

“Adani Green FY22 Earnings Conference Call with Fixed Income Investors”

Organized by Standard Chartered Bank

May 05, 2022

Pritha Majumdar:

Good afternoon, everyone. On behalf of Adani Green Energy Limited, we welcome you all to the FY22 earnings call. From the company, on the call, we have with us Mr. Sagar Adani, Executive Director, Kaushal Shah, CFO, Raj Kumar Jain, Head of Business Development, Mr. PL Chockalingam, Finance Controller, and Mr. Viral Raval, Lead of Investor Relations. I would like to hand this over to Mr. Kaushal Shah for the presentation, post which the AGEL team will be available for Q&A. Kaushal Bhai over to you.

Kaushal Shah:

Thank you, Pritha, for introducing the management team. Thank you and warm welcome to all the participants in this earning call of Adani Green Energy Limited, for the financial year ended on 31st March 2022. We have uploaded the earning presentation on our website, and we hope that you would have had sufficient time to go through the same. Let me walk you through some of the recent updates followed by an overview of our operational and financial performance. First, I will take the capacity growth. So on a year on year basis, the operational capacity has increased by 56% to 5,410 MW. In addition to this, there is a 1,279 MW capacity, which is partially commissioned. So for all practical purpose, capacity commissioned is 6,688 MW and the run rate EBITDA for this capacity, which is commissioned, is ~ Rs. 5,800 crore. I repeat, the run rate EBITDA for this commissioned capacity of 6,688MW is ~ Rs. 5,800 crore.

Then net debt, as we speak is Rs. 38,011 crore. So one of the parameters, which my debt investor friends want is the net debt to run rate EBITDA, which is 6.61 as on 31st March. Now all of you are aware that we have a strategic investment from IHC, Abu Dhabi based international holding company. They are investing USD 500 mn as a primary capital in AGEL. The extraordinary general meeting we had on 3rd of May and the resolution is approved. The funding is also expected in next one week. So if we count these 3,850 crore rupees, then this net debt to run rate EBITDA will come down to 5.93.

Over the period, as we move forward as more and more capacity comes into operational and this primary issuance, net debt to run rate EBITDA will come down, moving forward.

Then another important aspect is increasing the revolving construction facility. During the last quarter, AEGEL has raised USD 288 mn construction facility, thereby increasing the total construction revolver pool to USD 1.64 bn. The extended pool of liquidity helps AGEL's strategy to fast track the development of its, under construction asset portfolio. The facility is green loan certified by ISS ESG, and we will have a significant contribution towards UN SDG-7 i.e. affordable and clean energy and SDG-13 i.e. climate action. We are communicating that we have a fully funded growth plan, and this is the revolver construction facility that helps us to achieve that.

Now I shall brief you about our progress and important milestones towards ESG. In line with our commitment and well ahead of our initial goal, 100% of AGEL's operational capacity is now single use plastic free. AGEL has also featured in CDP India disclosure Report 2021 as the only company in India in renewable sector, disclosing greenhouse gas emissions in all the three scopes. Reaffirming the ESG commitment, AGEL won the Golden Peacock award for Sustainability for the year 2021 in Renewable Energy category.

Apart from this, as conveyed we had board structure rejig, board committees now consist of majority independent directors, and now our audit committee is also comprising of all independent directors. So this is again in line with commitment on the governance part.

Now, I shall brief about our operational and financial performance. The robust capacity addition and best-in-class O&M processes have led to a continued, impressive operational and financial performance. Coming to the numbers for the financial year 31st March 22, Solar CUF has improved by 130 basis points year on year to 23.8%, and Wind CUF has improved by 400 basis points year on year to 30.8%. Solar CUF improvement is backed by integration of the high quality SB energy portfolio, consistent high plant availability of near 100% and improved grid availability of 99%. Similarly, Wind CUF improvement is backed by technologically advanced and more efficient, newly added wind turbine generators, improved plant availability of 97%, improved grid availability of 100%, and also the improved wind speed.

Sale of energy has increased by 72% to 9,426 million units. This is backed by the robust addition of 1,940 MW renewable capacity over the last one year. This is for 5,410 MW. If you add 1,279 MW there is a short term power sale, which is going on currently, and this has added further units in this.

Supported by the strong operational performance, AGEL's Revenue from the power supply has increased 56% year on year to Rs. 3,783 crores. The EBITDA from the power supply has increased 60% year on year to Rs. 3,530 crores and EBITDA margin has also improved by 120 basis points to 91.8%. The cash profit has increased by a whopping 48% to Rs. 1,854 crores.

So, in conclusion, the last fiscal year has been very eventful for us. We successfully completed the acquisition of the high quality SB energy portfolio, which has been truly value accretive, as evident in the overall improvement in operational performance and further strengthening of the counterparty profile. At the same time, we have fulfilled our commitment to fast track greenfield renewable capacity development. Further, we are aiming to integrate newer technologies that will improve the efficiency of power generation while also lowering the cost of electricity. In financial year 2022, we have made considerable progress on the ESG front also as communicated to you earlier. So all in all, it's a good eventful year with a good performance, good set of numbers.

Thank you so much for patiently hearing. Now, the floor is open for the question and answers. There is a first question (in text), how do we arrive at the net debt to EBITDA to 6.61, compared to somehow

their calculation is 15X. So I don't know from where this number has come, but let me just take you through the numbers, what we have and how we arrived at 6.61X. So if you look at the published balance sheet, there is a gross debt of 48,171 crores. And that includes the trade debt, which is a short term in nature, which is an LC of 6,294. So as per the bond documents, we are required to remove that. And from that, we have to reduce the cash balance, which is available of Rs. 3,866 crore. So accordingly the net debt, which is coming is 38,011.

And then as I mentioned to you, our reported capacity is 5,410 MW, but there is a partial capacity commissioned of 1,279 MW. So, if you include that, that will come to 6,688 MW. And if you look at the run rate EBIDTA on that Rs. 5,753 crores. So if you divide 38,011, that is net debt. And then if you divide the run rate EBIDTA on a capacity of 6,688 MW of Rs. 5,753 crores, then it comes to 6.61. So that is how this 6.61 number comes. And then as also communicated further, we are in the process of issuing primary equity to the IHC of Abu Dhabi, and that we will be having a cash of 3,850. So the net debt will be further reduced from 38,000 crore, by that amount. And accordingly the revised net debt to run rate EBIDTA will be 5.93. I hope this clarifies both the questions.

Sagar Adani:

And I think an additional question was, "if the SoftBank acquired assets are consolidated?" The answer is yes. Yes they are, and they contribute an additional EBIDTA of about Rs. 1,100 crores per annum. The operating capacity of the SoftBank assets and those numbers have been considered in the numbers that Kaushal has shared over the call. I think there was another question, "the operational capacity has remained broadly unchanged in the second half." And the reason behind that was, Kaushal Bhai covered it in his opening remarks, "That while we have added significant capacity, due to various techno-legal reasons, we have not declared them as being legally commissioned, although they are technically running fully, completely and are selling to the exchange at very, very good prices on the short term market and generating revenue and EBIDTA as well as we speak." So there has actually been a significant capacity addition. It's just that legally it's not been added to the official number because of various small technical reasons here and there. We will also be issuing a compliance certificate for the Holdco bonds soon, which will cover all of these aspects and clearly bring out the issues and the numbers that are very comfortable and within range of what we've committed.

Operator:

The next question comes from Love Sharma, your line's now open. You may proceed with your question.

Love Sharma:

Hello. Hi Sagar, hi Kaushal. Hi, thanks for the call. Two or three questions from me. So, first one, you mentioned that some of the capacity, which is 1.3 GW about is not legally commissioned as of now, can you just elaborate a bit more. What is pending there? And you also mentioned that these are operating, generating revenues. So if you could also highlight for FY22, what is the amount of revenue you recognize from these assets?

Sagar Adani:

So Love, Sagar here. I'll take the question on the reason why these capacities are not legally declared as commissioned is because as a part of the PPA, some of these are hybrid assets. Actually, most of these. So the solar and wind capacities have to become operational in proportion, to be able to declare them as legally commissioned. But we have a lot of, let's say solar capacity already running. And a part of the wind capacity that is expected to be... a full wind capacity to be expected to be finished in the

next 10 to 15 days. So in this meantime, what we do is not let these capacities sit idle, but instead run, operate, dispatch to the grid and generate revenue on a short term basis. So that is what these assets have done. We've generated a total revenue of about Rs. 540 crores, which is roughly about USD 75 to USD 81 mn, in this financial year from these assets, which are operating, but not legally declared as commissioned. So we've answered both your questions.

Love Sharma:

You answered, thanks. One more follow up if I can have, in terms of the Capex plan going forward, if you could highlight... if I remember correctly, the plan is to have close to around 20,000 odd crores annually. And you currently let's say whatever cash balance you have. You also mentioned about the revolving line \$1.56 bn, and then you have this equity raise. So if you could just tie it up, how much of this will help you to fund the equity portion of these projects going forward. Because I'm not sure as to how much of the line is utilized already. I know the equity money is going to come in, so that will be fresh money. But to understand if everything is tied up on the equity side.

Kaushal Shah:

Thank you, Love. It's a good question. Let me take you through, as I covered in my opening remarks. For the equity issuance we have, we are raising USD 500 mn through the Abu Dhabi based International Holding Company. So that will contribute around Rs. 3,850 crore. Then you are aware that we have already a limit with credit rating approved for \$1.7 bn for the Holdco bond. Until now we have only raised \$750 mn so we have the limits available to raise further amount in this year. So we may do it in the later part of the year, as and when the equity is required. We have that flexibility available to use that. Over and above that will be FCFE, which will be available to us, will be roughly around Rs. 1,000 crores available to us. This is net off payment to the total. So that also because there are capacity, which will become operational and we will be able to upstream surplus available from the operational SPVs, so that we are going to do it. And then we expect there will be a refinancing of some of the projects which is happening. So that will be roughly contributing around \$80 - \$90 mn. So all in all, we have a sufficient cash equity generated available for taking care of our Capex requirement of FY23. And similarly beyond also the same model we will be following it.

Love Sharma:

Okay. And is my estimate, correct in terms of Capex? Which you are looking to do, should be around 20,000 odd crore for the next few years?

Kaushal Shah:

Yeah, so what you are saying is right.

Love Sharma:

Okay. And so Kaushal if I can ask you, so in terms of the equity portion, you lean closer on 5,000 crore, let's say, right? As you've been 25% mix. So for this 5,000 crores, let's say this one time, it could be integrated-

Kaushal Shah:

I've told you I've given a breakup of total 8,700 crores.

Love Sharma:

Right, okay. So that includes this equity plus the bond issuance, correct?

Kaushal Shah:

Yeah. So bond, if required, we will be able to do it.

Love Sharma:

Love, to clarify this 8,000 crores is the sources of equity that we have available for us, in addition for the various refinancing that we will do and the additional Capex debt that we will take via the revolving construction facilities. That will be in addition. And that will follow that roughly 10,000 to 15,000 crore number per year, that we will raise from the external markets.

Love Sharma:

Understood. And Sagar can I clarify, currently these facilities are utilized? The \$1.56 bn.

Sagar Adani:

No. So from \$1.64 bn, about \$1.1 bn odd is utilized. And the balance for \$500 mn odd, is available to us. And we are looking to probably enhance that a little bit further this year when the requirement for new greenfield projects Capex comes up. In a couple of months.

Love Sharma:

Understood. That's clear enough.

Sagar Adani:

In our overall program, we have a planning of taking the greenfield project Capex construction facility to about \$2.5 bn to \$3.0 bn in total. So that is the peak level of construction debt that we would require. Of course, not this year, but in a couple of years of time. So sometime next year or the year after is when we hit the peak at which time it'll be \$2.5 bn to \$3.0 bn.

Love Sharma:

Okay. Understood. Thank you.

Sagar Adani:

We have flexibility of taking it up to that level. If required.

Love Sharma:

Got it. Understood. Very clear. Thanks.

Sagar Adani:

Thank you.

Operator:

Thank you. We have our next text question from Oon Jin Chng from HPS. When will the company is publishing the compliance certificates for holdco, RG1 and RG2?

Sagar Adani:

We'll be publishing the compliance certificates for that in the next two to three weeks maximum. So about 15 days, we should be able to publish it.

Operator:

Thank you.

Kaushal Shah:

But we are fully compliant with all the covenants, which we have promised in RG1 and RG2. To add to what Sagar Bhai has told.

Operator:

Thank you. We have our next question from Eric Liu from Nomura. Please go ahead.

Eric Liu:

Yes. Thanks management for taking my question. Actually, referring to the Restricted Group, I saw from the common slides, 33. So your turnover of solar electricity is down by 1% year over year, but it seems your EBIDTA is dropping around 10% and your revenue is dropping by 5%, compared to RG-1 it seems to be at a similar scale. So I would like to hear from you, what's happening on this RG-2 regarding the EBIDTA drop?

Sagar Adani:

So the performance of RG-2 is broadly in line with our expectations, we don't see any reason for any EBIDTA drop or any significant difference in terms of how we see the performance compared to how we've committed, as per the bond documents. But generally speaking, I'm sorry if I did not get the question correctly. But generally speaking, of course, when newer RG groups are issued, then because the tariffs are lower, the EBIDTA contribution for MW naturally reduces. But so does the Capex and debt. So I'm not sure if that answers your question, if you're looking for something else specifically.

Eric Liu:

Because I saw the EBIDTA is dropping 10%, compared to RG1. They're a dropping style of energy, also maybe a similar one, but whatever. It seems RG-2 is dropping 10% better, but RG-1 is two to three. So not sure why makes such a discrepancy?

Sagar Adani:

So there's in RG-2 there's a component of VGF, the Viability Gap Funding that is also supposed to come in as a part of the revenues in the government. So the VGF component does not come in a straight line. It typically varies on a half yearly basis. So sometimes it comes through more of it together. Sometimes it doesn't come through for six, eight months and then comes all of it together. So the difference you see is because of the difference in the availability of the VGF. That's what defines it, but it is always made up on zero year and a half basis. So the next line that you will see, you will see more VGF coming in. So the sale of energy that you will see on the same slide, you will see that the revenue is constant. It's 1313 versus 1328. So it's almost the same number. So the assets are performing perfectly well. And the revenues from operations are perfect. There's no component of VGF, which gets shifted from our timeline point of view, which anyways comes through. So that's what the difference is.

Eric Liu:

So this VGF thing, as you mentioned, there's timing kind of What do you expect there is any shortfall in the VGF can come in the next quarter or something?

Kaushal Shah:

So normally it is expected that before year end. By March quarter. In the first quarter of calendar year, we expect this VGF to come. But sometime it spill over to the Q2 of a calendar year, which will be the Q1 of the next financial year, current financial year. So because of that, we only account based on the actual receipt VGF. We do not do on an accrual basis. And because of that, this variation has happened. But as rightly mentioned by Sagar Bhai, if you look at the mn units (sale of energy), which are in fact, they're similar to what we had in the earlier years also.

Eric Liu:

Understood. Thank you.

Kaushal Shah:

Thank you.

Operator:

Thank you. We have our next question from Xin Ran from Loomis. The line is now open. Please proceed with your questions.

Xin Ran:

Oh, hi management. I want to follow up on that operational, but not publicly declared commissioned part. So is there any revenue from these assets in the FY22 result so far? Because I noticed there's a significant rise in sales of good and services. So can I ask what is that?

Kaushal Shah:

So we have a generated revenue of close to \$80 mn, which is Rs. 540 crore, roughly. Now this is as per the accounting standard. This is not part of my profit and loss. It is part of my Capex, so Capex will be reduced to that extent. So that is how the treatment in the accounts are given. But we are generated revenue of roughly \$80 mn.

Xin Ran:

I see. Okay. And then what is the sales of goods, which is almost Rs. 12 bn in FY22?

Kaushal Shah:

No. So sale of goods is because Adani Green is acting as a EPC contractor. So it procures all the material and it supplies to its subsidiaries, because it works as an EPC contractor. And this is for some tax benefits, which is available if the Adani Green acts as an EPC contractor. So accordingly that revenue is coming up.

Xin Ran:

I see. Okay. My second question is, what is the receivable situation now? And then how does that change compared to last six months? Or last year?

Kaushal Shah:

So receivable, we are happy to tell you that for all SECI/ NTPC projects, we are absolutely current on the receivable and there is not a single day dealing. In fact, we have to shell out the rebate, if they pay before the due dates. While in case of Tamil Nadu and Telangana where these two state discoms had a longer duration of receivable, which was of seven months, but I'm happy to report that in April

month, we have received almost \$60 mn from Tamil Nadu. So that makes Tamil Nadu discom's receivable absolutely current, which is one and one half months now. And for Telangana discoms, we have received the full amount, including the late payment surcharge. So now, as we speak in April all the discoms' receivables are current.

Xin Ran:

Okay, I see. My last question is still regarding your capacity plan, because I remember after the September results, management was saying by March that you could reach 8 GW operational. So even if you add back those special assets, you're still at 6.7 GW. So I want to know is there any change of plan? And how should we expect going forward this year and next year, in terms of your ramping up your power plant project?

Sagar Adani:

So against the 8GW that we've said, we've been able to achieve 7.2GW, as the capacity that is operating today, technically. But for various reasons, we are not able to legally announce, which we will very soon. But from a revenue and EBIDTA point of view our operating capacity, today is 7.2GW. We are expecting that quantum to go up to about somewhere between 9 GW to 9.5GW in the next year and a similar capacity addition in the year after that, as well.

Xin Ran:

Thank you.

Operator:

Thank you. We have our next question from Amberish Rathi from T.Rowe Price. Your line's now open. Please go ahead.

Amberish Rathi:

Hi. Thank you. Thanks for the presentation. You can hear me, right?

Kaushal Shah:

Yes. Loud and clear.

Amberish Rathi:

Okay, fantastic. So a quick follow up on the current project finance lines that you're getting on shore. Is there an indicative rate that you can give us as to what is the funding cost that you have been raising onshore at least in the last couple of months or so?

Kaushal Shah:

So for onshore, we have recently done the issuance of the NCD bond, which we could do it at 7.72%. And other than that, to give you highlight, at the time of greenfield development, we have a letter of credit facility available at the Holdco level, which is at Adani Green level, whereby we open the LC and that gets discounted. So overall cost for the LC opening and the discounting for us is 5% to 5.5%. So this LC is almost run up to 9 to 12 months. And then by the time we have a project finance loan available, which on a fully hedged basis... For example, our construction facility, on a fully hedged basis, our cost is around 9% to 9.2%. So that's how this is in the range in which we are getting the funding. But if you consider the LC cost, plus this cost, then the weighted average cost will be a lower, which will be in the range of around 8%.

Amberish Rathi:

Understood. And so when you say the project finance 9% to 9.2%, this is the same as your revolving construction facility, right?

Kaushal Shah:

Yes.

Amberish Rathi:

Understood. The other question I had was around the cash balance. So if I look at your abridged balance sheet, I see about 16 bn of cash and 5 bn of investments. Can you guide us to, are there any other components that you're including in your 38 bn cash number and where are they in the balance sheet lines?

Kaushal Shah:

So there are certain amounts, which is part of the investment schedule. So that is some amount is parked into the liquid funds. So that is being covered as a part of cash balance. So it is not as part of counting standard. This is not shown as cash in the bank balances, but it is part of my investment schedule under total current assets. You can see that.

Amberish Rathi:

So the investment part I see around 5 bn. Are there some other investments, in other current assets? Or some other kind of platform..

Kaushal Shah:

And then there is a DSRA also available, which we put it at that. Which is under schedule eight. So what I will do is that I can send you that separately. So it will tally this amount on email separately.

Amberish Rathi:

That'll be very helpful. Thank you very much.

Kaushal Shah:

Sure. I will do that.

Amberish Rathi:

Thanks.

Operator:

Thank you. We have our next question from, Shreyans Daga from Barclays. Your line's now open. You may proceed with your question.

Shreyans Daga:

Hi, thank you management for the presentation. I have one question. So the amount of \$500 mn that IHS is injecting into Adani Green, so do we have a number of how much would go into CapEx and how much would go into de-leveraging? Just some broad numbers. Thanks.

Sagar Adani:

So from our point of view, we are expecting a majority of it to go into funding the capital needs for growth, and some of it to go for de-leveraging. While the exact numbers are something that we are not in a position to share right now. But you can consider quite a majority of it to go into investments into growth assets. And some of it being used for de-leveraging of the existing balance sheet.

Shreyans Daga:

Okay, so thank you. That's it for me.

Operator:

Thank you. We have our next question from Jocelyn Chiang from Amundi. Your line is now open. Please go ahead.

Jocelyn Chiang:

Hi. Thank you. Thank you all for the presentation and the session. I wanted to ask question on RG-1. Can you explain how the CUF performance is? Well, RG-1 because if I look at the generation volume based on the compliance certificate last year, it seems to suggest that this year, while the performance is relatively steady, but it seems to be off P90 generation. Could you clarify on this one?

Kaushal Shah:

So thank you. If you look at the RG-1, there is a marginal reduction. If you look at the sale of energy units in RG-1 in page 32 for our presentation. In FY21, which was 1908 units, this time, it is 1892 units. So it is almost similar to the last year. But in some of the cases in RG-1, there was a lower irradiation because of the extended monsoon in that particular area. And because of that, there is a marginal reduction in the generation.

Jocelyn Chiang

Right. Thank you. So am I right to say that it is slightly off P90?

Kaushal Shah:

RG-1 is performing around P90. You are right. And RG-2, it is P75.

Jocelyn Chiang:

RG-2 P75, thank you. Next one is on the receivable side. Thank you for the explanation on the group level. Well, now I'm looking at RG-1, I am seeing some increase in receivable positions for UPPCL, KREDEL and PSPCL. Which discom is this one from which state please? And why are we seeing some allocation of receivable data?

Kaushal Shah:

So one thing is that for the Punjab, we are expecting this receivable because there is a change in the local government. And we are expecting this payment to be received in this Q1 of the current financial year. And same is with the HESCOM we are getting... though there is a delay in the payment. But in the month of April, also we have received the payment from HESCOM. So we do not see any challenges, both from the Karnataka receivable and the Punjab receivables.

Jocelyn Chiang:

So UPPCL is from which state please? Sorry.

Kaushal Shah:

So UPPCL is an Uttar Pradesh, but there, you can see that we are absolutely on RG-1. If you look at this, we have only 0 to 60 days, is three crores, which is there. And due is only three crores. So which is in line with our PPA agreement.

Jocelyn Chiang:

But I saw the allocation in the Karnataka state discom, you are saying that they have already started to make payments, is it? For Karnataka?

Kaushal Shah:

Yeah, so they have. Some disbursement they were expected to receive and we have received partial payment in the month of April from Karnataka government.

Jocelyn Chiang:

Oh thank you so what's the issue there in Karnataka? What's the issue with Karnataka? If I may ask.

Kaushal Shah:

No. So the primarily-

Sagar Adani:

It's a little bit of a liquidity issue at the end of the discom. And they're expected to probably file orders for increasing some of their tariffs, which will resolve this for them. But as they get the funding from the state government, they start to disburse the funds to our companies. So we've got partial funds from them, and we are expecting the balance. We are following up with them consistently. We hope to be able to get it through with them in the near future.

Jocelyn Chiang:

Thank you. And on the Punjab side you mentioned, Yes.

Sagar Adani:

Sorry. I was just adding, we don't expect this to become a problem for us.

Jocelyn Chiang:

All right. Thank you. Punjab side, is there any issue with the change in local government? Because previously there was talk about attempt to renegotiate our PPA and all this stuff. Anything that you're seeing on the ground?

Sagar Adani:

There's always this bravado at... which are more of political talks than anything else. So as you might be aware Jocelyn already, there've been a few attempts in the past of various state governments trying to renegotiate the status. And it has been consistently struck down by the Supreme Court of India. So the legal *juris prudencia* for that is already established. And hence at the end of the day, everyone knows that they can't do anything about a PPA that is once signed. So again, we don't expect there to be any problem, rather, we are confident that there will not be any problem, but it's more just political positioning than anything else.

Jocelyn Chiang:

Okay. So is that whatever the billing is there in Punjab is really because of administratively there is some change in local government and stuff like that?

Sagar Adani:

Yes. Correct. It's a little bit of a disconnect and a shift because regimes change and new people are stabilizing in their new rules, but we expect this to get resolved very soon as well. But if you see from overall.. if you see Jocelyn from an overall argument point of view, I do want to highlight though that, from a portfolio basis, as you wonder, the receivables are very much under control and within the range of what we have committed in our bond documents and we feel pretty comfortable with that. Of course, there's small issues with one or two over there, which we continue to follow very closely, but from an overall point of view, we are in a very comfortable position as far as receivables go.

Jocelyn Chiang:

Sure. Thank you. Is there anything you can guide us in terms of DSO there in RG-1? Sorry, I need to check that, but that would be great.

Sagar Adani:

Sorry, can you repeat your question?

Jocelyn Chiang:

If someone is a DSO at RG1 for FY22. Is that something that can be shared at this point?

Viral Raval:

So, Jocelyn basically, if you look at overdue amount, it is only 30 days of sales.

Jocelyn Chiang:

Okay. That's helpful. And I guess for receivable days, for the RG2, that remains with low that's right?

Sagar Adani:

RG-2 is very low, it's negligible. It's only... due amount is only two crores.

Jocelyn Chiang:

Okay. Thank you. That's all for me. Thank you everyone. Thank you.

Speaker 4:

Thank you. We have follow up question from Love Sharma from Lombard Odier. Your line is now open. Please proceed with your question.

Love Sharma:

Hi, thanks. One quick follow up Kaushal if you can help me understand the EBIDTA, the rate EBIDTA that you've mentioned. Is that based on P90/ P75 estimate?

Kaushal Shah:

So this is based on the P90.

Love Sharma:

P90. Okay. Got it. And another question, looking at your margins, especially from FY22 to FY21, there seems to be a decline, quite significant on the EBIDTA margin side. In fact, if, look at the revenue which you added this year and the EBIDTA you added, your margin should be closer on 60%. It seems to be pretty low compared to let's say even some of the peers. What is this driven by if I can understand?

Kaushal Shah:

So if you look at this overall margin compared to last year, we had a 91% EBIDTA margin, and this year we are ending up with 92% margin. So there is an improvement. Having said that when we acquired the SB Energy, we had some solar park charges, which we are required to pay, which is higher compared to... because we don't have to, shell out the charges in case of our own assets, which we were owning. But when we acquired the SB Energy, there are some assets are operating in the solar park and that's where the charges are a bit higher. And that maybe overall there is a marginal reduction in that sense.

Love Sharma:

I see. Somehow my estimate seems to be a bit off on the margin side. I hope I'm calculating them correctly. Maybe I can-

Kaushal Shah:

What I can do is that, if you can share with us your calculation or offline, what I will do is that we will share our calculation of EBIDTA margin, and then we can reconcile both of that. That's not a problem.

Love Sharma:

Perfect. That would be very useful. Thanks.

Kaushal Shah:

Yeah, sure.

Love Sharma:

Thank you.

Kaushal Shah:

Thank you.

Operator:

As a reminder, ladies and gentlemen, to ask any further question you may do so by pressing star followed by one on your telephone keypad now, and have you joined us by browser kindly press the Q&A button and type in your question.

Kaushal Shah:

So if there is no further question, we can end this call and we all are very thankful for your participation on the call. And if you have any questions moving forward you can write to our IR department, we have Bala and Viral both are available. And to me directly also, so that we can respond to you immediately. Thank you.

Sagar Adani:

Thank you everyone for your time.

Disclaimer: This transcript is provided without express or implied warranties of any kind and should be read in conjunction with the accompanying materials published by the company. The information contained in the transcript is a textual representation of the company's event and while efforts are made to provide an accurate transcription, there may be material errors, omissions, or inaccuracies in the reporting of the substance of the event. The transcript has been edited wherever required for clarity, correctness of data or transcription error.

This document may contain "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.