahadur: Sir, can you please share the quantum of infirm power sold during the quarter? And what was the same number -- same quarter last year?

Phuntsok Wangyal: Yes. I think infirm power for this half year is nearly will be INR77 crores actually. Infirm power, we were not anyway expecting much revenue as far as this half year is concerned. Last year was towards nearly, I think for this half year would have been approximately between INR800 crores to INR900 crores, exact number is not readily available to me.
Apoorva Bahadur: Okay. And sir, any update on your plans for pumped storage?

Amit Singh: Yes, on the pumped storage, we have quite a few projects in the queue. As you probably are aware, this requires very concerted effort to do a proper DPR study, social study, forest approvals and so on. So we are undertaking a lot of that work for several of our projects in the higher teens. At the same time, we are nearing completion of one of the projects where we will be taking FID and once we have an FC, we will share with you an update.

I feel very confident that we will have that update for you before end of this financial year, for sure. But that is absolutely the way to bring RTC power to the country. And that will be the most economical way to do that and we firmly believe that is the way to go for AGEL and country and that is one of the areas which we are developing quite rapidly as well.

Apoorva Bahadur: From FID, how long do you think, does the project take?

Raj Kumar Jain: It should take anywhere between 27 months to 30 months after that, that's the general cycle. And the project has that nature that it can be turned around in that period. I think, we will come back with more details as we come out with more detailed disclosures on it. I think we are there in terms of doing the FID very soon.

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

Puneet: Thanks for the opportunity again. Just an observation and I would request your thoughts here. Like, you talked about bulk of commissioning happening in second half, lot of other players are also aiming for the same and where are you buying these modules from to start with?

Raj Kumar Jain: Yes sure. So I think we have optimized the procurement based on the way the contracts are set up. So there are procurements happening from Southeast Asian countries, as well as from China, depending upon the contract. And as Amit has mentioned, some of those modules have already started picking in at the site. So that's how it is currently planned.

Phuntsok Wangyal: Yes, but to be specific actually I think for this financial year I think we have indicated in last quarter itself, the bulk of it will be from China only.

Puneet: Correct. So in that context I want to understand, how would the risk play out if you were to import these modules but the commissioning gets slipped by say, five-odd months -- five-odd days and moves to April, would you still be allowed to commission or what are the risks that we run into, in case COD is delayed by a few days?

Raj Kumar Jain: So let me answer that. So our current plants which we are doing are way prior to their contracted SCOD dates. We do not have any risk even if my plan gets delayed by couple of months with respect to any of these natures. These are not that - I am trying to do a project which has an SCOD of March 31, 2024 and I am trying to achieve and running that race, no. These are much ahead of their current SCODs.

Puneet: Ok, so because I was of the view that ALMM modules which are not qualified under ALMM can be allowed to be imported before 31, March?
Raj Kumar Jain: No project which I am setting up the capacity has the requirement to comply with ALMM.

Puneet: But Chinese modules would not be ALMM, right?

Raj Kumar Jain: No, I think just to clarify the regulation on the ALMM and it would be good if we can also offline connect but there are projects, which are supposed to comply with the ALMM requirement. There are projects which are, okay, without that ALMM requirement.

What I am commissioning right now does not have that issue as far as the capacity because these projects as you know, some of these projects were auctioned much prior to the ALMM notifications. But happy to connect separately on this and take you through the entire regulatory construct on that.

Puneet: That will be great, thank you so much.

Moderator: The next question is from the line of Rabindranath Nayak from Sunidhi Securities. Please go ahead.

Rabindranath Nayak: Sir, can you just throw some light on the horizon by which we are the operational capacity would rise to 20 gigawatts from the current around 8 gigawatts?

Raj Kumar Jain: So we have already mentioned and guided about our current plan for this year. So exit should be around 11-ish by end of this financial year and then as Amit mentioned, we are ramping up our capability towards five plus every year. So I think the number is well known to you where it probably would take two years or less after this financial year to reach this number.

Phuntsok Wangyal: And I think if Rabindranath you are asking from the context of when these PPAs needs to be executed under the contractual arrangement, then that is, okay, that will depend upon PPA to PPA but we will have time at least three-years- four-years to complete this balance 12 gigawatts.

Moderator: Thanks so much. The next question is from the line of Nirav Shah from Geecee Investments. Please go ahead.

Nirav Shah: Yes. Good afternoon sir, most questions have been answered but just one question. On the pumped storage and other battery projects, do they form part of the 45 gigawatt of target portfolio or they are above of that?

Raj Kumar Jain: Yes, so that's where the mix comes into the picture. It will be a mix of solar, wind, pumped hydro and batteries. There is no double counting. So I am not saying, if I am putting solar which is feeding into the pumped storage plant and that's the way, I have contracted my revenue, there is no double counting in that. So it will be a fair mix of it and pumped storage in that manner is included within the 45 gigawatt portfolio, which we are talking about.

Moderator: Thank you so much. The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.
Dhruv Muchhal: Yes, thank you so much. Sir, firstly, on your wind portfolio, the payloads have improved meaningfully. The capacities have not changed much from 900 to about 1200. Is this seasonal? Is this some efficiency improvement or maintenance changes? What's having this?

Amit Singh: Yes, I think maybe let me start and maybe give more comments. I think, we had one off incident also last year, which we did not have this year. So that is partially responsible but beyond that, managing a wind portfolio requires a very proactive approach in terms of looking at the maintenance and how we maintain, how we have spares and inventory and with our learnings and experience and digital enablement, we have been able to really improve and step up our performance in our portfolio. I would even say that, that journey is not complete. We still have more room to improve there and we will definitely see some positive upside there.

Phuntsok Wangyal: And Dhruv, actually if you recollect underperformance of wind in Q1, when we discussed post Q1 call, we gave our view that in our view actually over the financial year we did expect wind speed to pick up actually and our Q2 which you would have seen is a combination of the operational improvement, which Amit was talking about, better wind speed as well as moderation of impact for one-off event, which happened last year.

Viral Raval: Just to add in terms of checking out the math, so basically in addition to what Amit and Phuntsok said on the operational efficiency, there is across the board improvement in the efficiency. But also in terms of the math basically, when you look at the capacity increase, this is basically closing capacity as of H1 last year vs this year, correct. So when you look at the weighted average capacity, that capacity increase is also substantial, when you look at weighted average capacity considering the time weighting.

Dhruv Muchhal: Perfect. The second was on the hybrid portfolio. So, it's about nine months to a year now that your hybrid portfolio has been operating. So just wanted to understand, what kind of PLFs are you achieving on an annualized basis? Is it broadly in line with what you were targeting and or they are much better than what the thing was, so just some thoughts over there?

Phuntsok Wangyal: Yes, sure. So I think while for the H1 we have reported the numbers at 45.4% across the four projects of hybrid which we have 2,140 megawatt. The achievement has been very much in line with what we had expected and this is something, which the country should follow more and more when the more integration of the capacities are happening. Co-located hybrids are something which will really help solving a lot of issues. So we are very comfortable with the way our modules are performing. The way we wanted them to perform, our operating performance there has been good. Wind turbines again, those are doing really well in terms of their operating performance. So clearly, there where we wanted them, which is top of the line performance from these turbines and the clients.

Dhruv Muchhal: So for the 2,140 megawatt, is it fair to assume about 40%- 42% PLF on an annual basis?

Phuntsok Wangyal: Yes, you should be able to get that because H2 you are right. The wind will come down a bit. So we should be able to get around that number and probably slightly higher and so that's, yes. That should be there.
Dhruv Muchhal: One clarification. You said in your presentation, it says the operating capacity is 8,316 megawatts but in brackets, you mentioned 9,021 megawatts. It seems to do with your hybrid portfolio, so just wanted to get some clarity what causes this difference?

Viral Raval: So I will explain that. Basically, there is hybrid capacity of 2.1 gigawatts. So approximately there is 700 more megawatts, if you look at that capacity from the perspective of standalone solar AC capacity plus standalone wind AC capacity. If you add that 700 odd megawatts, then it is basically effective AC capacity is 9,021 megawatts. This is where it stands in total actually.

Dhruv Muchhal: Okay, but on an inverter basis, the capacity will be 8,316. That's the right way to understand?

Raj Kumar Jain: No. So let's clarify this a bit further. What -- when we say 8,316 megawatts, it's a typical contracted capacity. When someone says that let me bid into a SECI PPA or let me tie up certain capacity, then this is the capacity we are talking about. However as you know, multiple developers are reporting the capacities in a different manner.

So that's where we are clarifying that this capacity is per se an installed capacity base of 9,000 plus megawatts. It is still an AC capacity, 9,000 megawatts is still an AC capacity but since there is a blending of both wind and solar in case of hybrid, the contracted capacity becomes 8,316 megawatts.

Dhruv Muchhal: Got it understood. Yes this makes it clear. And just last two things is just to reconfirm you mentioned target for this year is about 2.8 GW and also if you can mention the capex amount that you are planning for this year.

Phuntsok Wangyal: Yes capex actually remains what we have guided in the past. There may be a slight moderation to reflect the recent softening of module prices actually what we have guided is nearly INR 14,000 crores to achieve 2.8 to 3 GW, that still remains.

Moderator: The next question is from the line of Anuj Upadhyay from Investec. Go ahead sir.

Anuj Upadhyay: Yes thanks for the opportunity I just want to understand you know fact to the trend that the module prices are now falling so what incremental of the escalation we can assume only IRR for the project which we have already been pitted but yet to be tendered out?

Secondly, also want to you know get a sense of your assumption on where the module prices could remain going ahead say in the near term six seven months and over time period whether it expected to remain at the similar level or it could oscillate from here on?

Raj Kumar Jain: Sure so I think taking the second question first on the module prices you know yes there has been recent significant fall I think depending on the timeline you take. If you take a year's timeline probably around 40% fall in the prices. However, we do take a lot of supplier feedback, a lot of market intelligence when we plan for our projects, whether when we bid for those projects or when we plan for the projects coming this year or next year.

So our capex do reflect the longer term or I would say medium term views around some of these commodities. And however as you have seen in the past the prices do go in one or other direction
by a significantly higher velocity than what you would see in a normal economic environment.

Now, yes, as I said in the last few months the prices have come down probably to around 15 cents (US) right now, this will give us some benefit as what Phuntsok has mentioned on the uncontracted capacity. Generally a cent of module raises the returns by 1.2% on the equity IRR that is the broad measurement but again it is dependent on the tariff at which you are talking about.

In terms of our expectation on the module prices for next year, we do believe that there has been a very sharp decline recently, but at the same time given the glut of capacity which is being seen in the China as well as the moderation of the economy, this should be in similar range. It is difficult to again say predict one cent or two cents move this side that side, but probably it is safer to assume that if we are talking about next 12 months this is where it should be. But again it is a pretty dynamic market we have seen one polysilicon plant burning in China leads the prices much higher.

So I think we need to be very vigilant about how things move and plan it in a manner where you have your base returns protected when you make your assumptions for a particular project. I hope I answered the question.

**Anuj Upadhyay:** Yes, that’s helpful. But one, just to reconfirm you mentioned change in one cent bring about 1% or 2% kind of variation in IRR?

**Raj Kumar Jain:** 1% to 1.2%

**Anuj Upadhyay:** 1% to 1.2% for $0.01?

**Raj Kumar Jain:** Depends on the tariff at which we are putting up the project.

**Anuj Upadhyay:** Yes, fair enough, sir. Secondly, sir you did mentioned that currently we are targeting to execute two to three gigawatts capacity. We have around 10 plus gigawatts which are in the construction phase.

Can you just give a broad timeline when exactly we plan to execute all this? I am coming to this question just in order to understand or get a sense on which phase probably Adani Green will come back to market aggressively, so as to scale up the capacity odd to meet the target 45 gigawatts capacity build structure?

**Amit Singh:** Yes, I think, I will let Raj talk about when we will do the 20 GW and then I will maybe comment on the question you asked also.

**Raj Kumar Jain:** Sure. So, I think just to be again talking about the numbers 8.3 odd today. We are adding close to 2.8 this year. It will be around 11 by end of this year. We are geared up right now working on that. We are pretty confident that we will be doing 5 plus gigawatt year-on-year going forward and once we achieve that 5 GW, I am sure there will be KRAs for us to increase that further from 5 to higher.

And that's what the DNA is. So coming back yes definitely after the end of this year not more
than two years for the balance capacity until 20 GW. But internally we do not necessarily focus on 20 GW as a number we are very much clear that our targets are 45 gigawatts by 2030 in a manner where we are enhancing our returns beyond the current profile and we will ensure that the portfolio mix is such. I will just invite Amit to comment on the second part.

Amit Singh: Thank you Raj I think it is very important for us to recognize that you know we have to get our capacity to execute these projects fast so that we protect ourselves from execution risks, cost variations. And at the same time, we need to maximize our margins and pricing as well.

And lot of better pricing are available when you have a solution based approach, and as you heard us talk about projects like pump storage, projects like C&I, projects where we have merchant risk, and we have a portfolio, and the size of portfolio where we can do that always bring us better returns.

So our approach is in the short term, is to make sure that we take advantage of that, and we grow the portfolio in that direction. So you will hear us in the next, I would say six months announce a few projects where we are stepping up and going after that projects.

We don't believe that, signing vanilla PPAs will bring us the best returns. So we will be carefully monitoring the market, and we will participate where you know we essentially make sure that we high-grade our portfolio and get the best returns for our shareholders.

Moderator: Thank you. As there are no more further questions. I would like to hand the conference over to the management for closing comments. Over to you, sir.

Amit Singh: Thank you. I believe we had a great quarter, great H1. So thank you to the team and all the management team which has been part of delivering this. And before we close the call, let me reiterate that at AGEL, we understand the importance of our role in mitigating climate change risk. We firmly believe, that apart from delivering returns to our shareholders, it is a moral imperative for us to build a cleaner planet for our future generations.

We will do that by focusing on five key pillars, by delivering an affordable renewable energy along with storage solutions to our customers, capitalizing on project execution expertise we have built over the years, development of human capital, and expanding local content and supply chain, accelerating digitalization while optimization for financial cost as well. Thank you, thank you for joining us today, and we look forward to meeting you. Thank you.

Viral Raval: Thank you, Anuj, Investec team and Chorus team for organizing this call. Thanks a lot.

Moderator: Thank you so much. On behalf of Investec Capital Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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