Date: October 26, 2024

To

BSE Limited	The National Stock Exchange of India Limited
P J Towers,	"Exchange Plaza",
Dalal Street,	Bandra – Kurla Complex,
Mumbai – 400 001	Bandra (E), Mumbai – 400 051
Scrip Code: 541450	**Scrip Code: ADANIGREEN**

Dear Sir,

Sub: Transcript of Earnings Call pertaining to the Unaudited Financial Results for the quarter and half year ended September 30, 2024

With reference to above, we hereby inform below link of transcript of the Earnings Call on Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2024 held on October 23, 2024.

Web link to access above transcript is: https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Results-Conference-Call-Transcript/AGEL---Q2-FY25---Equity-Earnings-call-transcript.pdf

Kindly take the above on your records.

Thanking You

Yours Faithfully,
For, Adani Green Energy Limited

PRAGNESH SHASHIKANT DARJI

Digitally signed by PRAGNESH SHASHIKANT DARJI
Date: 2024.10.26 11:42:40 +05'30'

Pragnesh Darji
Company Secretary

Adani Green Energy Limited
Adani Corporate House, Shantigram,
Nr Vaishno Devi Circle, S G Highway
Khodiyar, Ahmedabad 382 421
Gujarat, India
CIN: L40106GJ2015PLC082007

Tel +91 79 2555 5555
Fax +91 79 2555 5500
investor.agel@adani.com
www.adanigreenenergy.com

Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle,
S G Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India

"Adani Green Energy Limited
H1 FY25 Earnings Conference Call"
October 23, 2024

MANAGEMENT: **MR. AMIT SINGH – CEO**
MR. SAURABH SHAH – CFO
MR. RAJ KUMAR JAIN – HEAD BUSINESS DEVELOPMENT
MR. ANUPAM MISRA – HEAD, GROUP CORPORATE FINANCE
MR. VIRAL RAVAL – HEAD, INVESTOR RELATIONS

MODERATOR: **MR. ANUJ UPADHYAY – INVESTEC CAPITAL SERVICES**

Moderator: Ladies and gentlemen, good day and welcome to Adani Green Energy Limited H1 FY25 Conference Call hosted by Investec Capital Services. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Anuj Upadhyay: Thank you, Neha, and good afternoon, everyone. On behalf of Investec Capital Services India Limited, we welcome you all to the H1 FY25 Earning Call for Adani Green Energy Limited. Today, we have with us the entire management team of Adani Green. I will now hand over the call to Mr. Viral Raval, Head IR, to introduce the management, and this will be followed by the opening remarks and Q&A. Over to you, Viral. Thank you.

Viral Raval: Thank you, Anuj. Good afternoon, all the participants. Thank you for joining us in this call. We have Mr. Amit Singh, the CEO of Adani Green, with us on the call. We have Mr. Saurabh Shah, the CFO, Raj Kumar Jain, Head of Business Development, and I look after Investor Relations. And also, we have Mr. Anupam Misra, who Heads Group Corporate Finance. I now request Amit to start with opening remarks, which will be followed up by Q&A.

Amit Singh: Hi, good morning, everyone. Lovely to meet you here online today. I'm happy to announce that AGEL has delivered a robust growth across all key metrics last quarter. Our revenue from power supply rose by 20% year-on-year to INR4,836 crores, backed by a robust capacity addition over the year. Our EBITDA from power supply has increased by 20% year-on-year to INR4,518 crores, while our cash profit surged by an impressive 27% year-on-year to INR2,640 crores. This superior performance is a result of our relentless focus on project execution and operational excellence across all our sites.

Over the last one year, we have added 2.9 gigawatt of greenfield capacity, bringing our total operation capacity to 11.2 gigawatt as of right now. Our energy sales increased by 20% year-on-year to 14.1 billion units. Now, one of the most exciting developments is the ongoing construction of the world's largest renewable energy plant at Khavda in Gujarat, which I know some of you have also had a chance to visit.

This 30-gigawatt project is set to become a global benchmark for ultra-large-scale renewable energy development at an unprecedented speed of execution. Within just 12 months of breaking ground in FY24, we have operationalized the first 2 gigawatt of solar capacity. Now, turning our attention towards FY25, we have made a comprehensive construction plan to deliver neighborhood of 6-gigawatt scale of renewable capacity.

This includes a detailed planning and execution, mobilization of in excess of 9,000 people during the monsoon period, long-lead material procurement, balance of plant setup, and several commission activities, which are ongoing in Khavda. As a result of this, we have already commissioned 250 megawatt wind capacity with 5.2 megawatt WTGs. These are the largest onshore wind turbines in the country.

Even though the wind plant in Khavda is still under stabilization phase, we have seen a very good CUF of these machines, north of 44% for the last two months that it has been operational. We are forecasting a full year CUF of wind turbines to be in excess of 35%. The new wind capacity additions are on the merchant side, where the price realization in H1 has been very attractive as well.

The CUF expected from the plant in Khavda for solar is expected to be above 32% on a full year basis from next year onward, which will lift up our overall portfolio CUF, which currently stands at 24%. This will further lead to significantly attractive returns to our portfolio.

We are committed to our 6-gigawatt capacity addition this year, and our teams are working extensively to deliver the same. I expect one-third of the incremental capacity to be added within this quarter and the remainder towards end of the year. The monsoon, which extended by about a month, has caused some delay, but that is within the 10% standard variation that we build in the construction S-curve. This 6-gigawatt capacity represents excess of 30% of utility scale incremental capacity, which is expected in India this year. Post this capacity addition, we will have a run rate EBITDA in excess of INR16,000 crores on an install base of 17 gigawatt.

Now, beyond the current year, we're actively also making progress towards construction and adding capacities in Khavda and Rajasthan, with a minimum run rate of 6-gigawatt going forward. This further solidifies our resolve to continue to contribute a significant portion of India's utility scale renewable power as the country requires.

Now, let's turn our attention towards business development updates. AGEL has received a letter of award for supply of 5-gigawatt of solar power to Maharashtra State Discom through a 25-year fixed tariff PPA. This gives a significant boost to our contracted portfolio.

We have further signed the first C&I agreement to supply 61 megawatt of renewable energy to power data center as well, which will help advance Google's 24-7 carbon-free energy goal for its cloud services and operations in India. This is our first step towards decarbonizing the industries, enabling energy-intensive operations like data centers to fulfill their power requirements with cost-effective and clean energy solutions.

Over the past two years, battery storage prices have dropped by an impressive 66%, presenting an exciting opportunity to couple these systems with solar plants. This synergy not only accelerates the growth of renewable energy and enhances the efficiency of our transmission infrastructure, but it also unlocks the potential to capture significant price arbitrage in power markets between peak and off-peak hours. We are actively pursuing several opportunities which are expected to materialize in the next financial year.

Our growth is driven by a robust capital management plan with focus on utmost credit discipline. Having delivered the intended capacity growth, we completely redeemed the USD750 million Holdco bond in line with our commitment, resulting in systematic deleveraging. Additionally, we have strengthened our strategic partnership with TotalEnergies by forming a new joint venture comprising a 1.15-gigawatt renewable portfolio, wherein we have received an investment of USD444 million from TotalEnergies.

We remain equally committed to maintain the highest standards of environmental, social and governance practices. AGEL is proud to be the first renewable energy company in India to join the utilities for Net Zero Alliance. We have retained our top ESG rankings in the latest assessments by various global ESG rating agencies.

To summarize, we have strengthened our contracted portfolio by adding a 5-gigawatt project LOA, signed the first C&I agreement to power a data center in a very fast-growing space and also maintained a consistent progress in execution of current year projects across all our sites. Coupled with a solid capital management strategy, we are well on our track to achieve the stated goals of 50 gigawatt of renewable energy target by 2030. Thank you, and back to you.

Moderator: The first question is from the line of Sabri Hazarika from Emkay Global Financial Services. Please go ahead.

Sabri Hazarika: Good afternoon. So I have three questions. First is with respect to the 6-gigawatt capacity that you have to commission. So you mentioned 2 gigawatt will be commissioned this quarter itself and the remaining fourth quarter will be towards the end of this year. So we're expecting it to be commissioned towards the fag-end of March or somewhere between the Q4 of this financial year?

Amit Singh: I think these capacities are expected to be commissioned towards the end of the quarter. I mean, these are the construction estimates, which we usually carry. So they have some deviation plus or minus few weeks as you would recognize, but that's our current estimate, barring no other unforeseen circumstances.

Sabri Hazarika: Right. And once Khavda capacity reaches 7 to 8 gigawatts, so we have the evacuation also ready, right? I mean the Phase 2 could be like ready by that time for entire like 7 to 8 gigawatt of Khavda capacity being able to be evacuated, right?

Amit Singh: Absolutely. I think with our complete forward planning, which we do, we make sure that the first constraint we apply is essentially around evacuation availability. And we work with any of the different companies and make sure that we keep very close contact and monitor their progress and we make decisions as we go. But as of right now, until end of next year, we have clear line-of-sight on evacuation and none of our projects will face any kind of bottling or delays because of evacuation.

Sabri Hazarika: Right. Second question is on this C&I deal that you have signed with Google. So I don't know whether it's publicly disclosed or not, but can you give us some idea on the pricing and the tenure of this deal?

Amit Singh: Yes, I'm going to ask our Head of Business to give a few comments. The pricing we will not be able to disclose, but it's very accretive to our portfolio. But Raj, why don't you give a bit of a color on all that?

Raj Kumar Jain: So we have been engaging with global utility players in this field, I would say global tech players who have this kind of a huge requirement. And as you know, with advent of AI and continuous focus on some of these tech players in caching that opportunity, India becomes very important for them to put their establishment and at the same time, we also are monitoring the data policies of India, which actually gives them additional opportunity to do things in India. So, it is a large space where we are active.

This is the first deal which we have signed up with them, which opens up a significant market for us in this area, apart from the conventional players. This is a long-term deal with them for supplying of green electrons at an attractive price. As Amit mentioned, the pricing is something which is commercially sensitive, but it is significantly higher than what you would get in normal long-term discom PPAs.

Sabri Hazarika: Right, sir. When is it expected to commission?

Raj Kumar Jain: We expect this supplies to start somewhere in Q3 next calendar year.

Sabri Hazarika: Q3 of calendar year '25, right?

Amit Singh: The reason I think this project we are very proud of is because it's one amongst several projects, which we are pursuing in this space and we are very upbeat on the response we're getting from the market because we are one of the companies with such a big footprint of solar wind. And also, we have very good geographical diversification, which our C&I customers are asking to make sure that they have a very reliable RTC solution. So we are very uniquely positioned actually to deliver on those aspirations they have.

Raj Kumar Jain: I think, on this point, Sabri, I would say is what we have been finding with a lot of these customers is, I think there has been lot of discussions they had with a lot of players in the market, but they are finding that execution and the timely delivery of power is a big differentiator, which they value and that's where our track-record really gives them comfort in terms of tying up with us. And with the kind of understanding which we have as a power sector company and the growth, we are able to demonstrate them how things would move for them as a solution. And that again is a huge comfort when they deal with us. So that obviously helps us in pricing at the same time to ensure that the deals are closed in a manner where it is mutual one.

Sabri Hazarika: Thank you so much. And last question is basically related to the financials. So I think, I mean, if we look into a minority interest that’s paid to Total JVs and also the share of profits from associated JVs. So those numbers are fluctuating a lot since the last two, three quarters. So can you give us some guidance on these two line items going ahead how it would likely turn out to be?

Saurabh Shah: So share of profits which have increased from the associates and joint venture is because of our 26% stake in Mundra Solar Energy Limited where the company has been doing exceptionally well. They are having 2 gigawatts of TOPCon line, which they are supplying towards where there is an export and domestic order growth. So because of that, as our share is 26%, we are getting a better profitability. On the NCI, the number is because of the operational capacities that are there in Total JV, which are doing well.

Viral Raval: Just to add to what Saurabh said, the 26% equity stake that we hold in MSEL is basically as part of the manufacturing linked tender that we have with SECI. And on the other part (profit attributable to non controlling interest), the reason why it contributes a major portion is because these are older assets with higher tariffs and they have also progressed in their project life at a higher-level compared to other projects that we have in the pipeline. So from that perspective, it looks like it contributes more in the overall profit. But in terms of EBITDA, they are broadly in line with where they should be in terms of the actual asset mix.

Sabri Hazarika: Right. And even the minority interest seems to have gone up. If I look sequentially, it has gone up significantly despite Q2 being a weaker quarter, but minority interest has gone up from INR183 crores to INR239 crores. So any particular reason or it's just debt repayment only due to which the interest cost down?

Viral Raval: I think that is the reason why it will keep on going up, because the debt keeps on reducing, because we have a systematic amortizing structure on the debt. So, debt keeps on reducing there, and that's why the profit keeps on increasing for those assets. For newer assets, it will be slightly less, because the interest is higher, because the debt amortization has not gone to that level.

Sabri Hazarika: So, annually, what could be the number on a steady state for this minority interest? Because I think your -- I mean, group PAT, that's why has fallen significantly. I mean even Y-o-Y, it is down, if I look into the PAT of Adani shareholders, then it's down from say, INR372 crores last year to say INR276 crores. Just from a modelling point-of-view, just wanted some more color on this?

Viral Raval: The way a renewable project works is basically it has an amortizing structure of debt and that's why the PAT will keep on increasing through the project life

Saurabh Shah: And since there was a refinancing which happened last year itself there in December only. So the interest cost has further gone down. And because of that, there is this number which has gone up. And that PAT will now be in the same range going forward or maybe slightly higher depending on how the amortization keeps on happening and the interest cost on an actual basis keeps on going down.

Sabri Hazarika: Yes. So INR240 crores to INR250 crores could be the rate we can, for the time being, assume every quarter?

Saurabh Shah: Yes. On an accelerated trend.

Sabri Hazarika: Thank you so much. I'll be back in the queue. Thanks a lot.

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

Puneet: Yes, thank you so much. And my question is on similar line. If you can give some sense of attributable EBITDA and attributable debt for your 11.2 gigawatt capacity.

Saurabh Shah: So from an attributable EBITDA perspective, for this year we are looking at a run rate range of about INR10,800 crores. And on PAT basis, depending on the capacity which are there with Total it will be in the similar range from six months we have included.

Puneet: So INR10,800 crores is your share of EBITDA out of 11.2 gigawatt?

Viral Raval: So the INR10,800 is the total run rate EBITDA for the entire 11.2 gigawatts and about INR2,500 crores is the EBITDA, which is attributable to the joint venture based on just current operational capacity because there are certain under-construction assets also, so the EBITDA will further increase. But based on the current operational capacity, the number is that much.

Saurabh Shah: And that 2,500, again, 50% of that is towards the NCI.

Puneet: And I see in last first half you haven't executed much, I think, 200, 300 megawatt added. Any particular reason, second-quarter understandable on monsoon, but 1Q also was weak and there is not much spillover, which I thought will happen in 2Q. Any thoughts there?

Amit Singh: Yes, I think absolutely. See, we have to keep in mind our run rate and we do a two or three-year planning and execution. And what we do is we make sure that we line balance in different parts of the activity in construction stage. So we work on, for example, each of the different elements, whether it is piling across different blocks, putting the balance of plant in place. And we want to make sure that we are confident of delivering these things over a 2- or 3-years horizon. Obviously, the monsoon period extended by a month, which kind of took away the active working period in Khavda, but that was kind of budgeted in our overall plan, but definitely it put a bit of pressure in our execution for the second quarter.

But nevertheless, I think we are fully back up again and we are catching up on any kind of back-and-forth from previous quarter. And you will see a gradual delivery of each of these projects in the next 6 months. Now again, I think we're getting a better understanding of some of these weather patterns, but these delays are normal to such large construction projects and some places we will come ahead and some places it might be slightly behind, but we are talking within the plus minus 10% construction S-curve.

Puneet: And in the 6 gigawatt, how much should be wind and how much should be solar?

Amit Singh: We are expecting wind to be approximately around 1 gigawatt and solar to be approximately 5 gigawatt. And I'd like to remind you that 80% of the wind capacity is going to be on a merchant market as well. So that also gives very accretive returns to our portfolio.

Puneet: That's very helpful. And just if you can comment on your evacuation pipeline, would it be fair to assume that we have evacuation till FY '27 and '28 or is it limited to '26 end?

Amit Singh: No, I think, we look at evacuation in two ways, right? I think we look at evacuation and land and we want to make sure that we have availability to evacuate power. So if you look at our overall portfolio level, we have mapped each of the different PPAs, each of the different projects and we have a land bank, which is in excess of 70 gigawatt. And we then make sure that we derisk our evacuation. We look at the progress happening in different states and different substations. And we make sure that we prioritize the projects where we have higher probability of evacuation. And the next 2, 3 years, we have absolute 100% clarity that we are not getting anywhere locked.

Beyond that, I think there are lot of active projects which are done by our sister-company AESL and Power Grid and other companies, which we are keeping a close watch on. So, yes, we would like transmission lines to come faster. Yes, we would like things to move better in Rajasthan. But as per our 50 gigawatt target, we have derisked it completely from evacuation point-of-view.

Puneet: Okay. 50 gigawatts is entirety derisked now?

Amit Singh: Yes. Obviously, a lot of projects are in-flight, as you know, in Rajasthan and Khavda. So they have to happen within that construction period timeline. But the next 2 years, 3 years, we have line-of-sight. But beyond that time horizon, as you know, those construction projects are in early stages and those we will get better confidence as time goes by, but we feel that we will be well set for 50 gigawatt.

Puneet: Okay. And lastly on the C&I part, Adani Energy Solutions is also targeting a C&I business. Would you be providing power to them or would you be competing with them? How should one think about that?

Amit Singh: No, I think that's an additional opportunity, which we are looking at. I think depending on whether it is Adani Energy Solutions or other companies because whoever comes to us and looking for large-scale utility power at a good price, we are able to provide. We are not going to go into final last-mile distribution. And so we are going to look for partnerships for that. And I think Adani Energy Solutions is a great partner. And there is very much potential for value-creation for both companies.

Puneet: That's very helpful. Thank you so much and all the best.

Amit Singh: Thank you.

Moderator: Thank you. The next question is from the line of Nikhil Nigania from Bernstein Private Limited. Please go ahead.

Nikhil Nigania: Hi, thank you for taking my question. My first question is on the short-term power market. Last quarter it was 30% of the company's revenue. If you could throw some color on what share was it in the current quarter?

Amit Singh: Yes, I think current quarter, I think we have a good portfolio between 2.5, 3 gigawatts, which is operating between infirm and merchant. So, yes, we can look at it out of 11.2. So that's what it is. And I think these projects, these are unique opportunities in different PPAs, which we are benefiting from. And it will kind of evolve in a different pattern going forward as these PPA timelines get materialized.

Nikhil Nigania: Are this possible to quantify it in Q2, how much was it in terms of sales?

Viral Raval: In H1, in total, the merchant revenue was about INR1,070 crores.

Nikhil Nigania: Thank you. And also regarding the construction plan for this years, last time it was guided that out of the 6 gigawatts, 1.8 would be merchant, does the plan still hold?

Amit Singh: Yes. The plan is still the same, yes.

Nikhil Nigania: Thank you so much. The second question I had was something, which I couldn't see in the presentation is the future pipeline. So is it fair to assume that about 8 to 10 gigawatts is PPA signed and the 5 gigawatt from Maharashtra is on top of or has there been any other movement on that?

Amit Singh: No, absolutely. That's the right way to look at it as well, Nikhil. I think we are diversifying. We are not only looking for fixed term PPAs, we are looking for merchant opportunities and C&I opportunities. There are other tenders as well, which we are participating in. You probably are keeping a close tab on it, so you know. So that will also get added to our portfolio.

Nikhil Nigania: And just on the Maharashtra contract, if you could clarify one point maybe I missed reading into, is the execution and commissioning timeline, the overall seeing 4 years, but for the renewable business also, is it the same or is it a shorter timeline we have for that?

Amit Singh: Yes, I think the contours of the project are such that it is close to 4 years. And it depends on availability of evacuation and other parameters. We have the LOA and I think we are making progress towards finalizing the agreements and so on. So yes.

Nikhil Nigania: Thank you so much. Just last two questions are bookkeeping ones. There is a big other financial liabilities number, which we could see go up from INR1,600 crores to INR4,600 crores this quarter. Could you please clarify what is that element?

Viral Raval: This is primarily be on account of the capex-related liabilities. It is primarily related to the construction.

Nikhil Nigania: And one last point, just I think which was discussed a bit earlier as well on the non-controlling interest, which went up this quarter. Given the news on TotalEnergies is further investing in the JV of the Group, while it definitely gives confidence of Total in the company, wouldn't this number again go up in subsequent quarters with that investment?

Viral Raval: It will keep on going up. So in a 25-year project life what happens is the debt has an amortizing structure. So the interest cost keeps on going down through the years. And for this particular portfolio, because for the JV portfolio, if you remember the 2.3 gigawatt was formed in 2020 and the assets were constructed before that. So what has happened is debt is significantly amortized for those assets.

It also has slightly higher tariffs, because these are older projects. So that's why the contribution, it might seem that it is increasing, but it's basically that's how the renewable project model is built. And this will happen for other projects also in the portfolio that we have under AGEL directly also.

Raj Kumar Jain: See two things to note further here. We have been saying that you have to look at the RE project on an debt-to-EBITDA over the life of the project. So now what is happening is as the debt is being paid, your debt-to-EBITDA is moving towards a 3 or less than 3 kind of an average debt-to-EBITDA. So that's what is happening and you are seeing the impact in terms of higher profitability for the projects which are mature. That's one. Second, I think what is important is from an overall portfolio perspective, the three JVs or three transactions, which we have done is roughly 4,500 megawatt in terms of capacity. So on a 50 gigawatt, on a fully built-out basis, you will have this JV at 4,500 megawatt and attributable capacity there will be 2,250 megawatt on a 50 gigawatt basis. So, obviously, the EBITDA would be broadly around that in terms of attribution to Total and the profitability in long-term would also reflect that.

Moderator: Thank you. The next question is from the line of Ketan from Avendus Spark. Please go ahead.

Ketan: If you could share merchant realization and merchant market volume for the quarter, I think number of units?

Amit Singh: We can sell our power both in DAM and G-DAM markets. So for solar, I think it has been around INR2.59 for Q2, and Q1 was INR3.11. And for wind, it was a very impressive INR 5.81 for Q1 and INR 5.06 for Q2. So on a H1 basis, I think the numbers are INR 2.85 for solar and INR 5.43 for wind. And these numbers tend to improve in the next quarter and the following quarter.

The last quarter was a bit unique because of very high delivery of hydropower into the grid. The numbers were a bit subdued, but that is a bit of a unique situation because of excessive monsoon. And so we're expecting the prices to recover from and go back towards what they used to be.

Ketan: My question is on the price difference, like in merchant market on G-DAM, the realizations are at around above INR3 and the realizations on PPA is around INR2.5. What explains the gap?

Raj Kumar Jain: So I think this is obviously the near-term markets are more reflection of the current demand and supply. And the forward market in terms of 20-25 years fixed-rate will obviously have the assurances being built into in terms of pricing, the offtake, the credit which you get and the certainty, which is there developed with our offerings at a lower price. These are two different markets and has different risk profile and reward profile.

And that's where we have been guiding that we will have a percentage of our overall portfolio in one profile andfew other in the few other markets for other part of the capacity. And PPA part, they would be a significant part of our capacity. So it's a question of product mix, what someone want to play. For us we are optimizing that for the maximum shareholder returns.

Moderator: The next question is from the line of Nikhil Abhyankar from UTI Mutual Fund. Please go ahead.

Nikhil Abhyankar: Thank you, sir. Thanks for the opportunity. So I wanted to understand whether we haven't seen you participating in utility-scale tenders for quite some time, but the activity has picked up a lot in last 18 months. So should we expect you to start participating there for some of the complex projects, the pricing is very good?

Amit Singh: Yes. I think we look at each project as an opportunity and we want to be very clear that our strategy is twofold. We want to maximize our run rate in execution and we want to fill our pipeline of that execution with highly accretive returns of projects. And when we look at those returns in the projects in some of these complex tenders, as you mentioned, on the face of it, the pricing might look nice. We analyse them in detail and we make sure that we participate in the ones we can maximize and high-grade our portfolio.

So we looked at each opportunity in that way and I want to bring your attention towards, for example, battery storage solutions. The battery prices have fallen quite rapidly in the last six to nine months. And there are a lot of solutions which we are curating and we are working on quite actively, which you will see we will be participating both in the market and also in merchant opportunities and maximize our returns. At our utility scale and having the benefit of large-scale projects availability in Khavda.

We have an opportunity to use a nighttime connectivity and maximize our returns. So we look at each of these opportunities individually and we participate where we can add value. And we are participating in hybrid. We are participating in some storage-linked solutions, RTC solutions, and that will be our approach.

Nikhil Abhyankar: And sir, what exactly are your views on the battery prices? Is it structurally in a downward trend or do you think that it is a short-term phenomenon?

Amit Singh: I think there are two things. One is, it has definitely benefited from what's happening internationally, especially what happened in China. So the battery prices are going to come down. But very importantly, the research work going on, on the battery chemistry to improve the number of cycles of these battery systems will also improve the unit cost of these batteries. So we should look at this in twofold. One is the material side of things, the cost side of things. And second is the improvement in chemistry, improvement in cathode, which will further increase the cycles and hence reduce the unit cost of a cycle for battery systems.

This downward trend is going to be a long-term downward trend and this will greatly benefit our renewable sector in India and internationally as well. So we are very excited. We feel that we will be benefiting from this trend along with pump storage projects we are commissioning and this will absolutely add an extra sets of wings to our platform.

Nikhil Abhyankar: And sir, do you think that if there downward trend in the battery prices remains or continues, say, for the next one, two years, BESS will be the preferred choice over PSP and PSP won't be required at all?

Amit Singh: No, I think you should not look at it like this. I think India requires both. And if you look at BESS, typically their current lives is what 12 years, give or take, these battery systems deteriorate quite quickly. And if you look at the unit cost, it is still almost 2x on a LCOE basis for green power from a battery system. So PSP can be almost half the price of the battery system. And then you will have issues of battery system after 12 years. How do you dispose them off.

And the pumped storage projects have a lifespan of hundred years. Pump storage has inertia, brings voltage control, can discharge six, seven hours straight away. So lot of applications of these storage solutions are going to be different. We are going to maximize both. India needs both and we will make sure that we take full advantage of that.

Nikhil Abhyankar: Sure. And just a final question, this 5 gigawatt that it was a blended tender for thermal plus renewables. So are there any more such opportunities available right now?

Amit Singh: Yes, I'm going to pass it on to Raj.

Raj Kumar Jain: So, yes, this is something which is an emerging product and we have seen a lot of interest in that from some of the DISCOMs in the country because, obviously, when one helps the other in reducing the cost and it becomes more palatable as a purchase by the DISCOMs. So that's something which is finding a lot of interest by the DISCOMs and we expect some of these tenders to gain more traction. And obviously, as a group, it is a strength, which gives us a much better value for our stakeholders and we would be having an anchor position in some of these things that will come up.

Moderator: The next question is from the line of Vijay Kumar from Avendus Spark. Please go ahead.

Vijay Kumar: Yes. So my first question is on your merchant capacities, like how would the funding happen for these projects, especially from the debt side? Because I believe that financial institutions will enforce or ask for a long-term PPA to fund.

Amit Singh: Look, I think, all the banking institutions we work with, they are very happy with our track record of delivery. And they have understood our numbers. They know our capex and our CUF we generate from these plants. This gives a lot of confidence for them when we go for merchant finance as well. And when we combine this with our existing PPAs, we are able to get a very attractive portfolio combination of PPA and merchant, which they are very much willing and encouraging us to finance. And that will continue. And as we progress, that will only grow and improve going forward. So, yes, we do a 70-30 debt structure, 75-25 structure.

Vijay Kumar: So who would these financial institutions be? Would it be Indian private bank or is it like PFC, REC?

Amit Singh: These opportunities are both in ECB lenders and also domestic. So everybody, pretty much.

Vijay Kumar: Sure. So they are not particular about an asset not having a PPA is what you're trying to tell.

Amit Singh: Yes, I think they have confidence in the Indian market. I think they have looked at Indian market together with us for quite some time. They have seen how the market is responding, the growth of demand and the confidence they have on the merchant pricing as well. And that kind of further underpins our confidence in the market and, yes, they are with us on that.

Vijay Kumar: Sure. My second question is on, say, the storage. So you mentioned you would be bidding for storage-based tenders and you're also having a pipeline of PSP projects that you would want to develop. So what is the plan to tie up on getting power to charge these capacities? Because if you tie-up this through a PPA, you would probably end up paying INR2.5 for getting a solar power, but off late we are seeing in the merchant market or the exchanges in the afternoon times the prices are less than even INR1.

So how will this thinking be? Will you buy power to charge these storage capacities, both battery and PSP from exchanges or you would have to tie it up to a long-term PPA?

Raj Kumar Jain: So I think it's a dynamic mix which someone has to continuously optimize. The best part is that we have our own capacity and the flexibility built into that when it comes to RE generation that we can do our own tie-ups in terms of supplying power for battery as well as PSPs. And in a lot of cases also augment that with exchange-based purchases within the framework, okay. So it is what will give an additional value to overall returns which we get out of these projects, if we are able to combine some of these capabilities.

In terms of tying up, we have again multiple products where this can be used as a storage. It can obviously be given as a service. It can always be combined with a peak power solution, it can be combined with an RTC solution. It can be given to DISCOM or to a C&I or it can also take a market exposure. So with all these combinations, we look with this whiteboard on a very dynamic basis and decide on that strategy and you can see those results when we publish that, our deltas in terms of realizations which we have compared to the market are much better.

Vijay Kumar: Sure. Sir, my final question is on, say, the distribution companies. We moved from plain vanilla solar wind to tenders which are like a hybrid. Now increasingly it is FDRE or load matching or peak power. Now do you see there as a country as a whole, the interest from DISCOMs is there to sign any of these PPAs without any issues because we are seeing certain PPAs not getting signed? And if so, would we go back to again plain vanilla solar and wind kind of interest from DISCOMs? How is DISCOMs behaviour and intention according to you?

Amit Singh: So see, it depends, again, the situation of every DISCOM, which has to be assessed differently, say Maharashtra is a recent example where you see they did thermal plus solar as a scenario where they tied-up large capacities. They have also done some hybrids and they have also done some battery storage tenders. They have done some recent FDRE tie-up as well. So it depends on the DISCOMs, how they see their own power mix and how they are seeing the load curves. Obviously, different parts of load curves has to be catered based on various sources.

So the product mix is something which is not necessarily a fixed product mix, which people will look at and they will play what makes cheaper power for their own purchases. So that's the way it will move. You saw a lot of tenders which were happening in FDRE and we have not necessarily seen significant tie-ups on that just because the product, in a lot of cases, has not necessarily catered to the need of the DISCOMs. So the bids happened, but the tie-ups has been slow. At the same time over a period, we expect that some of those will get tied-up, some have got cancelled in terms of tenders by SECI.

Hybrids again has seen a slow tie-up, but now they are actually moving towards tie-ups. Solar wind has seen good amount of tie-up still and you will see some of these mixes changing. Now the recent fascination, I would say is to call the bids around batteries, obviously because the prices are becoming attractive. So they want to look at peak solutions independently. There is some VGF scheme behind the batteries, which is also prompting some of the DISCOMs to look at that product. And we have also seen recently PSP tenders.

So, I think, what is important is as strategies, as a developer, I have to look at and I'll be there, where the play is something which is de-risked and I'm able to make more bucks for the investment I do. So I think that's how it is to be seen. And that's the reason you have not seen us in some of the complex products where we saw that this particular kind of a thing may have a limited shelf-life in near-term. But again, I'm not saying that some product will not come back, it depends on the DISCOMs' demand requirements.

Vijay Kumar: My final question is on this recent PSP tender from MSEDCL where the DISCOM and the regulator seem to say that around INR8.5 or INR8.7, the final tariff is too high and they put a ceiling of around INR6.5, if I'm not wrong. Like how is this economically logical and how can one deliver at INR6.5 power from PSP with considering input cost of INR2.7? I don't think we won the tender, but I'm just trying to understand rationale for asking to supply from PSP at a tariff of INR6.5. If that is the case, how can PSP projects make a good return?

Raj Kumar Jain: So, see, I do not want to necessarily comment on a specific situation again in which regulator and DISCOM is involved. However, what is important is PSP has its own merit and you have seen more tenders in the market apart from a particular case, I'm sure the utility which a PSP provides to a DISCOM is valued because as Amit mentioned earlier, it is still cheaper than -- significantly cheaper than what a battery-based BESS can provide you as a number. So it has a significant value there and it is a solution, which can actually provide a longer-term power. It still will be not seen in batteries where people are tying up more than four hours of power. But in this case, this can be significantly higher.

So I think the value proposition is there. There are multiple DISCOMs which are clearly eying there are two, three vendors, which are already there in the market for PSP as a service, we know that some DISCOMs are actually looking to even come up with a peak power tender based on PSP. So it will evolve. It's difficult to comment on a specific scenario on this call.

Vijay Kumar: Okay. So my final question is on what is in your opinion, the storage cost per unit from PSP, just the storage cost component from PSP?

Amit Singh: No, I think some of these numbers, I think you know we would rather keep it for tenders. What we can say is that we have access to north of 20-gigawatt scale of different PSP sites, these vary and they are fairly attractive for the market. And, yes, I think this is a very big opportunity for India for us and we will make sure that as we tie these up, we will share the numbers with you as well in due course.

Moderator: The next question is from the line of Anuj Upadhyay from Investec Capital Services. Please go ahead.

Anuj Upadhyay: Sir, in initial remark, you made a comment that Adani Green has the capability or in the pipeline to add nearly around 70 gigawatt of capacity. So while we are aware of the 50 to 55 gigawatt, which we had planned over Khavda and Rajasthan alongside the PSP project, are there incremental land-bank, which we have acquired or in early-stage of acquiring, which can accommodate incremental 15 gigawatt capacity? Can you throw some light on this?

Amit Singh: Yes, I think specifically, I think as you know, this is a business where land is going to come very, very handy and we are actively both in the process of acquiring and adding to our portfolio in Rajasthan, in Gujarat, but also we are looking at different sites in Karnataka, Andhra and Tamil Nadu as well and Madhya Pradesh for both solar and wind. We want to make sure that we have a diversified set of land banks and we want to make sure that we tie them up.

Exact details I won't be sharing on this call. I think as these rates go up as soon as we tell where we are buying. So we're not going to do that. But you have to take my word for it, we have a very strong footprint of land bank already and we are doing that quite significantly in parallel.

Anuj Upadhyay: And last question, just a clarification. As you mentioned that the minority interest would keep going up from here. So we can expect a similar kind of an investment by Total across other projects as well. Whenever there is an equity requirement, we can expect such kind of an investment keep happening going ahead as well. Is my assumption correct, sir?

Amit Singh: Yes. I think, look, I think TotalEnergies is very actively working with us in AGEL. We share the de-carbonization ambition, which both the companies have. And as they want to grow their portfolio, this opportunity will remain and maybe they will exercise. I don't want to speak on their behalf, but we welcome that.

Anupam Misra: Yes, let me clarify that. Today, there is no optionality on either side to be able to do this. It is something that at the right time, both parties will discuss. And in case the Board of Adani Green agrees and says it's the right thing for Adani Green to do, it will be exercised. But there is no such optionality available in either Total or with us with respect to future JVs. While the minority interest is growing is because there are under-construction projects in the JVs.

As and when they become operational, they start generating cash. Viral and as well as Raj had outlined earlier how the debt repayment has meant that free cash flow available from operating assets is just higher. Therefore, the minority interest starts looking bigger. So that's the way to look at this.

Raj Kumar Jain: I will add one more point. Whatever is being under-construction asset Total will also be investing in the relevant equity for those assets. So I think they will be investing further money for whatever is to be constructed or is under-construction, whatever equity requirement is there.

Moderator: As there are no further questions, I would now like to hand over the call to the management for closing comments.

Amit Singh: Thank you. First of all, I would like to wish you in advance a very Happy Diwali. I hope you are able to take some time off in this festive season and spend time with your family and friends. And summarize our call today, we are really focused on two things in broadly what we talked about. First, making sure that we deliver on our targets. We deliver on the execution plan we have talked about not only this year, but next year and beyond. And for that, we are making sure that we completely de-risk our planning, procurement, construction progress. And take into account any of the weather patterns which we encounter. And second, we want to make sure that we maximize our returns and we continue to improve our returns on a lifecycle basis of our projects. Now I understand it is very difficult for you to calculate from the public numbers, but these ROE numbers we are shooting for always accretive to our portfolio and continue to grow. So with that, thank you and we'll touch base later in the next call. Thank you.

Viral Raval: Thank you, Anuj, and Investec team for organizing this call. Thanks a lot all the participants, once again, for participating in the call. Please feel free to touch base if you have any further questions. Thank you. Bye.

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