

Date: January 30, 2025

To

BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001

The National Stock Exchange of India Limited
"Exchange Plaza",
Bandra – Kurla Complex,
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 nine months ended December 31, 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 nine months ended December 31, 2024 held on January 24, 2025.

Web link to access above transcript is: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Results-Conference-Call-Transcript/AGEL---9M-FY25-Equity-Earnings-call-transcript.pdf>

Kindly take the above on your records.

Thanking You

Yours Faithfully,

For, Adani Green Energy Limited

Pragnesh Darji
Company Secretary



“Adani Green Energy Limited
9 Months FY25 Results Conference Call”
January 24, 2025



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

MODERATOR: **MR. HARSH MARU – EMKAY GLOBAL FINANCIAL**
SERVICES

Moderator: Ladies and gentlemen, good day, and welcome to Adani Green Energy Limited 9 Months FY '25 Results Conference Call, hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Harsh Maru from Emkay Global Financial Services. Thank you, and over to you, Harsh sir.

Harsh Maru: Thank you, Manav. On behalf of Emkay Global Financial Services, I welcome you all to the 9 months FY '25 earnings conference call of Adani Green Limited. I would now like to hand the conference over to Mr. Viral Raval who heads Investor Relations at Adani Green. Over to you, sir. Thank you.

Viral Raval: Thank you, Harsh. Good afternoon, all. And thank you very much for joining the conference call today. I hope you would have had the chance to go through our earnings presentation. With me, I have Mr. Amit Singh, CEO of the company; Mr. Saurabh Shah, CFO; Mr. Raj Kumar Jain, Head of Business Development; and Mr. Anupam Misra, Head of Corporate Finance for the group.

We also have with us Mr. Ashish Khanna, who will be taking charge as the CEO of the company effective April this year. He will primarily be a listener for this call. Just to explain the flow of the call, we will begin with an opening statement from our CEO, followed by Q&A, and then closing remarks.

Let me now hand over the call to Amit for his opening remarks. Over to you, Amit.

Amit Singh: Good afternoon, everyone. Let me start with giving a bit of an overview on our results, and then we'll take the questions. I'm really pleased to report that we have delivered another quarter of outstanding operational and financial performance.

Firstly, I would like to highlight that AGEL contributed to 15% of nationwide new solar capacity and 12% of new wind installations in the year 2024, a remarkable achievement which truly underscores our leadership in the renewable energy sector. Our energy sales has also increased by 23% year-on-year to 20 billion units for the first nine months ending December 31st.

And our revenue from power supply has seen a robust increase of 18% year-on-year, reaching INR6,829 crores. This growth is a testament to our relentless focus on project execution and operational excellence across all our sites. Similarly, our EBITDA from power supply has increased by 18% year-on-year to INR6,366 crores, while our cash profit has surged by a substantial 23% year-on-year to INR3,630 crores.

On a year-on-year basis, we've added 3.1 gigawatt of greenfield capacity, marking a massive 37% growth and bringing our total operational portfolio to 11.6 gigawatt, the largest footprint in the country.

I would like to take a minute and talk about our flagship project in Khavda, which is progressing very smoothly while we are developing the world's largest renewable energy plant. And to ensure we continue to ramp up our execution capability, we have focused on three key pillars in which we are seeing good progress. First, we are making sure that we continue to closely align our project execution with transmission readiness and making sure that our forward plans also incorporate it. Second, we are extending our relationships with suppliers, not only internationally for solar modules, but also domestically as ALMM compliance and ALCM compliance comes into play. And thirdly, we are extending our workforce footprint in Khavda to north of 12,000 people, which is the biggest footprint we've had and it's growing for a very sustained and faster execution of both solar and wind projects over the coming years.

Furthermore, with our rapid progress we have in Rajasthan and Khavda, as I just described, we are well on our way to deliver a significant new capacity in the final quarter of the current fiscal year. This is set to establish a global benchmark for speed and scale of execution for ultra-large scale renewable projects in the world.

Now, in terms of new business development, we have made notable progress in expanding our PPA pipelines. This includes our recent success in the tenders floated by NHPC, UP, and NTPC, which you may have already noticed.

We remain committed to delivering above market return expectations while staying aligned with our long-term strategic objectives of 50 gigawatt by 2030. We aim to have 85% of our contracts to be long-term fixed-term PPAs, which will provide stability of cash flows, while we will have approximately 15% of our capacity around C&I and merchant, which is expected to enhance our portfolio returns.

We have also now updated our strategy to include large-scale deployment of battery energy storage solutions. Given the significant cost declines we have seen in the last few quarters, BESS will be a crucial solution for grid integration, supporting rapid renewable growth, and complements our existing solar, wind, and hydro pump storage projects in the portfolio.

Lastly, our focus on digitalization, robust capital management, and best-in-class governance continues to drive our progress in AGEL. Our digital initiatives includes implementing advanced analytics to optimize performance, automation across the value chain, and use AI for decision-making to optimize project development, operations, human resources, and safety across our sites.

Our commitment to strong governance standards stays unwavering. We rank among the top in ESG rankings, reflecting our dedication to environment, sustainability, social responsibility, and a transparent governance practice. Thank you for your continued support, and maybe we can now open for Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Anuj Upadhyay from Investec.

Anuj Upadhyay:

Sir, can you throw some light on your capacity addition target for this year and next year? And also, as you mentioned, there is a change in strategy to focus more on the battery storage aspect.

So, it could be, I mean, whether it's a battery or a PSP. Any further statement or discussion on that would be helpful, sir? Would it be through participation more on the FDRE tenders or exactly the entire system?

Amit Singh:

Sure. So, I'll take it one by one. So I think to answer your first question on our estimated new capacity, which we are targeting to add, look, I think there are -- before I give the number, which I know you are all anticipating to hear, let me give you a bit of a background.

I mean, this year, we had extended monsoon. And this extended monsoon typically hampers projects in Khavda in a different way than in other places because of some water logging, which was above what was anticipated. And the intensity of that rainfall was quite high towards the end of the monsoon season. So there is a small shift to the right on the S-curve of our construction program in Khavda.

At the same time, we have seen good progress on other sites, in other places where we did not have this issue as severe as what we had in Khavda. So when we look at totality, and also there were some regulatory changes, which were introduced in December around trial run and certification program for renewable sector.

So when we take it into totality, we feel very strongly that we should be able to deliver approximately 5 gigawatt of new capacity this year. So this will mean that we will have an incremental capacity of 4.3 gigawatt, which should come out this quarter, by end of this fiscal year. And we have, like I explained to you, a good footprint of resources and manpower already in our project sites, which is working very hard to deliver on those goals.

And the remaining capacity, which we had talked about earlier, will be also ready from a civil and electrical point of view. But we anticipate that shortly after, four to five weeks after, we should be able to announce commissioning in early part of Q1 for the remaining target we had given you for this year as well. So, yes, just to kind of repeat, I think we are expecting to close the year with 5 gigawatt of new capacity this year.

And the remaining 1 gigawatt plus/minus we talked about for this year will shift to the right and we're expecting to complete in four to five weeks after the close of this year, because of where we are in our construction and the progress is really, really amazing right now in all our sites.

Now, we are also making sure that while we are preparing to deliver these new capacities for this year, we are targeting a very strong next year as well. And our ramp up for that as well has started and we've started making sure that all the early planning, material ordering, engineering design is in flight already.

And we will make sure that we increase our run rate from this year to next year by a significant amount and some of these numbers we will discuss as we go. So I think that would be for next year. But I think when we come to the close of the year, we can give you a better picture on where we are for the next financial year.

Now to answer your second question on batteries and how do we look at it. So, look, I think the battery prices and costs have come down quite significantly as I think everybody on the call

understands it very well. And when you look at it together combined with solar or combined with any grid input power, the net impact is really, really impressive. So we see a long-term trend of battery installations growing in India and we want to make sure that we take a leadership position in that.

You know, like we have done always, we will make sure that we approach this space keeping in mind that we maximize returns. We make sure that we have stable and predictable cash flows. So we will, obviously, use battery solutions primarily for RTC power demand. We will look at tying up with C&I customers. We talked about earlier we have a lot of data-centric companies are working with us.

We announced earlier in the year about Google, but we are talking to several others. And we feel that there will be a much better port of call for the initial deployment instead of tenders. But we will also participate in tenders. Like, again, you may have seen yesterday in NHPC, we won some capacity. So we will selectively also participate in tenders where battery solutions are required and we will make sure that we attack that space very aggressively. Does that answer your question?

Anuj Upadhyay: Yes. Just one thing, sir, is battery storage which we will be participating in will be for our self-consumption, whether it's data center, RTC, or FDRE. We are not working on a model where we will be providing a storage facility for any third party, which many of your other peers are working on. Am I right, sir, in this assumption?

Amit Singh: Yes. I think we have -- as you know, we offer all kinds of renewable solutions; solar, wind, hybrid, pump storage. We don't have to have a vanilla approach towards storage. We have the engineering capability and footprint available to us to combine it with other sources of renewable power and offer a complete end-to-end solution. And when we talk to our customers, they're looking for end-to-end solutions. So, given our capability and leadership in the market, we feel that is an area we would like to operate in, and that will be our primary focus.

Anuj Upadhyay: Great, sir. And lastly, sir, on the PPA with the data centers or the other segments fall under the C&I category, right, which we are targeting to have closer to around 10% of our total portfolio, like 85% long-term PPA, 10% C&I, and 5% merchant. Am I right, sir, in this aggregation?

Amit Singh: Yes, I think, look, we look at merchant and C&I interchangeably because some of these capacities can be tied up for bilateral agreements for a short period of time where it is value accretive. And as pricing evolves, we will even look to settle these merchant contracts on long-term PPAs in the future.

We are very closely monitoring the growth in the country, the power demand growth, and also we are very aware of what other companies and developers are making progress. So we see a gap emerging between demand and supply, and we want to be ready to service that gap, and we will take that call at the right time.

Moderator: We have our next question from the line of Darshan Parmar from Jefferies.

- Darshan Parmar:** I just wanted to get a sense on the reduction in finance cost and also the deferred tax number, if you could give us a sense on that?
- Amit Singh:** Sure. I think, look, you probably were aware that we had Holdco bond, which we have repaid, and there was a large interest expense, which obviously is not in our books anymore. So that is contributing significantly to the drop in interest charges for the current quarter.
- This also combines with some favorable refinance we had of some of our projects. So overall, there is a slight decrease in interest charges as well. And when it comes to taxes, I think some of the distribution, TotalEnergies distribution, also benefits from deductions. And hence, that is now reflected in the tax bracket as well. Saurabh, I don't know if you want to add to this. I know you're on the call.
- Saurabh Shah:** Yes. So in terms of interest cost, as Amit said, that it is more about the Holdco repayment, plus there were other refinancing and various NCD conversions of TotalEnergies. Plus on the tax side, again, we get deduction on the distribution that we give to TotalEnergies now. So therefore, there is a reduction in the overall tax bracket.
- Darshan Parmar:** This is a one-off, right? So what can we accept as a sustainable tax rate going forward?
- Saurabh Shah:** See, from our perspective, every six monthly basis, there will be a distribution which will continue. So it will be there as an overall thing. But with our profits growing year-on-year, yes, the tax over a period will again keep on adding up. But yes, right now, every six months, we have a distribution. So that will keep on happening as a tax deduction.
- Darshan Parmar:** And what is the normalized interest cost which we can expect?
- Saurabh Shah:** So normalized interest cost would be in the range of 9.0% to 9.4% as of now for the current portfolio.
- Moderator:** The next question is from the line of Nikhil Nigania from Bernstein.
- Nikhil Nigania:** My first question is on the commissioning plan for this year of 5 gigawatt. If you could give us some color, is this all against the manufacturing linked PPA? Is this merchant? What is the nature of this capacity? Because there was a plan to push merchant capacity this year in anticipation of transmission charges getting implemented from July 25th.
- Amit Singh:** Yes. Absolutely. Look, I think when it comes to solar and wind split, I think we're targeting 85% of capacity on solar and 15% on wind. And when it comes to PPAs, I think out of the solar, 75% of which will be on PPA, and the remaining will be on merchant.
- As you know, the ISTS waiver, it's applicable until June. So we're also in flight on some projects which we plan to commission in the first quarter of the year to take advantage of that as well. But that's the split we have. When it comes to wind, all of it is merchant. So 100% of the capacity we are putting together in wind this year and likely next year also will be on merchant.
- Nikhil Nigania:** Got it. Understood. And the PPA part you mentioned would be for the manufacturing linked PPA, because that was majority of the pipeline, as we understand.

Amit Singh: Yes. So a good part of it is that, and I think there are some other projects we're working on. But a good part of that is around that. And as you know, the timelines of that project is also in the future. And there not all the connectivity is ready. So what we will do is make sure that we put these projects together.

And this in the early phase, we are able to supply where we get permission on the grid and supply power to the grid as well. So, yes.

Nikhil Nigania: A related question then on the grid side. So the headwinds we are seeing for renewable broadly, one is, as you said, the grid connectivity for the broader renewable space. Second is restrictions on solar cell imports coming in next year. And third is reluctance on DISCOM's to sign PPAs, given the big backlog that has been created.

What would be your thoughts on these aspects? And are you facing similar challenges as well?

Amit Singh: Yes. No, all three are valid points. I think the first one is on transmission. So I think the transmission delays are very, very visible in some of the areas. And obviously that has shifted many of the projects to the right. We're working very closely with all the key stakeholders in CTU and PGCIL and our own sister companies to make sure that we first understand what those delays are like.

And where possible, we can coordinate with them to align. So that is absolutely something which is the top priority for the government as well. And in many of the public meetings we have raised this. And they are really, really looking at accelerating this and fast-tracking it. But in parallel, I think batteries have come in a good time.

I think combining battery and supplying power when the transmission capacity is not used fully and adding more wind as part of our portfolio is a way to de-risk transmission, tardiness, if you want to call it. So that will be pretty much our approach towards this. But having said that, we have made sure on that in our numbers, which we have shared with you.

And we are very well aligned with transmission readiness we see on the ground. For example, in Khavda, we have very clear protection for the next three years of what transmission progress is, the status. And we are very comfortable that the system will be ready in time for our commissioning.

Because it's a large commissioning we're doing there, so we have to be very careful with that. And the same applies in Rajasthan. So we have that advantage. And all the numbers we have shared with you today are linked to that readiness.

The second question you asked is the impact of ALMM and ALCM. So look, I think all the current bids we have had did not have ALCM. But it's going to help grow localization, and we are very favourably looking at this. It is important for the country to be self-sufficient and have the ability to produce cells and go from there. So we are looking at it very favourably.

So we expect that in the beginning there will be a small increase in the cost of these by 2-3 cents from a purchase point of view. But it will then again come down and stabilize as the country

manufacturing capacity picks up and so on. The way we are de-risking it from AGEL point of view is making sure that we build existing and good relationships not only with our sister company but also with other suppliers in the country. So today, like I told you in my opening remarks, we have those long-term relationships where we have tied up some capacity for our supply chain at a very favourable price. And we will be able to benefit from that over the next cycle and give above portfolio returns and above market returns as well.

What is the third thing, Nikhil, you asked?

Nikhil Nigania: DISCOM's are reluctant to sign PPAs.

Amit Singh: Yes, DISCOM's, you're right. I think what has happened is that the DISCOM's are getting, you know, a lot of PPAs have been signed and a lot of DISCOM's have been doing their own tenders. And you also see that we have also slightly shifted our strategy and started participating in DISCOM tenders. And a good example of that was how we looked at Maharashtra and UP as well. And we are making sure that there we don't have these risks and we are also able to get good pricing and a good framework with them. So Maharashtra, we have 5 gigawatt and similarly in UP as well we have a good capacity added to our portfolio.

We believe that some of these things will get tied up as RPO obligation comes into force by end of this year. MNRE is driving and Bureau of Energy Efficiency is driving that very well. And we believe that DISCOM's will have a good incentive to sign up on these as those RPO obligations come into force more aggressively.

Nikhil Nigania: Given all these factors, would you still, I mean, keep the guidance same for next year as well, 6 to 8 gigawatts commissioning in that range or should we trim it down in our expectations?

Amit Singh: No, we'll keep it the same. I think the range is still the same and we are looking to ramp up our existing run rate and not reduce it here.

Nikhil Nigania: Perfect. That's helpful. A third question, if I may ask, is in terms of strategy. So two events are happening. One, as you mentioned earlier in the call as well, battery prices have fallen sharply and second, transmission charges now becoming applicable. These two events, are they driving any change in strategy from Adani Green's perspective?

For example, on pumped storage, lesser optimism on that and second, even in terms of being as it's considered in Khavda towards developments in states as transmission charges come in?

Amit Singh: Yes, look, I think the first thing is that if you look at battery prices, I mean, they're still, if you look at on a LCOE basis, they're still when you compare green LCOE, not gray, they're still far away. So PSP itself, when you look at a green solution, when you're looking at matching an hourly availability or supply of green power to some of our customers, they're looking for hourly matching. That is most likely possible at scale with PSPs. And also remember that voltage regulation and voltage management is also important. So I think when you look at the strategy of the country and we closely mirror that in AGEL, PSPs will have a big role to play.

Because electronic equipment like inverter and batteries don't provide that support. So I think, in the whole mix, PSPs will play a role and we will definitely support the grid to make sure that we play that support role there. Now, when it comes to GNA charges and how that is evolving, I think the co-located batteries will become very common going forward.

We believe that battery solutions will be there in conjunction with renewable power. And this is very visible in the way the current tenders are being laid out in the market. And we feel that will continue to happen and GNA charges will adjust around that. There will also be acceleration of new renewable products because of that as well.

Nikhil Nigania: Understood. Thank you. One last question I had. This was on the financial statement. This is regarding non-controlling interest. That has been quite volatile, which was up sharply last quarter and is a negative number this quarter, which seems surprising given it was mostly on operational assets. So if some color could be shed on that?

Amit Singh: So this number, I think, is an accounting adjustment. The distribution policy and the commercial arrangement with our partner and this was kind of put in place and it is now stated there. Maybe Saurabh, if you want to give a color on that.

Saurabh Shah: So as I just mentioned that because of the distribution kicking in for the TotalEnergies payments and because of that, on the NCI, we had to completely do reworking and therefore there is this one-off thing. After this, just based on the distribution, whatever be the tax it will be constantly paid because the distribution is allowed as a tax deductible.

Nikhil Nigania: No, I didn't mean from tax perspective. I mean the part itself, the non-controlling itself.

Saurabh Shah: The reason is that distribution because of which the overall NCI working was changed and because of NCD conversion to CCD, there is a control change which has happened.

Moderator: We have our next question from the line of Bharani from Avendus Spark.

Bharani: So my first question is on the battery storage aspect. Now, we have seen a little bit of irrational depending on the standalone battery tenders and there are a lot of new names. So if I were to put it bluntly, probably even non-serious names. Given that fact and irrationality, how do you see the storage costs that are getting discovered in these tenders sustaining?

And won't this become a challenge for the overall storage cost, which is right now at around INR4 per unit from battery say incrementally or increasingly higher in the future, thus decreasing the attractiveness of this battery dream?

Amit Singh: No, I think you're right. I think there has been a lot of very aggressive competitive behavior in these tenders and I think we have stayed out of it as well. We're not interested in, first of all, in these vanilla projects. And secondly, we're not interested in taking these kind of funds in the market.

We are very carefully working with the big suppliers of battery systems in the world. And we are aware of the trends and technology progress and improvement. And like I said earlier, we

are going to be careful with that and make sure that we de-risk our solution and technology before we jump into it in a big way.

So we have made a lot of progress over the last six to nine months. And we continue to look at projects differently than the market to make sure that we don't take unnecessary supply chain risk. So definitely we will not participate in that fashion. What that does to the market, I think time will show.

Our feeling also is that battery prices will continue to step down as technology improves, the number of cycles grow, LCOE will come down. Some of these bets people are making, they might work, some of them may not work. But we're not in that business. We take calculated risks and we want to be assured of our returns.

So we will not be, yes, we'll not be affected by that.

Bharani: Since you are working in this closely and I think there is a lack of understanding in the market regarding this, or I would say at least a lack of in-depth understanding. So can you just refresh a little bit on what would be the rational cycle, a cycle one should assume for a typical battery or even a life of a battery or those kinds of things?

And what kind of supply chain risks are there, which one should avoid a little bit on this particular industry?

Amit Singh: Yes, I think if you look at, some kind of analysis we've done, we see that when you look at capex, we should look at capex of INR1.3 to INR1.4 crores per megawatt hour and cycles remain between 8,000 to 10,000 cycles, which means that you can expect the battery to last for 16 plus years and degradation can be factored between 1.5% to 3%.

So, I think these chemistries and technologies are evolving very, very quickly and each technology and their pricing also varies quite significantly. So the design of these battery systems, the LCOE varies quite significantly between project to project. It will not be as straightforward as you would probably be modelling in solar modules.

So I would hesitate from commenting any further, but those are the kind of assumptions I would use for the moment here.

Bharani: So it was not clear when you mentioned what would be the capex cost for kilowatt hours, sorry?

Amit Singh: Yes, we typically would expect between INR1.3 to INR1.4 crores per megawatt hour.

Bharani: My second question is on looking at your strategy to install capacities to take advantage of the merchant market. So if I were to just look at the one data I was looking at, there is this Renewable Energy Certificate Registry at the end in which you need to register to get certificate. I see one of Adani Green's wind projects registered there.

So in your pecking order, where is the attractiveness in the pricing right now? So is it in the merchant market, especially in the evening hours or is it in the registry market to take advantage

of the Renewable Energy Certificate? And what is the future of this? Like you also mentioned you're closely monitoring the demand-supply situation in the country.

In your assessment, is this merchant prices and these sorts of markets going to be attractive because there is a recent slowdown in power demand and prices have come down, and then hence this question?

Amit Singh:

Yes. Sorry, there's a lot of noise. I'm just trying to follow your question. If I understand your question, you're trying to understand where the gap is between day and night prices and how that will be in the next few years. I think the evening power has continued to be huge and the big power demand in India is only growing. So definitely that will stay the course. You also recognize that the day power prices, if you look at the merchant price, has come down on year-to-year. So the delta or the gap has kind of stayed where it was or maybe it has even grown in some cases. We expect that to continue to be the case as the demand has shifted to solar hours for the agriculture. And maybe in the future when smart metering is established well, there will be bigger demand in solar hours. So the gap will always be there. And we believe that gap will become a key way to play and use battery solutions with merchant, and that could be one angle we will look at. But we'll also look at other angles of supplying RTC power solutions to our customers where that is needed.

So there are different avenues of how we will monetize, but you're right. I think that will always play a big role where we can essentially time shift the power towards peak pricing. RTCs will play a role, but we feel that it has been priced in the market already, and that kind of factors into our discussion.

But the big role will be the delta, which we talked about earlier.

Moderator:

We have our next question from the line of Love Sharma from JP Morgan.

Love Sharma:

Wanted to just check, since the November indictment of some of the executives, what did you get a sense on the funding side? What's been the trend which you've seen so far from domestic lenders and international lenders, if any major drawdowns which you would highlight, for example?

And secondly, about the construction facility, I think about the billion-dollar deal in March, what would be the basic scenario here for refinancing of that facility?

Amit Singh:

Yes, thank you. You know, as we have stated in our disclosures earlier, I would like to restate that AGEL is not a party to the litigation. It is against the three individuals, as stated earlier, and this was already clarified. As a group, as a company, Adani Group has always upheld and is committed to maintaining higher standards of governance, transparency, and regulatory compliance across all jurisdictions and operations. And that is very well recognized by the financial institutions as well. So currently, in fact, when the incident evolved, we already had 12 plus months of financing, and those disbursements have very smoothly continued, so we don't have any gap of disbursement or financing.

And we are getting very good interest from all the domestic lenders on even new projects which we are looking to finance. And we are making very good progress there. So I think from financing both existing pool of projects and new pool of projects, we feel to be very well set.

On the refinancing of the project, which is due in the end of this quarter, we are in a very advanced stage of discussion with one of the domestic lenders, and we should be able to announce its completion in the next few weeks. And that would be the end of it. And also, don't forget, we have a very good facility, the Emerald facility of \$3.4 billion, which the Emerald 1, which is the refinance the part you talked about. When it exits, we will have a gap there, and that will also help service new projects which we are planning.

So we are very well set with our existing capital management program and the framework we put in place, is making sure that we have a very resilient supply of capital to fund our ambition.

Love Sharma: Great. Thanks, Amit, for that. So just to clarify, I mean, in terms of any changes from lenders' perspective, any interest costs change or any terms which have been changed from their perspective? I believe there is none of that, right?

Amit Singh: No, there is no change. I think the domestic lenders are more excited to work with us. They will have more opportunity. They're looking to work with us, so, no.

Moderator: We have our next question from the line of Aditya Sahu from HDFC Securities. Mr. Aditya. We'll move on to the next participant. The next question is from the line of Guixin Lin from BNP Paribas.

Guixin Lin: My first question is on the short-term debt. Is there any backup plan if this financing plan with the domestic bank cannot conclude in time?

Amit Singh: No, I think... First of all, I think we're very confident with this plan. I think this is already going ahead. We are in a very advanced stage of completion. So we have backup plans, but I think the primary plan I just mentioned is already very advanced and we should be able to conclude. Saurabh, you want to add to that?

Saurabh Shah: No. So, see, we are working on one or two options for the refinancing. So, in the most unlikely situation, if the domestic refinancing does not work, then there are other options available to the company to get the refinancing completed on time.

Guixin Lin: Sure. Can you clarify what other options are available? I think previously there was some mention of the private placement of a bond. Is that correct?

Saurabh Shah: Yes, there was a discussion around that, but right now other than the domestic refinancing plans that we have, we are also looking at certain rollover options also. So, those are the plans that we have for the current refinancing, but we are fairly sure to complete the current plan.

Anupam Misra: I'll add to this. See, first of all, as the management has clarified. there is discussion ongoing with domestic lenders. And second is there are options in the international market as well. And the third is, of course, fallback of all of this. I mean, it's theoretical in nature, but yes, fallback of all

of this is capital being provided by the sponsor, including cash available with the company. The company is cash rich.

As well as the fact that there is about INR200-INR300 million of cash already sitting in these SPVs as well. So, to that extent, there are backup options, but we don't think that we will have to exercise option two or three. To clarify, I don't think it was ever mentioned by us or we had made a public statement or clarification around private placement. That was more carried as media rumors, et cetera.

Guixin Lin: Sure, thank you. That's very clear. And my second question is actually revolving TotalEnergies. So, just wondering how has the communication with TotalEnergies been? I understand the company don't have any new financing, but do we see any impact for the existing JVs?

Amit Singh: Yes, so I think TotalEnergies, we have a very good relationship and we still enjoy a good relationship. They are working actively in completing the existing projects, which we are working on together in some of the JVs we have put together with them and also they are actively contributing and helping to work as a board member as well as on different aspects of the business.

Some of the comments, I understand you're referring to the press release, they had made and, I think there is no new equity investment which is needed by AGEL. So, AGEL is fully funded to deliver on its ambition and there is no new project in which we are anticipating or expecting to have TotalEnergies on board. So, there is really no financial implication or any other implication, which we should be thinking of from the point of view of AGEL. And also TotalEnergies and us and everybody understands that this is still hearsay and this DOJ is a claim and there is no real claim on AGEL. And TotalEnergies also understands that very well.

Gwee Sin Oin: Sure, thank you very much. That's all for my questions.

Amit Singh: Yes.

Moderator: We have our next question from the line of Samarth Khandelwal from ICICI Securities.

Samarth Khandelwal: Yes. Hi. Sir, my question is on the battery energy storage system side. I just wanted to understand what type of batteries would you be using to implement the BESS system? And secondly, if you get order of the 250 megawatts/500 megawatt hours, how am I supposed to read it? What does that exactly mean?

Amit Singh: Look, I think today, I think if you look at the technology which is in play, LFP battery systems are looking the most attractive for utility scale projects. And we are continuing to, obviously, develop around that. But we are also, in fact, looking at other technologies as they emerge.

And we have a technology watch group which makes sure that we don't lose out on any other emerging areas. So, but at the moment, I think our immediate future, we are looking to use LFP battery systems for implementing our battery solutions. Second question, I was not able to understand very well. I think if you could kindly repeat.

- Samarth Khandelwal:** Yes. So, if an order is placed, you have to install a 250 megawatt/500 megawatt hour battery energy storage solution. So, how much time does it take to charge the battery? And for how much time would I be supplying the energy? Like, what would be the realization? If you could.
- Amit Singh:** Yes. Okay. I mean, typically, I think if you look at projects for that scale, it can be anywhere between 9 months to 12 months from beginning to finish. And these projects typically, obviously, like I told you, the degradation of these batteries can be anywhere between 1.5% to 3% annually. And input-output efficiency, I would, look at around 85%. So, keeping this in mind and keeping the number of cycles to be around 8,000 to 10,000, you could anticipate these batteries can have a life of up to 16 years.
- Now, different contracts and different solutions available in the market look for 12 years or more lifetime, some kind of a degradation profile. So, I would, again, look at it from a project-by-project basis.
- And the numbers you see in the market are greatly influenced by that as to how many cycles are allowed and how much degradation is allowed and what is included and excluded. So, it is a very hard to give you an exact number, but that's how I would look at it.
- Samarth Khandelwal:** Okay. Thank you.
- Moderator:** We have our next question from the line of Puneet from HSBC.
- Puneet:** Yes. Thank you so much for the opportunity. My first question is, what would be the run rate EBITDA for your current 11.6 gigawatt capacity?
- Amit Singh:** Saurabh, do you want to take that?
- Saurabh Shah:** Yes. So, that would be about, from our perspective, that would be about INR10,000 crores of EBITDA that we will generate from the current 11.6 gigawatt capacity.
- Puneet:** And for FY'25, did I hear it right that you are aiming to add roughly four and a half gigawatt more in this quarter alone?
- Amit Singh:** Yes. I think the plan is to reach 5 gigawatt of new capacity for this year. So, that number is, yes, approximately that, yes.
- Puneet:** So, FY'25 and what would be your capacity if you can also give some sense of the break-up between solar, wind, and hybrid?
- Amit Singh:** Yes. So, the new capacity, like I explained to you, I think 85% will be added on solar and 15% will be added on wind for the new capacity which we are commissioning this year. So, of the 5 gigawatt number we talked about earlier.
- Puneet:** And if you can also give some sense of what kind of run rate EBITDA that can generate and what will be the debt post that?

- Viral Raval:** The run rate EBITDA should be INR 15,000 crores plus based on that capacity addition. The debt we are taking is basically on typical 75:25 debt-equity ratio. So, you can calculate the number there.
- Puneet:** Okay. What is the outstanding debt as of Q3?
- Viral Raval:** As of now, the net debt is around INR 57,000 crores.
- Puneet:** Okay. And what should be the capex you are running with?
- Viral Raval:** Solar with a bifacial modules and trackers, it is around INR4.5 crores per megawatt. Wind is around INR6.5 crores per megawatt for a 5.2 megawatt wind turbine.
- Saurabh Shah:** Just to add, a lot of this debt which he just mentioned is already – this is under construction, this 5 gigawatt. So, a lot of debt is already in place and it is already outstanding. So, that's not going to add straight away for the 5 gigawatt as the additional debt.
- Puneet:** Operational debt in this INR57,000 crores, what should that number be?
- Saurabh Shah:** Around INR42,000 to INR45,000 crores.
- Puneet:** Okay. And on the wind side, are you going to add only your own wind turbines or is there a plan to buy from outside as well?
- Amit Singh:** I think we have invested in customizing the wind turbine, which is fit for purpose in Khavda to make sure that we maximize generation based on the wind profile and the site specific parameters. We are very happy with the results in the last two quarters based on the wind which came through. So, we don't see a reason to change on that strategy.
- Yes, so I think, but also remember the availability and supply chain has been very sound and we want to make sure that, that continues to be the case here.
- Puneet:** Understood, that's very helpful. Thank you so much and all the best.
- Amit Singh:** Thank you.
- Moderator:** We have our next question from the line of Arya from Emkay Global Financial Services.
- Arya:** Yes, thank you for the opportunity. So, sir could you show some light on the PSP projects that we are working on currently?
- Amit Singh:** Yes, sure. So, I think like we said earlier, we have three projects in flight and we're expecting to complete them before the end of this decade to reach the 5.5 GW target. The Chitravathi project is the most advanced. Our construction started late last year and we're making good progress there. While for other projects, we've also completed a lot of regulatory compliances and clearances and we are approaching towards FC as well. Now, as it stands, we're expecting the Chitravathi project to complete at 500 megawatt by financial year 2027 and the year after is

when we plan to deliver on the Tarali and Gandikota project as well, which will be 1500 MW and 1800 MW capacities respectively.

Arya: Well, that was quite helpful.

Moderator: Ladies and gentlemen, that would be the last question for today. And I now hand the conference over to the management for closing comments.

Amit Singh: Thank you. No, I think it's really a great moment to be in the renewable sector. We are very proud of the large footprint, the more than 15% capacity we have added to nation-wide solar and more than 12% for wind in last year.

We're very excited with the work that the team is doing this quarter to deliver on the incremental new capacity, which we are targeting to complete. We want to reiterate the work in Khavda is moving at really, really good pace with more than 12,000 people and we're expecting to deliver on the numbers we just talked about earlier. Thank you for all your support and, Ashish is here as well with me, who will be continuing to participate and join this going forward. But thank you for your support. And yes, all the best to everybody. Thank you.

Viral Raval: Thanks a lot for organizing this call, Emkay and Harsh. Please feel free to reach out to us for any further questions. Thank you all for joining the call.

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

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