

February 5, 2025

To,

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

**National Stock Exchange of India Limited**  
Exchange plaza,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051.

**Scrip Code: 533096**

**Scrip Code: ADANIPOWER**

Dear Sir(s),

**Sub.: Transcript of Investors / Analysts Conference Call on Q3 FY25 Financial Results of Adani Power Limited**

**Ref.: Our intimation dt. January 24, 2024 and January 29, 2024 w.r.t. interaction with Investors / Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In furtherance to our above-referred intimations, please find enclosed the transcript of the Investors / Analysts Conference Call.

The said transcript is also available under the Investors Section of the website of the Company i.e. [www.adanipower.com](http://www.adanipower.com).

This is for your kind information and records.

Thanking You.

**Yours faithfully,  
For Adani Power Limited**

**Deepak S Pandya  
Company Secretary  
Mem. No.: F5002**

Encl.: as above.



"Adani Power Limited Q3 FY25 Results Earnings Call"

January 30, 2025



**MANAGEMENT:**      **MR. S. B. KHYALIA – CHIEF EXECUTIVE OFFICER, ADANI POWER LIMITED**  
**MR. DILIP JHA – CHIEF FINANCIAL OFFICER, ADANI POWER LIMITED**  
**MR. NISHIT DAVE – AVP (INVESTOR RELATIONS), ADANI POWER LIMITED**

**MODERATOR:**      **MR. PRANAV FURIA – ANTIQUE STOCKBROKING**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Post-Results Q3 FY '25 Earnings Conference Call of Adani Power Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranav Furia from Antique Stockbroking. Thank you, and over to you, sir.

**Pranav Furia:** Thank you. Good afternoon, everyone. We are pleased to welcome you all to the Q3 FY '25 Earnings Call of Adani Power Limited.

Today, we have with us the Management Team represented by Mr. S B Khyalia – CEO; Mr. Dilip Jha – CFO; and Mr. Nishit Dave – Head, Investor Relations. We will start with the brief opening remarks, which will be followed by Q&A. Over to you, sir.

**Shersingh Khyalia:** Good afternoon, everyone. Thank you for joining us today to discuss our Financial Results for the 3rd Quarter of Financial Year '25.

I have with me, our CFO – Dilip Jha; and Investor Relations Head – Nishit Dave. I am sure you must have downloaded and gone through our results announcement and presentation.

Adani Power has continued its strong operational and financial performance in Quarter 3, with higher operating capacity after the recent acquisition of Moxie Power that was erstwhile Coastal Energen, Korba Power, and Dahanu power plant.

As you all know, India's power demand has been growing strongly, barring some impact of seasonality and weather in recent months.

Our fleet is well positioned to address this demand, both under PPAs and in the merchant market.

As a result of this, we have continued with a strong PLF performance in Quarter 3, and the 9-month period till December 2024. While our power supply under PPAs continue to enjoy a good merit order position, we have dispatched higher volumes in the market, both short term as well as merchant.

On a 9-month basis, APL achieved a PLF of 69% and dispatch of 69.5 billion units till December '24, which is a growth of 22% over the corresponding period of FY '24. Our revenues also registered a growth of 13% on a recurring basis for this period to reach INR 41,951 crores. The revenue under PPA incorporates an element of lower import fuel prices.

In the case of merchant sales, while tariffs have come down in the current year, we were able to increase our volumes by more than 50% by leveraging our competitive advantages and earned substantial contribution.

As a result, we have achieved a growth of 22% in recurring EBITDA for the 9-month period, ended December '24, to INR 16,478 crores. We have been able to resolve all our major regulatory matters successfully in the previous two fiscal years, due to which our recognition of prior period revenues has gone down. We recognized INR 2,420 crores of one-time revenue only in the 9-month period December '24, as compared to INR 9,227 crores in the corresponding period of 2024.

Our profit after tax for the 9-month period is at a strong level of INR 10,150 crores, and 2,940 crores for Quarter 3, 2025. This robust profitability and healthy liquidity are helping us to fuel our expansion plans to achieve more than 30 gigawatts of operating capacity by 2030.

We have already given out the main plant equipment orders for 11.2-gigawatt capacity and secured the most critical part of the project supply chain. We are now giving out orders for civil work erection and commissioning and balance of plant in a phased manner for the upcoming projects.

Our ongoing expansion project at Mahan for 1,600 megawatt is well underway and on schedule with more than 40% physically progress. We have also started work at the Raipur site for its 1,600-megawatt expansion project, which will supply power to Maharashtra Discom for which we have signed a PPA for net capacity of 1,496 megawatts.

In addition to this, we are also in discussion with OEMs and other contractors for reviving and completing the 1,320-megawatt expansion project at Korba, which was earlier known as Lanco Amarkantak.

More states are expected to come up with bids for long-term PPAs for sourcing baseload power. We are keen to participate in these bids and are confident of leveraging our key competitive strength successfully.

We have selected our plant locations and various acquisitions very strategically. Their locational advantage and availability of land will enhance our competitive edge for the upcoming PPAs. Apart from this, we are also focusing on bolstering our fuel security by acquiring commercial mines in coal blocks that are in the vicinity of our power plants.

We have recently acquired Stratatech Mineral Resources from Adani Enterprises Limited and amalgamated it into Mahan Energen. The acquired entity is the licensee for the Dhirauli mine, which is just next door to the Mahan power plant at Singrauli. It will supply 5 million tonne of coal after 2 years, which will be utilized by the untied capacity of the Mahan power plant.

While we focus sharply on business growth and performance, we also pay equal attention to our responsibilities as a good corporate citizen. We have made consistent efforts to fulfil our ESG commitments and improve our performance on various parameters. I am happy to note that our all-round efforts have earned recognition in the form of improved ESG ratings, awarded by various Indian and international ESG rating agencies.

Recently, we have improved our score from 48/100 to 68 /100 in Corporate Sustainability Assessment by S&P Global. This puts us among the top 15% in the peer set, which has an average rating of only 42 /100. We have received other similar high ratings and continue to improve our performance year-on-year.

Going forward, we are fully committed to enhancing the value created for our all stakeholders through a relentless focus on quality and efficiency in all aspects of our operations.

Thank you for your continued support. I look forward to your questions. I'll now hand the call over to our CFO. Over to you, Mr. Dilip.

**Dilip Jha:**

Thank you, Khyalia sir, and good afternoon, everyone. As Khyalia Ji has put it, our performance for 9 months and Quarter 3 of Financial Year '25 continues to reflect our strategic initiatives and operational excellence.

On the operational side, APL's generating capacity during Quarter 3 FY '25 was 17,550 megawatts, as compared to 15,250 megawatts in Quarter 3 FY '24, and this is due to the acquisitions. It achieved a consolidated PLF of 63.9% in the recently concluded quarter, in comparison to 68.6% in the corresponding period of last year. The main reason for the lower PLF was demand variability due to weather conditions apart from a strong base effect.

However, we have maintained excellent availability of our plants on the strength of our O&M excellence and fuel management expertise. Power sales volume grew by 8% for Quarter 3 FY '25 as compared to FY '24, supported by higher operating capacity and a strong growth in merchant volumes.

In the 3rd Quarter of FY '25, our continuing revenue stood at INR 13,434 crores, showing a stable performance compared to previous year. Our continuing EBITDA for the quarter was INR 4,786 crores, reflecting our ability to maintain profitability despite market challenges, like seasonability and variability of demand.

The continuing profit before tax for the quarter was INR 2,659 crores, while onetime prior period income was INR 1,400 crores in Quarter 3, FY '25 as compared to a derecognition of comparatively very small amount of INR 50 crores in the same period of last year. On the base of this strong operating profitability and recovery of past dues, we posted a strong profit after tax of INR 2,940 crores for the quarter.

For the first 9 months of FY '25 , our continuing revenue grew by 13% year-on-year to INR 41,951 crores. This growth was primarily driven by higher sales volume, supported by improved power demand as compared to the previous year, and larger operating capacity. Our continuing EBITDA for the same period increased by 22% year-on-year basis to INR 16,478 crores. This robust growth was mainly due to higher recurring revenues and lower fuel prices.

Our focus on cost control and operational efficiency has enabled us to achieve this significant improvement in EBITDA. Furthermore, our continuing profit before tax for the first 9 months of FY '25 also grew by an impressive 33% on year-on-year basis to INR 10,679 crores. This increase was driven by the improved EBITDA, and effective management of finance costs also. One-time prior period recognition was comparatively lower,

that is at INR 2,420 crores in the 9 months ended December '24, as compared to INR 9,227 crores for the corresponding period of the previous year. And this is primarily due to our having received a majority of our regulatory claims in the previous couple of years.

As you may be able to appreciate, the recurring financial performance we are reporting regularly now is ample demonstration of the core earning potential of our portfolio. We are also adding value-accretive capacity by organic means. Our recent acquisitions have been made at attractive valuations. They present us with an opportunity to turn them around quickly utilizing our sector-leading capabilities. These results underscore our commitment to delivering consistent and sustainable growth.

We remain focused on enhancing our operational capability, optimizing our cost structure and capitalizing on the opportunities in the Indian power sector.

Thank you for your continued support and confidence in Adani Power. We look forward to discussing our performance in more detail and addressing any questions you may have, please. Over to moderator.

**Moderator:**

Thank you, everyone, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "\*" and 1 on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press "\*" and 2. Participants are requested to use handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have our first question from the line of Mohit Kumar from ICICI Securities.

**Mohit Kumar:**

Hi, good afternoon, sir, and thanks for the opportunity. My first question is, sir, can you please help us with the timelines for 1.4



gigawatt PPA, which was signed at MSEDCL, when it is going to kick in?

**Shersingh Khyalia:** As per the PPA, there is a time period of 42 months for the commissioning of the unit. And before that, there is a period of 18 months available for financial closure. So, let us say, total 60 months are available. But we are planning to commission this within a period of 4 years. So, as per PPA, 5 years is available, but our internal plan is to commission within a period of 4 years.

**Mohit Kumar:** Understood, sir. And on the Lanco, I think we acquired in this quarter. Is that right understanding? And secondly, when do you expect this 1.3 gigawatt to be operational in your opinion?

**Shersingh Khyalia:** Commissioning of the balance work will be around 30 months. It will take around 30 months from today.

**Mohit Kumar:** Understood, sir. And have you acquired the Lanco completely in this quarter? Is that right understanding?

**Dilip Jha:** Yes. So, we have acquired Lanco on 6 September, so partially 1 month considered in the quarter 2 results, and then for 3 months in Quarter 3.

**Nishit Dave:** Yes. And we have acquired 100% of that, in case that is what you are asking.

**Mohit Kumar:** Understood. And sir, can you please explain the one-time booking of this INR 14 billion and the nature of it? In the notes to accounts, we see only 5C, which talks about INR 871.82 crores of recognition towards tariff compensation claims.

**Dilip Jha:** Yes. So, this is pertaining to one-time income we booked related to coal shortfall for Haryana Discom. This is more than INR 411 crores. In Tiroda, it is mainly DSM recovery, around INR 420 crores,

and then LPS charges in the rest of the DISCOMs. So, in total, you can say Haryana DISCOM, coal shortfall, INR 411 crore, Tiroda DSM INR 422 crore, and LPS for rest of the DISCOMs, mainly pertaining to Bangladesh.

**Mohit Kumar:** And this is note #7, sir, which talks about the company has claimed compensation of alternate costs for 1.2 gigawatt of supplementary PPA with Haryana DISCOMs. It speaks about INR 782 crores of recognized revenues. Is this included as INR 1500 crores?

**Dilip Jha:** Yes, it is included. Haryana DISCOMs have accepted 50% of our claim.

**Mohit Kumar:** This is only 50%. The 50% claim is still there?

**Dilip Jha:** Yes. This is 50%. We have raised a bill up to December, INR 1,908 crores. Out of that, we have received INR 966 crores. This is almost 50% of that. So, with minor adjustment related to taxes and duties, net amount of INR 782 crores was recognized during the quarter. We have received full payment against INR 782 crores from Haryana Discom.

**Mohit Kumar:** Understood sir. Thank you and best of luck. Thank you. That's it.

**Moderator:** We have our next question from the line of Puneet Gulati from HSBC Mutual Funds. Please go ahead.

**Puneet Gulati:** My question is, again, just on this Haryana recognition of INR 782 crores, sir, INR 916 crores was not accounted as income earlier in our P&L at all. Is that understanding, correct?

**Dilip Jha:** Yes, this understanding is correct. We first ensure the consistency of this income. After receiving some amount in quarter 1, we waited to establish consistency in quarter 2 also, which we received. Finally, we saw that we are receiving 50% payment consistently. That is why in this quarter, we recognized 50%, and will continue to recognize it.

**Puneet Gulati:** Understood. So, how much more should we expect from this going into next few quarters?

**Dilip Jha:** We have issued bill of INR 1,908 crores, and we have received half of the amount, and let's see about the balance.

**Puneet Gulati:** Okay. My second question is in your presentation, you talked about the PPA for MSEDCL signed for 1,500 megawatts. My understanding was for the 2,000 megawatt thing. So, is 500 still to go or is it scrapped?

**Shersingh Khyalia:** Which PPA you are talking about?

**Puneet Gulati:** The MSEDCL PPA.

**Shersingh Khyalia:** No. MSEDCL, the bid itself was for gross 1,600 megawatts, that is 2 units of 800 MW each. Our expansion project is also of 2 into 800 MW units. This 1,500 MW is net capacity at the Maharashtra boundary after auxiliary consumption, so there is neither surplus in that expansion, nor there is any further availability under that bid.

**Puneet Gulati:** Understood. And if you can also talk about which states are you expecting to get bids from for your future tie-ups?

**Shersingh Khyalia:** Many of the states have got coal allocation under SHAKTI B(iv), which is the scheme under which states get coal allocation for doing the competitive bidding for procurement of long-term power. Under this, Uttar Pradesh has got coal allocation, similarly Madhya Pradesh, Assam, Karnataka have got the coal allocations. Andhra Pradesh is in the process. So, many of the states have either got the coal or have applied to Ministry of Power. These are the target states where we expect that the bids will come and we will tie up.

**Puneet Gulati:** Understood. That's great. And lastly, the status of your Bangladesh power plant? What's happening there?

**Shersingh Khyalia:** The Bangladesh power plant is running as per the PPA. There is absolutely no issue, and we have not received any communication from the other side, about any issue related to PPA. As far as the payment position is concerned. We are getting slightly more than the regular bill from last 3 or 4 months,. So, in the process, some part of old outstanding is also getting liquidated.

**Puneet Gulati:** Okay. Understood. That's helpful. And lastly, on the merchant power side, are you seeing lower tariffs, especially during the solar hours? And do you shut down your plants during solar hours? Or are you able to run it during that time itself?

**Shersingh Khyalia:** During solar hours, obviously the tariff has to be lower and will go down lower, because the solar power is available, let us say, with reference to cost at INR 2.50 or so. So, obviously, tariff has to be lower, but this trend has been there for last 2 - 3 years and is going to be more or less same.

However, the average rate of supply, particularly during 3rd Quarter was lower on account of lower demand in the 3rd Quarter, which is a bit abnormal situation, because the temperature was not as high this time as it used to be. The demand from agriculture side was also lower. So, this may be an aberration.

Otherwise, the average tariff is going to be good, because during solar hours, the rate may be lower. Other than solar hours, because enough thermal capacity has not been added, during peak hours, the country will continue to have shortages. During those hours, the rate of power can be almost INR 10. And overall, the average should be good.

**Puneet Gulati:** So, my question is how easy is it to shut down during solar hours and restart in the evening? Or do you continue to run during solar as well?

**Shersingh Khyalia:** No, there is no need to shut the unit down. Only the rate will go down. Secondly, we are not operating on a day-to-day basis. Even in the merchant power plants, we are tying up weekly, monthly, 6 monthly, short term, medium term contracts. So, to a large extent, to the extent of, technical minimum, it is always ensured that the capacity is tied up, so that the plant will always run at technical minimum at least.

During solar hours, the plant may be running at technical minimum at times if the high rates are not available, but during peak hours, you can immediately ramp up and operate at full capacity. So, plants are not shut down during solar hours. They are operated at lower capacity.

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

**Moderator:** We have our next question from the line of Bharat Shah from ASK Investment Managers. Please go ahead.

**Bharat Shah:** Good morning, Khyalia Sahab, and Dilip Ji. I am little confused about your initial comments about 3rd Quarter numbers being strong and robust, but barring the volumes having gone up 8% in the 3rd Quarter compared to the last year 3rd Quarter, our operating revenues have declined 3%, continuing EBITDA has declined 5%, and profit before tax from the continuing activity has declined 18%.

So, I couldn't correlate what that robustness we were referring to. Or did I hear wrong? I don't know, but I am a bit confused on this.

**Shersingh Khyalia:** Good afternoon, Bharat Bhai. I will give the initial remarks, and then Dilip will explain in detail. The robustness is with reference to the total power supply that we have done. Therefore, our PLF has been good. However, with reference to the EBITDA, which is a function of the quantity and the price, the price has been lower

during this 3rd Quarter. I have explained that because of various reasons, the demand in the country was not that good as it used to be during this quarter.

Last year, in the same quarter, the demand was quite high, and therefore, the market prices were at least INR 1 and INR 1.5 higher than this year. However, the prices in the market have gone down this year, because of various reasons as explained earlier.

**Dilip Jha:**

Thank you, Bharat Bhai. For Quarter 3, my reported EBITDA was INR 6,185 crores. As against that last time, the Quarter 3 same period, this was INR 5,009 crores. So, there is an increase of INR 1,100 crores. In terms of continuing EBITDA, we reported INR 4,786 crores as against INR 5,059 crores. So, it is INR 200-odd crores lower in comparison to the previous quarter's continuing EBITDA, mainly due to merchant realization.

Last time, in Quarter 3 FY '24, the average realization was INR 6.86 per unit. As against that, we got INR 4.54 this time. So, this INR 200 crores, this is mainly contributed by the comparatively lower tariff pertaining to merchant realization. Accordingly, its impact also reflects on continuing profit before tax. There is a slight increase in depreciation cost and financing cost due to new acquisitions. We are very much confident that in the future, the new acquisitions will add significantly to the numbers.

**Bharat Shah:**

So, Dilip Ji, broadly, volumes have grown up, but realizations have dropped. Finance and depreciation costs have gone up because of the acquired assets. But core performance broadly is similar to the quarter last year. It is not higher, but it's similar. It's higher in terms of the volumes, slightly lower in terms of the profits.

**Dilip Jha:**

Correct, sir. You will appreciate that the merchant rate was INR 6.86 per unit, against which it is now INR 4.54. So, more than INR 2 per unit of drop, which has caused this impact.

**Bharat Shah:** That data was not there in the presentation, which now makes it very clear. Bangladesh, what are the outstanding dues as of the moment?

**Shersingh Khyalia:** It was around USD 800 million, Bharat Bhai, as of now is outstanding and overdue is something around USD 700 million. Also, USD 100 million, is the difference between them and us, because of reconciliation, because they have not accounted for the LPS, etcetera, so far. So, you can take USD 700 million as outstanding as on date broadly.

**Bharat Shah:** Right. And that 100 pending reconciliation, obviously, is hopefully not forgotten, right?

**Shersingh Khyalia:** We have done reconciliation up to the month of May. And up to that point, they have also recognized USD 53 million of LPS. So, we are quite good that they have done the reconciliation up to May. So, it's not even more than 12 months pending. So, things seem to be okay now.

**Bharat Shah:** Got it. But that USD 100 million pending reconciliation also will get reconciled and duly recovered, right?

**Shersingh Khyalia:** Yes. We are not saying it is not reconcilable because there are issues of interpretation, and because we have just started last year on this project. So, there are issue of interpretation related to the formula, such as there is the HBA concept, so which HBA will apply - HBA, HBA1, HBA2, or HBA3. Then there are technical issues. Those things will get settled. We are confident that we will get realization of that.

**Bharat Shah:** Right. And I suppose the next year should be a pretty strong year, because I think volumes will be much higher in '26 compared to the current year, which is going by. And overall other fixed costs and compared to that realization, I think overall performance of the business should be even a lot stronger in the '26. Like in the 9

months of the current year, the core performance is very strong. I suppose next year with the increased volume, overall performance should be much, much better?

**Shersingh Khyalia:** Yes, sure, Bharat Bhai, we also feel the same because from January onwards, the demand has started picking up. The rates have also started picking up. Up to June, we see a very high demand period. July, August, September, is the natural rainy season. For October, November, December, also, we don't foresee any issue in demand at this stage. The consumption of electricity in the country is increasing day by day because of various initiatives of Government of India. We hope that this robust economic growth will continue.

We have a very strong direct relationship with the growth of the economy and the growth of the demand of power. So, if the growth of economy will continue to be robust, it will help us, and we will also grow accordingly.

**Bharat Shah:** Thank you, Khyalia Sahab. And thank you Dilip Ji.

**Shersingh Khyalia:** Thank you, sir.

**Dilip Jha:** Thank you, Bharat Bhai.

**Moderator:** We have our next question from the line of Vinod from PhillipCapital. Please go ahead.

**Vinod Chari:** Yes. Thank you. Thank you for the opportunity. Sir, just wanted to understand your view that there is a thought of bringing down the coal-fired technical minimum from 55% to 40%. So, what do you think will happen in such a scenario? Because I think the government is thinking that solar will overtake coal in the dispatch.

**Shersingh Khyalia:** The government has already given a trajectory whereby the various units of the power stations of the entire country are listed, and they have to reach those targets by '25, '26, '27, '28, '29. Two



of our units are there in the target for next year to achieve 40%, and we are working on that. So, obviously, when more and more solar power will be available, the unit should be capable of going down up to 40%.

However, as regards to thermal capacity it is not having much of an issue because our revenue is dependent on availability. So, we have to ensure that we are available. And thereafter, it is up to the customer to decide at what level they want to operate. Nevertheless, they cannot ask us to operate less than 40%, which is going to be the technical minimum even after implementation of this flexible scheme.

**Vinod Chari:** Okay. So, basically, I think the cutoff point will be the solar cost plus the fixed charge recovery that is going to the thermal plant should be lower than the cost of thermal. Otherwise, there's no sense in backing down thermal, right?

**Shersingh Khyalia:** Not necessarily, because solar is not going to have any variable cost, and the solar will always have a must run status. So, when the solar power is generated, you are not supposed to stop it, even if it is costing INR 2.5 to the end buyer. As a country as a whole, it is not consuming any resources. So, at that time, you cannot consume coal-based power of, say, INR 2 coal and avoid the solar power. So all the green resources will have must run status and they will inject the power first. So, we have to think of in that way.

**Vinod Chari:** Okay. So, basically, the basic cost will be built in the system will be the solar cost plus the fixed cost recovery of the thermal plant broadly?

**Shersingh Khyalia:** That may not be true because the solar power may be being generated for somebody while thermal is being generated for somebody else. So, at overall country level, the things will not be considered like that. On overall country level, you see what is the generation available during the day. Let us say, against a demand

of 4 lakh MW, 3 lakh MW is available from solar. So, all the thermal base load stations have to come down to 1 lakh MW, irrespective of who is the buyer of that thermal power.

**Vinod Chari:** Okay. Okay, sir. Sir, second question I had was on BTG. I think the recent ordering that has happened for Kawai, Mahan, Raipur. Was BHEL the sole bidder in those orders? Or were there other players also bidding for those BTG orders? When you negotiated the package 8\*800 megawatt with BHEL?

**Shersingh Khyalia:** It's was not strictly done by bidding. We have taken the quotes and discussed with various parties. Then we finalised based on the lowest cost and considering the capability to deliver. So, it's not only the cost but we also consider the capability to deliver.

BHEL was found by us to be the most eligible supplier within our requirement. That is why we have selected BHEL. It is the most reliable equipment supplier in the country. Being a PSU, the reliability is higher, the economic strength is greater, and we can get a surety that we will get our equipment on time.

**Vinod Chari:** Sure. But who are the other players in the fray, sir, other than BHEL?

**Shersingh Khyalia:** I don't think we should be discussing who are other competitors, because these are sort of confidential discussions related to our sourcing.

**Vinod Chari:** Sure sir. Got it. Thank you. Thank you so much.

**Moderator:** Thank you. We have our next question from line of Nikhil Nigania from AB Bernstein. Please go ahead.

**Nikhil Nigania:** My question is on the 12.5 gigawatt pipeline. So, am I correct to understand the BTG orders have been placed for the entire quantum? And then accordingly, but do we have PPA visibility? I understand only for the Maharashtra contract and with Reliance

Industries. Other than that, then what is the plan in terms of split between merchant and PPA in terms of capacity? And B, have we achieved financial closure for this entire quantum?

**Shersingh Khyalia:** We have placed the orders of BTG for the entire 11.2 gigawatts. For the balance of plant also, we are in the process of putting up the orders. We have signed a PPA for 2 units with Maharashtra DISCOM, and as I explained, many other states are going to come for bidding, because the country has planned to add another 80 to 90 gigawatts by 2031. Except for NTPC and few states, for the time being, there is no capacity addition. So, there is a big gap in capacity additions.

We hope that the states will come out with the bids, and we should be in a position to bid. We are very confident that we should be in a position to tie up this entire capacity under long-term PPAs. We are not envisaging these new capacities under the captive scheme.

As far as the financial closure is concerned, you must have seen our performance and results, where we don't foresee much of requirement of financial closure strictly. Most of the project funding will be through our internal accruals, except if there would be some mismatches during a few years, and for that period only, we may require interim funding.

**Dilip Jha:** Yes. We are not going for any project to project financial closure. As Khyalia sir has already explained, we have sufficient internal accruals. If there will be any shortage in-between for the interim period, we will definitely go for funding. Otherwise, our internal accruals are more than enough to meet the requirement.

**Nikhil Nigania:** Appreciate your response. My second related question is, I understand the need for states to sign baseload PPAs with coal plants. But given this incremental trend of solar plus 4-hour battery, solar plus 2-hour battery, which is coming at INR 3, INR

3.5, do you see any risk to the ordering so many plants without PPAs?

**Shersingh Khyalia:** See, solar plus 2-hour battery or 4-hour battery is not going to address the requirement of baseload, because if you strictly want to provide round-the-clock power based on solar and battery, then you need to have 16 hours of battery storage, and even that would be insufficient.

Let us say, a situation where you will have 7 days of completely cloudy environment, then no solar power will be available for charging the battery. So thermal power will not have any substitute. Ultimately, you need thermal power irrespective of whatever hours of battery you establish. So, we don't foresee that in near future, solar plus battery is going to provide you the baseload requirement.

For baseload requirements, thermal will continue to have its importance, unless you get a large-scale nuclear power generation capacity, which is unlikely to happen considering the present circumstances.

**Nikhil Nigania:** Understood. Thanks for the answer. I am guessing you see the same challenge with solar plus pump storage as well that if cloud cover is there, you could have lower generation. That's why you think thermal/nuclear is the answer for baseload. Am I correct to understand that?

**Shersingh Khyalia:** That's correct. Apart from that, PSP will have a limited capacity, maybe, let's say, 50,000 or 60,000 MW. We cannot have a 4-lakh MW of PSP capacity in this country.

**Nikhil Nigania:** Fair point. One last question, if I may add, that's a bit more near term. Section 11, do you see it continuing further, now that demand has softened or as you highlighted earlier, you expect

demand to revive and shortages again to come back in the summer months. Hence, you see that continuing going forward?

**Shersingh Khyalia:** See, we are indifferent to Section 11, whether it is imposed or it is not imposed, because our power stations are not being operated strictly under Section 11. Our PPAs are viable. So, we are not much concerned about Section 11.

Nevertheless, going forward, if the capacity available in the country is sufficient, and the plants other than those that are under Section 11 can meet the power requirement, then Section 11 is not required. Otherwise, it is up to government of India to decide. As far as we are concerned, we are not affected by it.

**Nikhil Nigania:** Got it. Thanks. Those were my questions. Thanks for answering them.

**Moderator:** Thank you. Before we move on to the next question, a reminder to all participants, if you wish to ask a question, you may press "\*" and 1 on your touchtone telephone. We have our next question from the line of Bharani from Avendus Spark Institutional Equities. Please go ahead.

**Bharanidhar Vijayakumar:** Yes, so like my question is on the power demand growth in the long term. Now even in your presentation, the power demand growth for the country by 2032, is 390 gigawatts, assumes a high growth rate of 7%. But in the last few quarters, it has come down. And what is the confidence we have that if the existing demand growth of 5% continues, that the requirement for baseload thermal capacity will still be there, and hence, there will be incremental demand or PPAs that is required on the thermal side?

If the growth is subdued, then wouldn't the incremental capacity requirement on the thermal side not be there? Your views on that? Thanks.

**Shersingh Khyalia:** This is sort of a sensitivity analysis which you seek, but since you have asked this question, we can go back 1 year or 2 years back when the projections were made based on 5% growth. At that time also, the requirement of thermal was projected to be 60,000 MW, and even at that level, we are perfectly okay, because in that 60,000 MW bucket also, our capacity expansion of 11,000 is not going to make more thermal power available than the requirement of additional capacity.

**Bharanidhar Vijayakumar:** Okay. This situation will get worse if there are many battery and pump storage projects, which are also right now under construction. So, my worry is whether the existing pipeline of projects that have been announced by both Adani, NTPC, and others, wouldn't that be sufficient for the next, say, 7, 8 years?

**Shersingh Khyalia:** See, CEA has already prepared a resource adequacy plan for all of the states considering very aggressive PSP targets, very aggressive battery storage targets, etc. Even with those assumptions, the CEA has suggested tying up power capacity by all those states that are seeking coal from Government of India, or those that have sought from Coal India and got the allocation. All these things are already factored into in the resource adequacy plan prepared by CEA. Both type of scenarios are provided in that resource adequacy plan. If you go through that, you will see that the most aggressive, the conservative, the delayed scenarios, all type of scenarios are provided.

The states that are planning to buy long-term power are planning based on most conservative scenario. So, even with the most conservative scenario, if that type of capacity is required, then in fact, we will see a much higher opportunity if even the middle

scenario or the most robust scenario is actually going to happen. In that case, the requirement of power will go much, much higher than what we are discussing.

So, even in the most conservative scenario prepared by CEA, our capacity or the capacity being planned by all the thermal generators is very much required.

**Bharanidhar Vijayakumar:** Sure. Loud and clear. Thank you so much.

**Moderator:** Thank you. A reminder to all participants, you may press "\*" and 1 to ask a question. We have our next question from the line of Bharat Shah from Ask Investment Managers. Please go ahead.

**Bharat Shah:** Dilip, you mentioned earlier to some question that you will not need to tie up any funds for closure of any projects or it doesn't have to be tied down to a particular project, because of adequate cash availability. But I thought issue is on the other way around. We will have a lot of surplus cash over the period of time. Our current EBITDA run rate is almost about \$3 billion per annum and pretax profit is almost \$2 billion. And is our capacity target to reach 30 gigawatt there over 5-year time frame, I think we will have a lot of actually additional cash flow available over a period of time.

So, the question actually to my mind is how do you propose to utilize the cash, which will be excess, rather than whether you will have cash flow need to be funded through borrowing?

**Dilip Jha:** Thank you, Bharat Bhai. I think this is one of the more important and interesting questions in this session. You rightly said, and I also mentioned earlier, that we are not going for any project-wise funding, and if there is an interim requirement, that we will look into it.

The next interesting part, as you rightly said, sir, is that there will be a significant amount of surplus cash flow over time. You know the DNA of the Adani group, and I can assure you that this surplus cash flow will be utilized in a manner that it will give the best of the industry return in the future.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management of Adani Power Limited. Over to you, sir.

**Dilip Jha:** Thanks a lot, friends. It was a very interactive session and looking forward to interact with you in the subsequent quarters as we continue our journey of success and growth. Thank you for your time and patience.

**Moderator:** Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.