Adani Green Energy Limited
Q3 FY21 Earnings Conference Call

February 04, 2021

MANAGEMENT: MR. VNEET S JAAIN – CEO
MR. KAUSHAL SHAH – CFO
MODERATOR: MR. MOHIT KUMAR - DAM CAPITAL ADVISORS LTD.

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY21 Earnings Conference Call of Adani Green Energy Limited hosted by DAM Capital Advisors 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Kumar from DAM Capital Advisors. Thank you and over to you, Mr. Kumar.

Mohit Kumar: Thank you, Margareth. Good afternoon and a very warm welcome to the Adani Green Q3 FY21 Earnings Conference Call. Today we have from the management, Mr. Vneet Jaain, CEO, and Mr. Kaushal Shah, CFO for Adani Green Energy. We'll start with the brief opening remarks from the management on the performance of the company, which will be followed by Q&A. Thank you, sir. Over to you.

Vneet S Jaain: Thank you. Good afternoon friends. Thank you for joining this call. We are pleased to announce the financial results for the quarter ended 31st December 2020. To start with, I would like to give a brief about growth in capacity. AGEL's operational capacity has grown to 3,245 MW with addition to 700 MW in YTD FY21. This includes commissioning of 475 MW solar plants and 225 MW solar plants added through inorganic opportunities. This has been possible with our thrust on three years of advanced resource planning ensuring commissioning of plants ahead of schedule. AGEL's total capacity including operational, under implementation and awarded projects has further grown to 14,815 MW with latest award of 600 MW wind solar hybrid project from SECI.

Now, I move on to deepening of our strategic alliance with French energy major TOTAL. Pursuant to the announcement made last month, TOTAL has completed acquisition of 20% equity stake in AGEL by way of acquisition of shares held by Adani Promoter Group in Adani Green Energy Limited. This transmission marks the deepening of the strategic alliance between Adani and TOTAL, a global energy major with presence across 130+ countries. TOTAL's investment in Adani Green Energy Limited is another step in strategic alliance between two groups across various businesses and companies of the Adani Group covering investments in LNG terminals, gas utility business and renewable assets across India. This is in line with the commitment of both organizations to be leading participants in the sustainable economy of the future and help India in its quest for development of renewable energy. TOTAL has made an aggregate investment of USD 2.5 billion towards acquisition of a 50% stake in 2.35 GW portfolio of operating solar assets on by AGEL, and a 20% stake in Adani Green Energy Limited.

On operational and financial performance front, Adani Green Energy has emerged as a leader in operational performance of solar and wind plants across India as demonstrated by 'Leadership in Performance' award conferred to our plants at CII Performance Excellence Awards 2020. We have continued to operate our renewable assets without any impact of the ongoing pandemic.

Coming to the numbers for the quarter ended 31st December 2020, I wish to inform you that

- We've continued to operate Solar portfolio at nearly 100% plant capability and the Solar CUF is up by 80 basis points on year-on-year basis, at 20.8% in Q3 FY21.
- Sale of energy is up by 31% on year-on-year basis at 1,303 million units in Q3 FY21.
- AGEL's Total Income is up by 61% on year-on-year basis at Rs. 843 crores and Total EBITDA is up by 74% on year-on-year basis at Rs.638 crores in Q3 FY21.
- Revenue from Power Supply is up by 31% on year-on-year basis at Rs.591 crores in Q3 FY21 backed by the added capacities and improved solar CUF.
- EBITDA from power supply is up by 34% on year-on-year basis at Rs.532 crores in Q3 FY21 backed by improved revenue performance and optimization of operation and maintenance cost.
- EBITDA margin from Power Supply, has expanded by about 300 basis points on year-on-year basis at 90% in Q3 FY21 backed by improved plant availability leading to a higher energy generation and optimization of O&M cost.
- Cash profit has grown 33 times year-on-year basis at Rs.285 crores in Q3 FY21.

In a nutshell, AGEL's operational excellence and best in class development capabilities have ensured the continued robust growth in the financial performance. At the end, I wish to convey that the deepening of our strategic alliance with TOTAL will further give a boost to our ambitions towards a sustainable future and we will continue to rapidly move towards our goal to commission 25 GW by 2025 and thereby helping India achieve its sustainable development goals. Thank you.

Moderator: Thank you sir. Should we open the floor for Q&A session now?

Vneet S Jaain: Yes, sure. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Lavina Quadros from Jefferies India. Please go ahead.

Lavina Quadros: Just two questions, one is your view on the pipeline for solar power projects that will come up for bidding in the next six months and in the next two few years, any thoughts on that and secondly, I'm not sure if you've given this clarity, but this TOTAL deal that has happened at the promoter level, what would be the implied valuation for Adani Green excluding the JV investments that they had done earlier, if y'all could give some color on that. Thanks.

Vneet S Jaain: Yes, thank you Lavina. Regarding your first question of solar bidding, presently the bidding which are going on is approximately six to seven GW by SECI, NTPC and the various DISCOMs. And as far as our evaluation goes, considering combination of solar separately, wind separately, hybrid of solar and wind and RTC Power as a whole, we believe that in next three years, minimum 40 to 50 GW of bids must come in the market.

Kaushal Shah: Yes, Lavina, Kaushal here. So, on the second point what we have done is that, when we did the first deal of strategic JV partnering, we got that ~ USD 500 million at that point of time only there was a discussion at the promoter level which was going on for the stake sale. So, basically, if you ask me that if you remove that ~ 500 million, then the remaining is the value of this 20% stake. But for us, it's a combination of both for which we believe that we have got USD 2.5 billion.

Moderator: Thank you. The next question is from the line of Dhruvam from HDFC Fund. Please go ahead.

Dhruvam: Sir first question was on the numbers. So, the other income last two, three quarters we are seeing it has improved significantly versus last year, what comparison of this other income and any guidance, how will it sustain?

Kaushal Shah: So, see what is happening is that Dhruvam, interesting question, what we have done is that last time if you could recollect in April 2020 we concluded a 50:50 JV with TOTAL and the company got close to Rs. 4,000 crores. So, now, that money was not immediately required, so that money is parked in interest-bearing instruments and that is generating income, and this is the equity money basically for our growth which is there. So, till the time it is utilized, we are earning the interest on that.

Dhruvam: Okay, so this was basically the TOTAL contribution, which is received, because it is not required perfect.

Kaushal Shah: Yes.

Dhruvam: Sir in the notes to accounts in note number five, where you have mentioned the acquisition of this 205 megawatt and transferring it to the subsidiary, there you mentioned that TOTAL has further invested about 300 crores as non-convertible debentures at the same terms as it was invested in the earlier?

Kaushal Shah: Correct.

Dhruvam: So, I am a bit confused, so is the TOTAL investment as equity contribution or is it as a loan contribution?

Kaushal Shah: So, let me just explain to you, so what has happened is that we acquired these assets from Essel, and what we have done is that we immediately transferred to the 50:50 JV with TOTAL. So, basically whatever we have made equity investment to acquire this asset, that entire money we got back by diluting 50% as a JV that is number one. Now, the instrument is a perpetual instrument only in the form of NCD that the repayment will start after 25 years. So, it's a perpetual instrument, the only thing is that they wanted some distribution to happen every year. So, and they have invested in the form of NCD. As per the Indian Accounting Standards, this has to be classified under the debt as a perpetual instrument. So, as a result, it has been mentioned that this is an NCD and they have invested at Rs. 300 crore, but it is in the form an equity instrument for us.

Dhruvam: Okay. So, then you don't have to pay any interest on this instrument, right?

Kaushal Shah: No, it's not interest, but they were expecting us to distribute the surplus available, because every year there is a surplus available in this particular JV SPVs which are operating, total 2,300 odd MW. So, there will be a surplus cash flow and they expect that every year we should distribute some money. So, in a way both the parties should take that money, so Adani Green will be able to utilize that money for the growth purposes and this money will go to them, as a distribution or as dividend.

Dhruvam: So, in a way this is quasi equity, it is not a fixed rate of interest that we will pay whatever cash is generated in ratio of your ownership you will?

Kaushal Shah: Yes, so they have certain expectation accordingly, we are paying around 12% to 13%.

Dhruvam: Okay, probably it's a bit confusing, probably, I'll get it offline. And sir one interesting thing I was looking globally, some of the major, some of the other global players are using hybrid kind of bonds, perpetual bonds at less than 2% interest rate. Some of the global names, I was just wondering, is this an opportunity for you also, you have raised bonds in past such kind of perpetual bonds in global markets in the global bond market. There is repayment obligation as such?

Kaushal Shah: Yes, so we are evaluating that as a strategy in our capital management program, we will definitely issue bonds, which will bring down our overall cost of capital, that's aligned with the life of the assets and thereby increasing the value. So that's the plan, you are right.

Dhruvam: Okay, so I understand one kind of bond that you have raised were aligned with our cash flows, that was restructured that you had done. But it seems that some kind of new instruments are coming which are perpetual in nature. They are callable after say 10 years or something and there is no repayment clause as such. So, is that also an instrument that we can target because that significantly improves the cash flow fungibility that we can have?

Kaushal Shah: See, there are different clauses, sometimes there is a put call option available into this kind of an instrument. So, as a capital management program, we want to have the long term stuff only. So, we are evaluating all kinds of instruments and what is best suitable which will bring down my overall cost of capital we will do that.

Dhruvam: Got it. And sir one last question was on the upcoming projects, earlier you used to disclose in your PPT a list of projects that you have executed, and which are under construction, if you can, once request was if you can please start providing that again in your PPT.

Kaushal Shah: That is there already in the slide.

Dhruvam: I was looking at the press release, but probably it's not there.

Kaushal Shah: We will provide you separately but in the equity presentation which we have which is on the site as well it is available there, you can download that. It's not a worry.

Dhruvam: Sir, my question was, now the upcoming portfolio if I remember large part of the commissioning now is of the wind or the hybrid projects, which are also partly wind. So, sir any guidance on how the wind portfolio is, the under-construction wind portfolio is progressing, the supplies, the land availability, transmission availability?

Vneet Jaain: Dhruvam, Vneet here. The complete supply chain of our all the ongoing the only wind and solar wind combined hybrid have been lined up, all the projects are on schedule. In fact, one SECI six project which we were supposed to complete by November or December this year, we will complete the thing even by April this year. So, in a nutshell, complete supply chain is in control, all the contracts have been signed, the supplies have been made or are being made, the site construction activities are going on in full swing and all the projects will be completed much ahead of the schedule.

Moderator: Thank you. The next question is from the line of Apoorva Bahadur from Jefferies. Please go ahead.

Apoorva Bahadur: Just one question wanted to understand how do you consolidate this JV investment?

Kaushal Shah: It's in 100% control. So enter the income and date and whatever is there is being consolidated. So, it is completely controlled by us only, though it's a 50:50 JV and as per the IndAS you know that it is to be consolidated at 100% if you are controlling the stake.

Apoorva Bahadur: Okay, but I asked because I do not see a significant minority interest increase in our numbers?

Kaushal Shah: So this time there is no minority interest, balance sheet is not there this time in the published numbers it's only we are required to publish the P&L.

Apoorva Bahadur: Okay, got it. Sir, the second question is on the recently conducted Andhra Pradesh auctions, so we are seeing that NTPC was significantly lower than us on the tariff side Rs.0.08 to Rs.0.10 lower. Should we expect going ahead like as NTPC is warming up in this renewable game be competitive intensity to go up significantly?

Vneet S Jaain: Apoorva, yesterday the reverse auction which has happened, if you will go through the results of that see NTPC got 600 MW at 2.47 and if you see we got 3 GW and our prices are in the same range except for the one location where our price was 2.58. In all other places we have closed at 2.48 or 2.49 and the place where we have 2.58 in the reverse auction L1 is because at that particular location, the solar radiation as compared to other locations was slightly lower. And also the rate of the land which was published by the AP government for that particular location, the land rate was higher as compared to other locations and that is the reason for the most so, it's not the thing that there is a gap of Rs.0.08. Rs.0.09, Rs.0.10 because they are NTPC, the remaining 2400 MW which we won as L1, the difference is either Rs.0.01 or Rs.0.02 only.

Moderator: Thank you. The next question is from the line of Vikram Sharma from Niveshaay. Please go ahead.

Vikram Sharma: Sir, I wanted to ask with regard of the tightness of the raw material how are cost to implement the plant is going to look like for example, glass shortage is projected to be there in 2021 itself also poly silicon and everything. So, and also there is a chapter that we were also planning to put up a facility in glass ourselves can you please clarify on that, solar glass?

Vneet S Jaain: Thank you Vikram. Very valid question. Vikram all this raw material which goes in the panel manufacturing, these all are commodities basically, and like any other commodity, the prices of these raw materials also go up and down. So, as far as our ongoing projects are concerned, we are completely tied up, the modules for our ongoing projects, we have opened the LCs and there is absolutely no increase of any of the component. Second thing is, right now more than 50 GW of the new panel manufacturing facilities are in construction in China alone. Besides large capacities are coming up, in Taiwan, in Thailand, in Vietnam. Besides there are additional panel manufacturing capabilities which are being built up within our country. This also is along with that there is a glass which is required for those additional capacities whether it is an EVA or back sheet or aluminum frame or whatsoever, equivalent capacity additions are happening across the globe. So, this is what has happened was just in last three, four months. The jerk which has come and that also because of the Chinese government. They have come out with a special scheme for completion of the project which were up to March 21. There is an additional tariff that they have announced and because of that, this three, four months disturbance has come, but we are not thinking anything in a long term basis. This is point number one and in any case all our ongoing projects, everything is tied up.

Your second point is our own glass manufacturing. See our sister company, Mundra Solar PV Limited, they are manufacturing the modules presently we are making 1.2 to 1.5 gigawatt, that is a part of the cost control they are having a lot of backup. So, Vikram, these are already for the complete ecosystem, they already have the manufacturing arrangement for the EVA back sheet now the aluminum frame and we are also planning to have some manufacturing set up for glass also going forward.

Vikram Sharma: Going forward, okay. So, basically, what we understood is that because of the bifacial nature of modules, which are getting made more in the world right now, the Chinese capacity of glass would not be sufficient for the coming one year also. So, in contacting a lot of module manufacturers and there were severe shortages of glass so, they are delaying the project or things like that. So, on that I just wanted a view whether we are also facing from our sister concern Mundra Solar that are they sufficiently providing the modules that are required for our project or going forward they also feel there can be a short supply because of the solar glass or something like that?

Vneet S Jaain: Vikram for the generation, the solar projects we are buying the modules from our sister company also and we are importing from various other countries also depending upon the pricing, depending upon the availability on that particular moment. So it's not this thing that we have to buy only from our sister company, or we only have to import from outside. Second thing you are thinking about the next one year because of the bifacial, more output which require more glass, also the glass will be in short supply, frankly we are not having similar view because if you see the four largest manufacturers of glass in the world who are contributing more than 85% of the glass supplies for the PV modules across the globe, still they are running right now at 65% - 70% capacity only. So, they have the capacities, and that is why I am saying the three, four month and there could be more by March end, also there could be some challenge but after that we are not feeling that there is any such challenge from the glass availability point of view.

Vikram Sharma: Okay, so the facilities that we were talking about maybe Mundra Solar might be planning, so are there any concrete projects on ground or there is just contemplation and we would be doing maybe a JV with a foreign partner because solar glass as we understand is not a clean commodity that it could be manufactured easily because in India also we know there is only one player, so if you could just give a color on that?

Vneet S Jaain: Vikram, first of all the solar glass is not something which requires extra-ordinary manufacturing capabilities as compared to other glass. Why only one manufacturer was there because there were less module manufacturing capacities. So, even if somebody will put up the glass for PV to whom they will sell. But now, as more and more capacity addition in this space is happening and therefore, besides Borosil, there are two, three other glass manufacturers. Even the same manufacturer is also planning to start the solar PV glass in their facilities near Chennai, and others also. So, we have the complete evaluation and analysis about the technology, about the manufacturing cost, about the market and we feel that it is not something which is a rocket science, which we cannot, or our sister company cannot either ourselves or in the joint venture with some local Indian company or a foreign company. So a lot of work has been done on this and very shortly they will be referring about that.

Moderator: Thank you. The next question is from the line of Manoj Kumar from DAM Capital Advisors. Please go ahead.

Manoj Kumar: Sir my first question is regarding our CAPEX outlay and commercialization targets. So what have we worked out for the next two years sir and we have this 11 GW of projects under our pipeline, what is the timeline that we can expect for this to be added?

Kaushal Shah: So Vikram, on the Capex front, let me tell you that we have currently 3.2 GW operational already. And out of, and the remaining is 11 gigawatts which is there already on hand, as you rightly mentioned. Now out of which another 3 gigawatts is already under execution in a big way and we should be able to complete in next one year. So the Capex and the equity required for entire, 14 gigawatts are already lined up by way of strategic investment from TOTAL. And for the debt portion, we have a revolving construction facility, which is available to us. So that's how the whole Capex program is going on. So, for 11 GW ballpark figure is around 55,000 crores worth of Capex, we will be doing it over a period of next 2 years, 2.5 years.

Manoj Kumar: Understood. Sir, and this is a follow up on that Andhra Pradesh renewable order that we got. I believe there is a court case that's going on that and can you throw more light on that, when can we see that getting finalized?

Vneet S Jaain: First of all, the Andhra Manoj, we have not got any order. It's only yesterday, the reverse auction has been concluded where for 3 GW, we are the L1 bidder in reverse auction. Now, the second part is about the court case, this has been filed by Tata Power and their plea was that the bidding documents was not in-line with the standard bidding guidelines. So in the Andhra document, the arbitration in place of the commission, they have formed a arbitration panel, which will describe any disputed issue and that was the plea which they have. In our view, their point is not having a major strength because it is always the prerogative of the bidding agency what they want in that and if a company like NTPC, which is the Navratna Central PSU can bid and they can win, I don't think their point in the case will have any major strength in that. So, this is our view on this.

Manoj Kumar: Okay, sir got it. Sir and the next question is regarding the solar manufacturing tender, the 2 GW one and the 8 GW solar PPA one. Believe that, as you read this, they have announced that there could be some kind of renegotiation. Where are we on that?

Vneet S Jaain: This 8 GW of manufacturing linked bid is basically the four tranche of 2 GW each. So we have to complete the first tranche in next 24 months from zero date. Because the SECI is working very very hard with all the DISCOMS and we are very very hopeful in next one month max, they will sign the PSAs with the various DICOMS and then immediately they will sign the back-to-back PPA with us.

Manoj Kumar: Okay, got it. Sir, the next question is regarding this escalating material costs, we are recently seeing higher duties are coming up with certain modules or inverters and other components as well. In terms of the contract that we have, how are we really protected in terms of escalations like this and it may not be for or maybe reasons of political reasons, but if at all there is an increase in prices of the components, how are we really managing that cost impact?

Vneet S Jaain: Manoj, first of all there is no change in the duty structure of modules out there, earlier also there was no basic custom duties on the module and now also there is no upward revision on that, the only thing which has happened is with respect of the inverters and if you see, the cost of the inverter in a solar power plant our is only 3% to 4% of the Capex, and from these 3% to 4% if there is increase in that, which is not having any material impact on the project cost of our ongoing project number one. Besides in most of our PPAs, this is a part of the change in law, which we will recover as a part of change in law, so we are not seeing any major impact because of this change.

Moderator: Thank you. The next question is from the line of Dhruvam from HDFC Fund. Please go ahead.

Dhruvam: Sir in the previous question clarification, in the previous question you mentioned that, the manufacturing bid is in four tranche of two each. And in the next one month, you expect the PPAs to be signed so, is it for the whole of 8 GW or it will come in tranches for you, what's the guidance that you're giving?

Vneet S Jaain: Dhruvam, I was talking about the first tranche of 2 GW.

Dhruvam: Okay, got it. And sir just more clarification on, say for example this is of course a hypothetical one. So, we know this manufacturing bid is getting a bit delayed because these DISCOMs are not accepting the relatively higher price. So, for instance if say you get only one or two tranches and the remaining SECI is not able to sign so do you still go ahead and execute this project and then how does the manufacturing link part of contract get executed, because I thought it is for the complete 8 gigawatt you have to, you are establishing that manufacturing or doing that investment. So, will that investment amount also change and how do these things, nitty gritty gets handled?

Vneet S Jaain: Manoj it's a very good question, first of all Manoj the manufacturing is a 500 MW for every tranche of 2 GW of the generation project. So, assuming that because this particular bid is having a very salient feature which is not there in any other bid being issued either by SECI or by any other utility is that, in this bid the CTU, the assumption is beyond June 23 also, which is not there in any bid and in any case we have to complete the project in a gap, 2 GW tranche a one year gap. So first one suppose in next 24 months, then another 2 GW we'll get 12 months further and going on. So, we personally believe that this all 8 GW will be signed, because once this assumption, once the assumption is over then this particular bit only will see the DISCOMs for paying the transmission charges because it will otherwise be a huge outlay from the DISCOM side, so we are frankly not thinking that this 8 GW will not get signed.

Dhruvam: Got it. I was just assuming as an extreme situation if say for example you get one tranche only; you will be investing only for that 500 megawatt for the manufacturing side not the whole. So, that way it is decided, that way it is?

Vneet S Jaain: No, Dhruvam this is not the case once if any such hypothetical situation will actually arrive we will decide about that.

Dhruvam: Okay, got it. And sir just one last thing, small bit on the AP bid, is it connected to the state grid, the projects will be connected to the state grid or the national grid?

Vneet S Jaain: State grid.

Dhruvam: Okay. So sir in that case, how do you. So, we have seen some history about AP in terms of back downs and some payment issues, but probably the payment issues are getting handled, but the back down issue. So, what we hear is that state grids generally have back down issues or the risk of back down is more so, how do you tackle that issue in this**?**

Vneet S Jaain: Dhruvam you have a very very valid question let me spend some time on this, see Dhruvam this particular bid which has come out by AP is a very, very unique sort of bid, not the business as usual. There are 6 - 7 unique features in this bid which are generally not there in any of the bid. Number one thing is, you mentioned about the back down, in this bid if on a quarterly basis if the back down also on behalf of the grid security is more than 2% of the deemed generation, the tariffs will be provided by the government which has again never ever happened in the past even in the SECI bids, point number one. Point number two is, this is the one bid again very unique that the state government is giving financial guarantee besides a four month LC. Generally in case of SECI also there is an LC of one month, however here there is a four month LC and the LC also will be opened not by the DISCOM, but by the government of Andhra Pradesh. Besides four month LC, there will be a state government financial guarantee for safeguarding the payments, point number two. Point number three is, this particular PPA is for 30 years against 25 years, which is generally the case. Point number four, this particular bid will save a lot of money for AP government because for the subsidy which they are giving to the DISCOMs for supply of power to the farmers, their average procurement costs APPC of Andhra government is Rs. 4.8 per unit. So, they are giving the subsidy considering this 4.8 APPC price, however, in this bid it is supposed 2.47 or say 2.5. So, for that much component of the APPC cost, they have to pay less and therefore as per their estimation also, and as per their consulted estimation also there will be a saving of more than Rs. 50,000 crores only in the subsidy, in the next 30 years. So, there is no additional money outflow from the AP government basically. This will save the cost for the AP government and therefore it is a very win-win situation for them and also for the developers like NTPC and us because 100% of the land, which is barren, the government will be provide for this particular project, number one. Number two, the solar radiation is really very good for this location. Number three, the transmission evacuation shall be provided by them. So, considering all these things, we cannot compare this bid with previous the PPAs, which they have with various other developers.

Dhruvam: Got it sir very helpful. So basically you have hedged yourself in terms of back down risk by the 2% minimum that cannot happen, and the state government guarantees. So, the payments are also secured, and the back down risk is also not there?

Vneet S Jaain: Sure. And Dhruvam we are no way connected with the DISCOMs, so whether you have DISCOMs because we get even the LC by the government of AP not by the DISCOMs, so this is a very, very unique feature of this bid. And, I personally believe that, if this will go through, there is a lot of incentive from the other state governments also to come out with similar bids, this is our belief.

Dhruvam: Got it. And sir so one last point on this. So this 3 GW when it comes, for what period is it to be executed?

Vneet S Jaain: This is 21 months from the effective date. So we consider the effective date suppose 1st April 2021, then 21 months from the 1st April 2021.

Moderator: Thank you. The next question is from the line of Mohit Kumar from DAM Capital Advisors. Please go ahead.

Mohit Kumar: Sir, three questions. First question is on the receivables, are you receiving the entire money from the Tamil Nadu or is there is a deduction in the money as read in the press, that's the first question. And when do you expect the entire receivables to get liquidated especially from Tamil Nadu, it's around 6 billion if I am not wrong, the entire money?

Vneet S Jaain: Mohit, can you just ask all the three questions, so we would reply one-by-one?

Mohit Kumar: Okay. My second question is, is there any second state of manufacturing tender which is being talked about. Thirdly, on the SECI 1.7 GW which are under development, have we got extension for all of them and what is the kind of timeline we are looking at now. SECI wind capacity.

Vneet S Jaain: Thank you Mohit for your questions. So, on your first point about the receivables, Mohit we have got more than Rs. 450 crores from Tamil Nadu in last one month and right now the balance overdue is only in the range of Rs.500 crore and this also because they are clearing one-by-one. We are expecting some major chunk by the end of this month and the remaining also we are expecting by March or April end, the receivables will be online, this is point number one. Point number second is the manufacturing link bid in that as we understand that SECI is working and another is working on another manufacturing bid for Ingot and graphite, because the earlier bid was connected with the solar module and now the new bid will be the ingot graphite. What will be the exact timeline for bid, frankly I can't say right now, because I'm not aware of that. Point number three is about this extension because of COVID. So, we already got the five months extension in all our projects, which is going on SECI and we will complete all these projects well within the schedule even much before the schedule of this 1.7 GW.

Mohit Kumar: Sir one clarification on the Tamil Nadu receivables are they deducting any money in the sense are they not paying the entire surcharge or are we getting all the surcharge income?

Vneet S Jaain: See as far as a surcharge is concerned, they have not paid the surcharge to any of the developers for which they are supposed to as per the PPA, it is very clearly mentioned. But we have filed petition for this LPS but this is going on in tribunal and we are hopefully getting very positive response on that because if you see in case of thermal power also, all the developers got positive order for LPS, even from the Supreme Court. So, there is absolutely no confusion in that we will get the LPS order in our favor, but in a nutshell, they are not paying the LPS amount to anybody any other developers or anyone.

Mohit Kumar: Sir, one more clarification on the AP bid, if any custom duty is applied post let's say June 2021 that should be a pass through, that should be over and above right?

Vneet S Jaain: Yes, this is also one of the very, very special feature of this bid. They have clearly mentioned any safeguard duty or the custom duty is not covered here whatsoever will be applicable. It will be passed through and they have given the complete formula also, how it will be possible. So there is absolutely no risk associated with the basic custom duty or safeguard duty on the modules.

Moderator: Thank you.

Kaushal Shah: So, we can close this call. Thank you Mohit and DAM Capital for organizing this call. And thank you, analyst, and investor friends for joining this call. If you have any questions, we have IR team available Bala, Viral and Udayan all are there, and we are happy to take any questions on the mail as well. We will definitely come back to you. Thank you for your time.

Moderator: Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.