



“Adani Green Energy Limited
Q1 FY27 Earnings – Equity Conference Call”
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Management:

Mr. Ashish Khanna – Chief Executive Officer – Adani Green Energy Limited

Mr. Rajat Seksaria – Chief Executive Officer – Battery Storage

Mr. Saurabh Shah – Chief Financial Officer – Adani Green Energy Limited

Mr. Vijil Jain – Head, Investor Relations – Adani Green Energy Limited

Moderator:

Mr. Baiju Joshi – Macquarie Capital

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Baiju Joshi. Hi. Good evening, everyone. Welcome to Q1 FY '27 Earnings Call of Adani Green Energy Limited, hosted by Macquarie. From the management team, we have Mr. Ashish Khanna, CEO of Adani Green; Mr. Rajat Seksaria, CEO of Battery Storage; Mr. Saurabh Shah, CFO; and Mr. Vijil Jain, Head of Investor Relations. Without any further delay, I will hand over the mic to Mr. Vijil Jain to start the proceedings. Over to you, sir.

Vijil Jain. Thanks, Baiju. Thank you, everyone, for joining in the call. Good day, and warm welcome to the call. I hope you got a chance to go through the earnings material, which was uploaded on the website, and which was uploaded on the stock exchanges.

Just to explain the flow of the call, we will start with an opening statement from the CEO, Mr. Ashish Khanna, followed by Q&A, and then closing remarks from the CFO, Mr. Saurabh Shah. Without further ado, I'll just hand over the call now to Mr. Ashish Khanna for the opening remarks. Over to you, sir.

Ashish Khanna. Thank you, Vijil. Good afternoon, everyone. Thanks for joining this call. The country reached 283 GW of installed non-fossil capacity, achieving over 50% of India's cumulative capacity ahead of its 2030 target. This demonstrates the strength of the green energy ecosystem and policy support. India remains firmly on track to achieve 500 GW of non-fossil capacity target by 2030. It is among the fastest-growing renewable energy markets globally. At Adani Green Energy, FY '27 commenced with strong momentum. We surpassed 20 GW milestone, making it India's largest and fastest greenfield renewable capacity addition. This will power over 9 million homes and avoid about 37 million tons of CO2 emissions annually.

The accelerated capacity growth was enabled through disciplined execution and strength in demand environment. Our focus on technology adoption, digitization, and data analytics for predictive maintenance has also been a key enabler for superior operational performance and maximizing asset availability. Adani Green Energy is firmly poised to reliably meet growing clean energy needs while delivering industry-leading operational performance. As renewable energy penetration and power demand continue to rise, energy storage is essential for reliable round-the-clock power and grid stability. With our renewable portfolio and investments in battery as well as pump hydro storage, we are well positioned to benefit from key sectoral trends for firm and dispatchable renewable energy, rising AI- and data-center-led power demand and integrated RE plus storage solutions to meet peak power demand.

Our energy sales rose 30% Y-o-Y to 13.7 billion units. This was driven by 4.3 GWs of energy capacity addition, a 27% increase, and strong operations. We remain on track to add 5 GW of greenfield capacity this year. We commissioned 1.9 GW of battery energy storage capacity at Khavda during the quarter, taking total installed capacity to 3.5 GW-hour. With this momentum, we are well positioned to achieve our 10-plus GW-hour target this year. We are also on schedule to commission our maiden 500 MW pump storage project at Chitravathi, Andhra Pradesh, in this financial year. Adani Green Energy continued to deliver robust financial performance in FY '27 first quarter. The company's revenue from power supply increased from INR4,280 crore, a 29% increase on Y-o-Y basis. And EBITDA from power supply surged by impressive 33% to INR4,122 crore, thereby achieving 94% EBITDA margin.

Our CapEx of INR8,800 crores during the quarter increased by 41% Y-o-Y, highlighting the efficient capital deployment with every passing quarter. Our landmark project at Khavda, the world's largest renewable energy installation, continues to build progress. We have already included group capacities over 10 GW of solar, wind, and hybrid assets. On a sustainability front, AGEL achieved the highest CRISIL ESG score in

the Indian power sector for the fifth consecutive year. As a mark of global recognition, Adani Green recently received Clean Power Generation Award at Reuters Energy Industry Awards 2026 in New York.

Thank you, and we look forward to answering questions.

(Question And Answer)

Baiju Joshi. Thank you, sir. We will now start with the Q&A session. A request to all the participants to use the Raise Hand feature at the bottom of their screen to ask any questions. We'll wait for a moment till the question queue assembles. A request to all participants to use the raise hand feature to ask any questions.

We'll take the first question from Nikhil Nigania. Nikhil, please unmute your line and go ahead.

Q - Nikhil Nigania. Am I

audible? A - Baiju Joshi Yes.

Q - Nikhil Nigania. Hi; so my first question is on curtailment, if you could share more color on how that is panning out and quantify the impact of curtailment in this quarter.

A - Ashish Khanna. Nikhil, thanks for your question. I think it has been in line with our expectations, and we do expect that by the end of this calendar year, especially from Khavda, we would not be having an issue of a curtailment as was the case initially in quarter of the last year.

However, in the current scenario, as was the trend in the past, a curtailment has an impact of in the range of 5% to 7% on our overall EBITDA as we speak. Gradually, as and when more transmission lines are going to come up, we do foresee these tendencies of curtailment to weed out. And, by the end of this calendar year, our expectation is that there should not be any curtailment, at least from Khavda, for all the capacities which we have installed.

Q - Nikhil Nigania. Got it. Understood. Thanks for that. My second question is, if I look at the list of operational projects at the end of the presentation, most projects which were classified or at least mentioned as merchant renewable plants are now being mentioned as C&I renewable plants.

So, wanted to understand the rationale for it, and, related to that, today morning Adani Energy had a call where they mentioned that about 4 GWs of generation is contracted by them from Adani Green. So, if you could share light on that as well.

A - Ashish Khanna Yes, I think it is exactly in line with what Adani Energy said. In order to de-risk ourself and concentrate more on the project execution and operational excellence, on a long-term basis, we have contracted on an arm's length basis and with new approval of the Board on arm's length transaction, as well as we have ensured that we have a contracted capacity rather than taking the risk with Adani Energy Limited. And that is what is the capacity which they have shown and is a part of what is also reflected here on the C&I business.

Q - Nikhil Nigania Got it. So, is it fair to assume that what we were planning as merchant earlier is now effectively being sold as C&I to Adani Energy to de-risk ourselves on a long-term basis, as you said?

A - Ashish Khanna. Exactly. So, what we have, we have taken off the risk of merchant capacities and the risk thereof, ups and downs. And, considering the recent tariffs, which were there on the long-term PPAs, this is the same return profile we have signed off with the Adani Energy.

Q - Nikhil Nigania. And would this apply to the battery storage plant that we have operationalized as well? All of it is in effect contracted to them?

A - Ashish Khanna. Yes. So, all that, which was supposedly merchant for us to de-risk it, we have tied up and going to tie up with AESL. The strategy remains the same on having a long-term returns and de-risking AGEL from it.

Q - Nikhil Nigania. Got it. So, then effectively the 2030 pipeline that we have or the target that we have set for ourselves, whatever was classified as merchant/C&I would be through AESL and whatever is directly to DISCOM, only that will be sold by Adani Green.

A - Ashish Khanna. Yes. Other than those projects where we are ahead of the time, like we always keep on sharing with you. And on certain projects where the PPA is there, and we are ahead of the time and the PPA has not yet commenced, we sell it again to the market on our own. So, that risk remains, which

actually is the addition from whatever returns we get from those projects on a long-term basis once the PPA get operationalized.

Q - Nikhil Nigania. Understood. And any reason why we have made this structure, this is the last question I had, to not to sell directly. So, why is Adani Green directly not selling to a C&I customer? And why is Adani Energy in the middle? What is the rationale or strategy behind that?

A - Ashish Khanna. I'd share with you that, we concentrate more on operational excellence, project execution, deploying the CapEx more efficiently, and then de-risk any vagaries of market from long-term perspective, and get our long-term returns as per our expectations with which we are building the project. Ups and downs of the market, we are not taking into consideration, and hence to de-risk ourselves from those we have tied up with Adani Energy.

Q - Nikhil Nigania

Understood. Very clear. Thank you. Those were my questions. Thanks for answering.

A - Baiju Joshi

Thank you. We'll take the next question from Apoorva Bahadur. Apoorva, please go ahead with your question.

Q - Apoorva Bahadur

Hi; thank you. I hope I'm audible. Sir, just double-clicking on this arrangement with Adani Energy. So, I think currently we have 3.5 GW-hours of battery deployed. Target is, I believe, around 10 GW-hours. So, the capacity is coming in the course of this year. All of that will also be tied up with Adani Energy?

A - Saurabh Shah

Yes, it's all in line with our long-term strategy.

Q - Apoorva Bahadur

Okay, and the pump storage as well? I think we have a target of 5 GWs by 2030.

A - Saurabh Shah

Within, see, within pump storage, there are certain projects which are already a direct tie-up that we have done. So, in those cases, there might -- there will not be any tie-up which will be going through AESL.

But, in cases where it will be a merchant, we will continue to evaluate and do the contracts as we move forward in PDA in case of pump hydro. See pump hydro anyway except for the Chitravathi project is still about two years away. So, that we will take the call as we move forward. Yes.

Q - Apoorva Bahadur

Okay. So, Chitravathi is it tied up with AESL? Or does it have a direct contract?

A - Saurabh Shah

Not yet. It is not tied up. It does not have a direct contract right now. We will evaluate it at the near to the stage when it is about to get executed and then take the call.

Q - Apoorva Bahadur

Okay. Secondly, for your agreements with AESL on both say solar, wind, and the battery capacity, you flagged that the tie-up happened at a price which was approved by the Board. I want to understand: is this agreement for long term as in 20, 25 years, and is there a clause for price reset during this term of the agreement, or is it fixed for the entire 25 years?

A - Saurabh Shah

So, in case of batteries, it is for 15 years and fixed for that period. And, in case of solar and wind, it is for 25 years and fixed for the price at a rate. So, there is no change which is expected.

Q - Apoorva Bahadur

Okay. And can you share at what price per kilowatt-hour, say, did you tie it up for solar, wind, and battery separately?

A - Saurabh Shah

See, as we mentioned, it is at a benchmark, which is going on in the market right now. So, there is no - we cannot do. We both are listed entities, and there is an arm's length involved, Audit Committee involved. So, it is at a benchmark rate.

Q - Apoorva Bahadur

So, benchmark for solar and wind, yes, would be around, say, INR2.7, INR3.4, INR3.5. And how much would it be for batteries?

A - Saurabh Shah

Yes. So, batteries again, we keep on evaluating the long-term averages that IEX has and then based on that plus because see battery today, there is no such long-term contract also available in the market. So, as the price stability comes in, there is an overall return profile that we look at and our CapEx-to-return profile, all those things have been considered while that of the battery capacity.

Q - Apoorva Bahadur

This return profile would be in line with your hurdle IRR of what 15%, 16%? Is that a fair assumption?

A - Saurabh Shah

Yes.

Q – Apoorva Bahadur

Understood. Thanks a lot.

A - Saurabh Shah

Thank you.

A - Baiju Joshi

Thank you. Just a reminder to the participants, you can use the Raise Hand feature to ask questions or you can also type in your questions in the Q&A box.

Sir, I had one question from my end on BESS site. Just wanted to understand how the EBITDA trajectory evolves for FY '27, and what are your overall plans for this segment beyond FY '27 as well?

A - Saurabh Shah

So, see, from the BESS perspective, we have given a thumb rule, which is going to apply for the overall EBITDA profile for FY '27. It's about INR25 lakh to INR30 lakh per MW-hour in that range where the EBITDA would come in based on the capitalization that takes place over the next nine months of the year.

The first contract has come in, which is 3.5 GW-hour, which was fully capitalized by May end. So, the full benefit of that EBITDA will now come in over the next nine months, plus as we capitalize more and more asset.

We have given a target of at least 10 GWs upwards of cumulative BESS capacity, GW-hour cumulative base capacity, while the overall target till FY '30, we have come out and said that we would like to do about 50 GW-hour of batteries till FY '30 and that's where we, the ambition is.

A - Vijil Jain

Just to add to that, so basically, as we move ahead, we will also start reporting BESS numbers separately going forward, so from that perspective, the contribution will become visible.

A - Baiju Joshi

Thank you, sir. We have one question in the Q&A box: what is our run-rate EBITDA for the operational portfolio plus already tied up BESS C&I portfolio?

A - Saurabh Shah

So, our current run-rate EBITDA for the operational portfolio is about INR17,000 crore. For the expected for the FY '27, it is about INR21,000 crore.

A - Baiju Joshi

And for the already tied-up BESS C&I portfolio?

A - Saurabh Shah

So, the overall number is given here, which includes the BESS. See, BESS for the first year may not be a very large number in that sense.

So, as we move forward, we will be able to give a more sense on two separate EBITDAs, but, right now, from a run-rate EBITDA perspective, when I say INR17,000 crores today and INR21,000 crores by FY '27 end, is something where it includes the number.

A - Baiju Joshi

Right. There is a follow-up question on that sir, regarding the arrangement with AESL, the question is for how many years have we tied up with Adani Energy?

A - Saurabh Shah

So, it is for each project, on a long-term basis it is 25 years, is what we have tied.

A - Baiju Joshi

Thank you, sir. Reminder to participants, use the Raise Hand feature to ask any questions. We'll take the next question from Swetha Rakhecha. Swetha, please go ahead with your question.

Q - Swetha Rakhecha

Hi. Congratulations on hitting the 20 GW milestone. And also, at Cantor, we're looking forward to seeing the separate line item for best going forward.

I had a quick question on the PPAs. It was mentioned in the slide that 31% of the annual PPA requirement has been covered this quarter. So, how much of that is seasonal versus structural, and what needs to happen in the balance of the year to ensure full-year delivery?

A - Saurabh Shah

So, see, this is more structural in nature. A lot of these PPAs, there is not always -- from a PPA perspective, the CUF is more important that we are achieving that CUF, and that is better in Q1, and it is as per the plan only. And, from that perspective, that is 31%, which is achieved today. We generally are about 100% on an every-year basis. So, that will continue to be there. Our last two, three years' average has been about 109%, 110%. So, that same --

A - Ashish Khanna

And I'll fine with just like to add, I think quarter, you would have realized that the weather God has been decent, whether it is sun or wind. And hence we do foresee a decent performance from the weather, which is forecasted as of now, on the overall MUs generation, which is reflected very well in our EBITDA conversion.

Q - Swetha Rakhecha

Right. So, just to look at the cadence, like an ask of a follow-up. Can we expect similar cadence as last year for the rest of the year?

A - Saurabh Shah

Yes. Of course, Swetha, definitely.

Q - Swetha Rakhecha

Okay. Also, just one more follow-up on the PPAs, which is something that we get some inbound on, is given that several PPAs only become live when the central grid sort of substation and transmission lines are ready, what is sort of the timeline for the next 14 GWs of evacuation capacity additions? And what is sort of the risk of holding these assets?

A - Saurabh Shah

Sorry, can you repeat? The voice goes up and down in the process.

Q - Swetha Rakhecha

Okay, I apologize for that. This is just a follow-up on the PPA aspect. I know we're sort of expecting 14 GWs of evacuation capacity addition. So, I just wanted to ask, like, what is the timeline when we look at the substation and the transmission lines? I hope I was audible this time.

A - Saurabh Shah

Yes, sure. Thanks. I think we do expect, by the end of this year, another 7 GW, which is going to come. That is this calendar year. And another quarter or two, the balances should be there online.

Considering our experience of the past, from our company standpoint, we are keeping a very close monitoring on this evacuation so that we can reduce in case of any delays, we can reduce our capital cost on this impact or because of the delay.

And, in case there is even a possibility of a week or two or a month coming earlier, we are in a position to utilize full capacity on it. So, we keep a very close watch on it, as well as the current estimates is concerned for the coming up 7 GW. We do expect by end of this calendar year.

Q - Swetha Rakhecha

Great. Thank you. Thank you so much.

A - Baiju Joshi

Thank you. We have a couple of questions from Anuj Upadhyay in the Q&A box. First is, is it fair to assume there won't be any open capacity for the targeted 50 GW capacity except for infirm power?

A - Ashish Khanna

50 GW is too far, but, yes, you are right. As the strategy goes, we are going to de-risk ourself as we have started now.

A - Baiju Joshi

Right. And, secondly, on the PPAs with AESL, is it based on similar terms as with SECI bidding or on take-or-pay basis? Also for capacity going ahead that you plan to sign with AESL, what will be the terms?

A - Ashish Khanna

Absolutely. It's on an arm's-length basis. Followed the standard PPA guidelines of SECI.

A - Baiju Joshi

Right. We have next question from Bhavik Shah in the Q&A box. What is the Capex guidance for FY '27 and '28? Also, is the transmission capacity of additional 7 GW coming on stream by September 2026 on track?

A - Ashish Khanna

I think the second question, Bhavik, we have already addressed with respect to additional capacity of 7 GW. Saurabh, can you come up on FY '27?

A - Saurabh Shah

So, see from a Capex perspective, the FY '27 guidance is about INR42,000 crores of Capex to be done for FY '27 because we are looking at about 5 GW of expansion in RE and 10 GW plus we want to reach as a cumulative capacity in batteries. So, from that angle, it would be that, in that range.

A - Baiju Joshi

Thank you. We'll take the next question from Shirom Kapur. Shirom, please go ahead with your question.

Q - Shirom Kapur

Hi. Thanks for the opportunity. I just want to clarify one thing. The 5 GW capacity addition target in FY '27, does that include the 500 MW PSP that is expected to come up?

A - Ashish Khanna

No, Shirom. That -- the BESS capacity and the pump storage capacity is excluding.

Q - Shirom Kapur

Okay. Got it. And just, secondly, on the realizations that you are getting on the infirm power, do you have -- is that sold on the merchant market? So, for 1Q, could you share what the average realizations would have been?

A - Ashish Khanna

Yes. I think, Shirom, the current is in line with what the merchant power is selling through, including the RECs. It varies, but it is in the range of INR2.5 per unit.

Q - Shirom Kapur

Okay. Understood. Yes. Thank you, sir.

A - Baiju Joshi

Thank you. We have a couple of questions from Bhagya Biradar.

Congratulations on a good set of numbers. First question is 10 GW plus hours of battery. How should we think of phasing over the course of the year? And question two is on economics. How should we think of cycles and unit economics through the course of this year?

A - Rajat Seksaria

Yes. Hi. My name is Rajat Seksaria. I look after the Battery Energy Storage Systems business. So, I think the phasing question, you need to realize that battery energy projects are relatively new in India. So, there is a deep commissioning phase and a stabilization phase. That is why we are not giving specifically quarterly guidance on when we would get commission.

All I can tell you, at this point in time, the projects are at a relatively advanced stage of construction, and we may start commissioning activities very soon, but we are not in a position to tell you from quarter-wise guidelines on commissioning, but, yes, it will certainly be in the FY that we have committed. We are on track for that. And we are trying to see how we can further improve the timelines on that, but, yes, we are relatively advanced and on track for that FY '27 targets.

I think the second question you asked is about the unit economics. I think the way to look at it is, fundamentally, the storage project works on an arbitrage model, right? So, you are able to store power when it is relatively cheaper, as Ashish just mentioned, let's say around INR2.5, and then you are able to monetize that during evening hours when the market gives you better prices.

And I think the way we have gone about it is looked at the trends for last 36 months, 24 months, 12 months, and arrived at those numbers, so that they tend to be anywhere between INR4 to INR5 is the arbitrage that you tend to get for these projects, and they are economically viable arbitrages on which we are working.

So, you should typically look at unit prices. Yes, cycle does also come into play. But I think there will be one or two years before we would know whether we are able to do one cycle more than one cycle, how much more we are able to do because that's a very dynamic situation on whether we are able to do cycle in the night time. So, yes, that's something which we are studying and hopefully we'll have better data by the next call.

A - Baiju Joshi

Thank you, sir. We'll take the next question from Dhruv Muchhal. Dhruv, please go ahead with your question.

Q - Dhruv Muchhal

Yes, sir; thank you so much. Sir, earlier we had a strategy that we'll go ahead and commission projects even though on a merchant basis so that we can optimize on the transmission cost. So, that whenever the opportunity arises we have that transmission arbitrage also.

Like, for example, what you did last year and for the last two years. So, does that strategy still continue in the new arrangement, or your commissioning of some of the projects will now align with what the --off-take requirement from, say, for example, Adani Energy is?

A - Ashish Khanna

No, I think -- so the strategy remains to optimize all costs and get the maximum profits on it. So, that's the overall strategy which we have. Coming back to your question in particular, you have to appreciate the fact that our new projects which are going to do across, we are taking into consideration how the evacuation is mapped, when is it likely to come, and that's how our project strategies are as of now.

Taking into consideration the PPA requirements, which we have already signed on and our commitments on delivering the same. And, of course, from the transmission part, it is there, but you also have to appreciate that,

in the last one or two years, there has been certain policy interventions or waiver which were going off on the subsidy part, whether it is with respect to the ISTS charges or with respect to ALMM versus ALCM.

That has also necessitated certain investment from our side, because then, on those projects being commissioned within the timelines, for the next 25 years, we have the advantage of those subsidies which were available to us.

So, all this is taken into consideration when we have this annual five-year plan with us. But, yes, what you are saying, those optimizations will always remain in mind when we strategize. And, it is irrespective of whether it's a PPA or AESM, the idea is to have a cost optimization, getting the maximum returns on our investment.

Q - Dhruv Muchhal

Got it. No, that's helpful. And so the second question at a macro level, what we are observing is that the rooftop market has picked up quite meaningfully. You are seeing installations of 8 GW last year and probably this 1Q itself is about 4 GW or 3 GW, analyzing about 12 GW addition[ph].

How should we think of this? Is this to some degree eating away the market potential from the utility segment? Because at some point demand is what it is, and somebody else is taking away that market share and can have some implications for future PPAs from the industry, I mean from the DISCOMs and others. I mean just trying to visualize how should we think of this?

A - Ashish Khanna

Sorry, I think it is, if you look at India's energy demand, especially the electricity demand, that's been growing, it is in line with our GDP growth. On that growth, on the trajectory and how the renewable energy itself is proving as a very sustainable and a cost-effective electricity source, we don't foresee that distributed generation of a rooftop is going to disrupt the overall market of energy requirement in this country.

It is -- I think both can sustain its growth in its own selves, and we are seeing -- and then you also have this element, while the solar energy has certain role to play during the daytime, you have evening peaks and night and early morning requirements, too, which a rooftop at someone's house or C&I segment will not be able to sustain.

So, in our view, we see it as a very good sign in the way people are embracing clean energy. And we don't foresee any major challenge to utility segment, C&I, and those who are primarily bigger consumers of energy per se.

Q - Dhruv Muchhal

Got it. And, sir, last question. On the battery point, you had mentioned -- I mean your team mentioned that the scheduling, the visibility of scheduling at a granular level is not as probably accurate. I'm just trying to understand why does that happen?

I thought if you have transmission connectivity, generally these are, kind of set equipments. So, I thought there should be a better visibility versus, say for example, a typical wind or solar project, but it seems a bit different here.

A - Ashish Khanna

I think Dhruv, you took scheduling to a different understanding when we were talking about scheduling is that there is a plan on how much GW-hour is going to be installed in a particular month. The first quarter itself should give the market enough confidence on the capabilities of Adani Green to execute an operationalized project. We have a target of a 10-plus GW basis.

Let me also add here that this capacity itself, we are virtually half of the total operational capacity as well as battery storage is concerned in this country. By the end of the year, we are going to be even more than two-third of that. When we are speaking of a scheduling point, it was with respect to, yes, it -
- many times a quarter may not be 10 divided by four. It can be plus 500-plus MW-hour or things like that. That is where the scheduling was being spoken.

Q - Dhruv Muchhal

Got it.

A - Ashish Khanna

And we also have to look how the second cycle plays into consideration.

Q - Dhruv Muchhal

Got it. Sure, sir. Great. That's helpful. Thank you so much, and all the best. Thanks.

A - Baiju Joshi

Thank you. We'll take the next question from Abhishek Khanna. Abhishek, please go ahead with your question.

Q - Analyst

Hi, sir. Just one question on the industry more broadly, but, like you said, we are still in the early phases of battery installations for the country as a whole and even for Adani, let's say.

But I think there is a risk of some of these battery fires, unfortunately, like we've seen across the world. I think there was one such incident that happened with one of our competitors also, thankfully not very severe. But is that a real risk? One second, if that is the case, do we get any warranties or a cover from the battery provider or the PC guy or is there a third-party insurance for that that is available and we are taking?

A - Rajat Seksaria

So, Abhishek, I think I'm glad you asked this because we also come across this news reports and videos circulating on various WhatsApp groups. So, let me clarify that it may be a competitor, but they are fellow industry players.

So, I think what has been circulating in the video is a bit misleading. So, what got fired was not the batteries, right? What got fired actually were what is called PCS or inverters because there was what is called IGBT failure. While that itself is not a good thing, but that's not very uncommon. It has happened in the past. So, batteries per se have not got fired is another component which can happen in any other plant. It can happen in solar and other plants. So, it's not a battery fundamental risk.

Yes. You are right. The energy density of LFP is so high that you are packing in a lot of energy in the 20-foot container. So, you have to maintain a lot of safety protocols. I can only tell that we have invested in technology and vendors with the highest levels of safety norms, some of them actually comparable with what goes in Europe.

But we are constantly monitoring both from a data point of view, asset integrity point of view, and as and when there is any further action needs to be taken, we will take. But that particular incident, I will categorically clarify, is not a fire in the battery system. It is actually a fire in a different component --

Q - Analyst

PCS.

A - Rajat Seksaria

PCS, yes.

Q - Analyst

Got it. And the second part of the question, of course, we will -- everyone takes precautions like they would. But is there any insurance that anyone gets, or any guarantees or warranties that you do get from the supplier, or any insurance service provider out there?

A - Rajat Seksaria

Yes, absolutely. So, insurance, like it is covered for any other equipment, it is covered by standard insurance policies, including for battery projects.

There is a very rigorous process by which the insurance agents evaluate and then they underwrite the insurance policies. And all these projects of battery (Technical Difficulty) technical specs, they are designed for specs of a particular location in terms of temperature, weather, and our type of operations. So, then, of course, our OEMs are all reputed Tier 1s. So, we are not expecting any issues on them.

Q - Analyst

Got it. No. Of course. Okay. That is helpful to hear. Thanks a lot. That's all.

A - Baiju Joshi

Thank you. We'll take the next question from Nikhil Nigania. Nikhil, please go ahead with your question.

Q - Nikhil Nigania

Hi. Thanks for taking my question again. Just continuing again on the C&I space given it a significant change. A, wanted to clarify, do these contracts have any exit or termination clauses in case AESL is not able to sell that power at the right price? So, either party, do they have any termination clauses? If there are, is it very similar to a SECI contract?

A - Ashish Khanna

So, I told you, Nikhil, these contracts are on the basis of the SECI PPA, the grander PPAs. And it is --there is no termination on convenience per se in those contracts. These are contracts which has been signed between parties.

And I would like to reiterate here that these are primarily signed from AGEL's standpoint to de-risk the ups and downs of the market and get the predictable return for which we have built our assets. And these contracts fully substantiate and honor that strategy.

Q - Nikhil Nigania

Makes sense. And if I may just add one more related question, I think as you mentioned earlier, AGEL strategy to early commission these assets to take benefit of ISTS waivers, ALMM waivers, et cetera. Was a big advantage we had. But that advantage of that INR0.50 saving in transmission cost, where does that sit now after this? Will it still be with AGEL? Will it be with AESL?

A - Ashish Khanna

I'll tell you, from AGEL's standpoint, we have de-risked any pluses and minuses on that part. And it is very difficult to predict how these advantages will pan out in future in the next 25 years. And I think that is the risk which AESL has taken. AGEL has been insulated from it. We are, this is the arm's length transaction, are getting the predictable return for which we have built these projects.

Q - Nikhil Nigania

Perfect. Understood. And just one last question then on the execution side, given that's the entire focus now. So, Khavda has been, I mean, experience for us, it's already up to 10 GWs, has been mentioned. Are there any other similar large sites that we are evaluating which could come up in the near term?

A - Ashish Khanna

Of course. Nikhil, we are seriously evaluating many large sites and are working on it. Khavda experience has been phenomenally good for us and given us the confidence of executing and operationalizing these large projects.

And I think, basis this experience has given us immense confidence on even working on those. So, you are right, we are working very seriously towards other large sites too at the places where the radiation levels are as good as possible in this country.

Q - Nikhil Nigania

And would they be to a comparable scale to Khavda, or anything in that ballpark, or?

A - Ashish Khanna

It's difficult to say the scale to which it will be, but, yes, it will be very, very large sites which we are evaluating, and as and when it comes into picture, we are bounded as a public company to declare the same. And you will be the first one to know about this.

Q - Nikhil Nigania

Perfect. Thank you. Those are my questions. Thanks a lot for answering.

A - Baiju Joshi

Thank you. Reminder to the participants to use the Raise Hand feature to ask any questions or use the Q&A box directly to type in their question. We'll take a follow up question from Shirom Kapur. Shirom, please go ahead with your question.

Q - Shirom Kapur

Hi; thanks for the follow-up. Just quickly a bookkeeping question on BESS. So, you highlighted that you've added about 1.97 GW-hour capacity in 1Q. Does that imply that your closing capacity at the end of FY '26 would be about 1.6 GWs just based on the math? Because your previous presentation at the end of 4Q had mentioned it was 1.4 GW. So, I just want to clarify that.

A - Saurabh Shah

So, if you had seen it was like installed as well as commissioned executable capacity was mentioned. So, installed capacity was 1.6 GW, and this year, this quarter we have installed about 1.9 GW. So, the total capacity installed is at 3.5 GW-hour.

Q - Shirom Kapur

Okay, got it. Thanks for that. And just, secondly, on the BESS, so your presentation mentions you have facilities available for 2 GW-hour under construction best projects. So, 3.5 GW is already commissioned, 2 GW-hours facilities are available.

So, balance 4.5 GW-hour that you're looking to add, are there any risks on delays there? And, in terms of the supply chain also just want to understand, is the supply chain secured on these BESS projects? Is there any risks to that as well? Thank you.

A - Saurabh Shah

Shirom, I think, if you read it well, we are committed to have 10-plus GW in this financial year, besides what has happened in the past. And, as we speak, we are committed, and we are very clear to achieve this. We don't -- while the risks are always there, but, with our experience of the past, we don't foresee much risk in achieving these capacities in this financial year for sure.

Q - Shirom Kapur

Okay. Understood. And just if I can ask one last question on the realization profile. I believe this question was asked earlier, but I may have missed the answer. Just want to understand, the realization of the tie-up with AESL would be in line with the long-term PPAs that we already have tied up? Would that understanding be correct?

A - Ashish Khanna

Absolutely, Shirom. It is definitely in line with the long-term PPAs which are there.

Q - Shirom Kapur

Okay, understood. Thank you so much.

A - Baiju Joshi

Thank you. We have one question in the Q&A box from Bhavik Shah. What is our Capex cost of batteries? And, similar to what you answered, how many years of warranty or guarantee do they come with?

A - Rajat Seksaria

The cost, of course, is a function of so many moving pieces: rupee, dollar exchange rate, and other things. But, at this stage, I think a reasonable good thumb rule would be INR1.5 crores per MW-hour of installed capacity.

So, that's a good number to work with. And it may change a bit depending on whether it's a two-hour system or a four-hour system, but let's not get into that nuances yet. But, right now, I think INR1.5 crores is something which we can work with.

A - Baiju Joshi

Thank you, sir. Just a final reminder to the participants for any questions. If there are no other questions, I'll hand over the mic to the management for any closing remarks.

A - Saurabh Shah

Yes, thank you, everyone, for coming on the call. We look forward to continued interest in Adani Green Energy. Thank you, Macquarie, for arranging this, and thank you, all, and hoping to see you next quarter. Thank you.

A - Ashish Khanna

Thank you.