"Adani Transmission Limited.

Q3 FY '23 Results Conference Call"

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Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '23 Earnings Conference Call of Adani Transmission Limited hosted by DAM Capital Advisors Ltd. 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, please signal the moderator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Mohit Kumar: Thanks, Rutuja. On behalf of DAM Capital, we welcome you all to the Q3 FY '23 Earnings Call of Adani Transmission. We have with us from the management, Mr. Anil Sardana, MD, Adani Transmission; Mr. Bimal Dayal CEO of Transmission; Mr. Kandarp Patel, CEO of Distribution; Mr. Rohit Soni, CFO, ATL; Mr. Kunjal Mehta, CFO; Adani Electricity Mumbai; Mr. Vijil Jain, lead IR. We'll start with brief opening remarks followed by Q&A. Over to you, sir.

Anil Sardana: Thank you, Mohit. And once again, welcome to all our analyst friends on Q3 FY '23 call. I hope the audio is clear because I'm getting a bit of my own voice back, but I assume that at your end, it should be okay. Otherwise, just put it in the box and let us know.

Coming back to the results, the entire media release and the exchange information is available with you, so I'm not going to repeat those figures except to just very quickly add some of those aspects that typically are analyst friends we are very keen to understand. Number one that this sector continues to be growing well.

And you are aware of the fact that for a long time, there was a bit of hiatus and delays which we have talked in the previous quarter calls related to the issue of Great Indian bustard. Fortunately, based on Honourable Supreme Court's appointed committee, the issue has been resolved in the sense that all transmission lines of up to 33 kV in those areas would be converted or added through cables and all extra high tension above 33 kV would continue to be overhead lines but would be provided with proper bird diverters which are of different specifications which fortunately Central Electricity Authority has standardized.

So, all in all good development. Basis which the entire set of lines which are correlated to renewable energy in the state of Rajasthan as also state of Gujarat are therefore going to be rolled out one by one and we have started seeing some of those lines being put out for bidding. Besides the interstate transmission system which is primarily the CTU oriented work and CRC governed lines.

There are states like Uttar Pradesh, states like Madhya Pradesh, states like Karnataka, Rajasthan who have also started to compile their intra state requirements and they too have started to put out information in different formats for the tariff based competitive bid projects to come in. So that's about the pipeline in the transmission side. On the retail side, there are three aspects I wanted to convey to our friends. Number one is the issue related to the second license.

As we are all aware that for a long time the entire amendment to the electricity act has been languishing and one hopes that in the subsequent sessions of the parliament one would see progress. But as stated before, until that happens we will continue to pursue options of second license because that in a way meets various aspects and those aspects being that it does not impair anything related to the existing incumbent, except gives customer a choice in terms of more better tariff, competitive tariff or more reliable power supply.

And to that extent as you would have read yesterday in the India Energy Week inauguration, the Minister for Power mentioned about the fact that it's government's view today that instead of privatization, we will encourage competition. And therefore, second license is nothing but a means to add competition and provide choice to the customer. And to that extent, various regulators are now looking at drafting regulations in terms of the fact how they would govern the second license regime.

And that is a welcome value proposition because once that comes in, one would know whether it's going to be ceiling tariff regime or going to be like what exists today in the city of Mumbai. But more of that later. We welcome this move, and we will look forward to the second license in different locations. And the good part about second license is also the fact that the capital outlay in some of those networks gets spread across several years and therefore offers the geographical advantage to the customers in that area while you continue to unroll gradually your network to the subsequent and the other geographies.

Coming to the smart meters which we have discussed in the past quarters, this is an evolving area as we mentioned before. The country is committed to 250 million meters, smart meters to be deploy across the various DISCOMs. And to that extent, most of the DISCOMs are partaking in this Government of India scheme.

And to that extent, initial tenders that one saw in four or five locations clearly saw the fact that there has been a clear understanding that it is mostly the players who have the experience related to not just hanging the meter at the customer premises, But the wherewithal to make sure that in the subsequent 120 months, which is 10 long years, one will be able to provide well informed inputs to the distribution companies.

So, the value proposition is very befitting and suitable to ATL and its experience in the distribution segment. And for several others who could either be meter manufacturer or players who don’t have the knowledge about the network management or customer interface will find it challenging. So, we believe this is an area which is suitable to us. There has been some news regarding UP calling off a particular tender and to that extent one does not know in the details of that in terms of information and the first level of engagement suggested that it was on account of various qualification requirements etc. which said that one should have been a meter manufacturer.

It has been clarified that the government of India standard bidding document do not have such a requirement stipulated and therefore the entire subject is still under review by the respective authorities. Last bit in terms of our growth related to other retail areas, including the fact that there are a lot of customers who are looking for solutions. We will talk about that in the days ahead in terms of how the various new rules about green access, green open access, as also various arrangements with regard to the large customers being benefited with green power, how ATL, which is an energy solution provider company, will benefit the customers and therefore by virtue of that will be able to participate in more and more network outlay between the customer and the distribution company.

So that is about the growth and how the sector is spanning out. I just want to touch just about two other aspects which our friends asked. One is what is Adani Electricity's regulated equity and debt. Just for our colleagues as of December 2022 the regulated equity is about Rs.4,500 crores and the regulated debt is about Rs.3,000 crores. for you the details because many of you run your details basis those inputs.

We have talked about ESG, we have talked about various recognitions. I am not going to talk about that right now and rather use your questions to add any piece of information if you would have keenness to understand that. So over to you, thank you and look forward to your questions.

Moderator: The first question is from the line of Abhiram from Deutsche.

Abhiram: Hello, thank you for the call. I have three questions. Apologies if I'm taking some time. The first question is, what was the gross and debt and cash for both ATL consolidated and AEML as of December? Not regulated debt, but gross debt and cash. The second question is, could you just highlight, give us an update on the mid-period tariff review process that's going on?

When do you expect this to be completed and when do you expect any changes to the tariff, if any, to come into play to reverse the regulatory balance for AEML? And the third question is, in the previous quarter or post-December, could you just highlight whether there has been any sort of inter-company loans that have been made outside of the group, outside of the whole ATL group?

Anil Sardana: Thank you for those three questions. Let me take up one by one. In terms of our net external debt, the number as of Q2 FY '23 is Rs 28,348 crores. I repeat, Rs.28,348 crores. In addition, there is QIA sub debt, which is Rs.2,294 crores. Why I am indicating QIA subject distinctly is because this we use as an equity for each of the tranche for capex addition that happens at Adani Electricity Mumbai level because it qualifies accordingly for our contribution of 30% equity. So therefore, we mentioned that distinctly. So, the net external debt is Rs.30,642 crores. But net debt for all purposes of servicing is Rs.28,348 crores.

Your second question that you asked was related to MTR. The MTR exercise is underway, as you rightly mentioned, which is related to both transmission assets in Maharashtra because those are regulated assets there. As also for Adani Electricity Mumbai, and one is expecting that both these orders should be with us or should be in public domain before end of March before end of the current quarter. And therefore, the effectiveness of that will happen from the next financial year first quarter. So that is the second part.

Third part you asked about are there any loans from Adani Transmission to any of the related entities in the group side, there are no loans that Adani Transmission has given to group entities outside of ATL.

Abhiram: Got it, sir. I believe these are new loans, no new loans made, right? I believe there are a few existing ones, which obviously already are in public domain.

Anil Sardana: That's correct. What you said, there are no new loans and the past loans, also which you talked about are public domain have been un-winded.

Abhiram: And sorry, just circling back to question 1. Can you give the same figure for AEML, specifically, the net debt number?

Anil Sardana: Yes, out of this, the debt as of 30th September 2022, for the distribution businesses, Rs.13,789 crores.

Abhiram: This is gross debt.

Anil Sardana: That's correct. This is gross debt.

Moderator: The next question is from the line of Harsh Shah from Jefferies.

Harsh Shah: My first question is on the transmission bid pipeline. So, what is the current transmission bid pipeline and what will be bid out in next 12 months. That's my first question.

Anil Sardana: As I said, the pipeline for transmission through the TBCB could be large, but right now, the visibility is about Rs.60,000 crores.

Harsh Shah: And how much do you expect to be bid out in the next 12 months?

Anil Sardana: If you're talking about how much Adani transmission wishes to target, I would twist that point slightly in terms of the fact that we have always aimed to do close to about 5,000 to 6,000 capex each year so that we are able to fund it from our internal resource generation comfortably. That's what we have maintained in the past and fortunately whatever guidance we gave to our analyst friends, we have always done better than that and we will continue to maintain that during the current year which is 22-23, we will stay steadfast on those targets and for 23-24 we will have similar targets.

So, our entire quest to capturing the capex from the various possible growth opportunities would be to keep three things in mind. Number one, to build the pipeline so that we can maintain these capex targets. Number two, to aim in such a way that we don't breach our thresholds in terms of returns. And number three, to make sure that we stay investment grade so that our debt numbers do not breach the internal targets that we have always shared with our analyst friends, which is to make sure that Net Debt /EBITDA remains close to 4.5 or below.

Harsh Shah: My second question is on the distribution reform. As you mentioned in your opening remarks that you are hopeful that being coming up in further sessions, but what do you think broadly, what's your view on that? Do you think it's more likely a post-election event now? Some thoughts on that.

Anil Sardana: So, I think very well said, we personally feel that the statements coming out from the powers be clearly allude to the fact that they will encourage competition rather than outright privatisation. And the competition could be through various formats. One is to look at the second license format. The other is to look at franchisee options. And the third is to broad base the concept like smart meters.

So, you could see standard building documents coming out where they could ask you to do network management with a particular sense of reliability. They would ask you to do a particular performance on the commercial management with a particular achievement of AT&C losses. So, you could see those kinds of interventions when the governments of the day suggest that we will encourage competition rather than privatisation.

So, one is conjecturing that that's what could be the order of how things could pan out. But we as a company will continue to pursue second license options because we believe the customer can easily be given much more competitive tariff as also much reliable power through this option, and that's our driver and that's the reason we will continue to chase that option.

Harsh Shah: And lastly, I just wanted to know what percentage of our total debt is up for refinancing in next one year on the transmission side. That's all. That's my last question.

Anil Sardana: Nothing in the next one year.

Moderator: The next question is from the line of Apoorva Bahadur from GS.

Apoorva Bahadur: Sir, two questions, firstly, on this pursuing the second license. So, I wanted to check if this will entail double infra creation or is there any regulation which allows for sharing of the transmission network with the existing licensee? And second is, sir, on the green open access side, like I think you highlighted that you see a significant transmission opportunity arising from it. So, I wanted to check up the connections for green open access, will it be one-to-one, or will it result in an augmentation of the overall grid capacity on the transmission side?

Anil Sardana: Good question. Apoorva, first question that you asked about the second license. Each of the state regulator could come out with a distinct set of regulations. As of now, the central framework desire as to our own network. But as you are aware that there are absolute orders in the past, which have given regulators the strength to look at the option of specified if they would have a means through which the incumbent could earn billing charges but offering networks. Our interesting framework is Apoorva as it works that assuming that the existing network of the incumbent is reliable, assume for a minute.

If it's reliable and they therefore earn billing charges through the second licensee, it's a very good income for the incumbent. But if the network of the existing incumbent itself is not reliable, in which case, there is no point for a second licensee to fall back on that network.

It is therefore important that the parallel infra is built because that is the whole substantiative point in the manner that this entire provision came in the Indian act at that time. Now there are many, many areas particularly in suburban areas, as also some of the outskirts of the urban areas where the networks are in very bad shape. There areas have a very high level of technical losses. There is also a lot of disruption and many areas where there is a dearth of capacities to cater to the growing demands and needs of new residential apartments coming or new commercial facilities coming or new industrial establishments coming.

So all in all, the entire focus of second license is actually to mitigate the pain that the customer could be experiencing and we are all aware of the fact that there are second rung cities and towns where there are large gaps in reliability, in competitiveness versus what is possible. And therefore, we are looking at those niches. So that’s the first part in terms of what you said.

But of course, what will be most important is the regulation of the respective state regulator, which eventually will determine our models in terms of how we will pursue that part. The second question was...

Apoorva Bahadur: On the green...

Management: Green Open access rules, right? Now the green open access rules as they have come provide to underlying advantages to the customer community. Number one, that irrespective of their capacity, they can choose to buy green power without paying for ISTS charges from anywhere in India. So, number one that basically means that, large customers, particularly whose capacities are above 50 megawatts, which is the current threshold for taking a CTU connectivity. And those who are already in the CTU connectivity, they can choose to avail green part and therefore, adapt transition. And there are several models to that effect that are possible, we will unfold that as we go along.

So, it’s not just the transmission. And if you can recall my words, which I said in the opening statement, that we will be an energy solution facilitator. And by virtue of that, we will make sure that not only that we provide connectivity options, but we also provide solutions to such large customers who desire of sourcing green electrons, that’s our forte. That’s what we have done that to several group entities, including our datacenters and we will now have the same solution offered to large customers, including datacenters and such of the international players, which wish to transit to a larger percentage share of green line process. So that’s the bundle of activities that we are pursuing now.

Apoorva Bahadur: Sir, just one more question on the dual license side. So, I mean I just wanted to check on the power procurement front as well, right? So, will there be separate PPAs for the same network area in addition to what's already existing or will there be a sharing of the overall power procurement pool like it was proposed in the Electricity Amendment Act?

Anil Sardana: Yes, I think Apoorva again, very good question. As of now, unless the new act sets in, each regulator will eventually evolve as to what way they would want to be protective, or they would want to encourage competition. When I use the word protective it is protective of the incumbents. And therefore, the existing PPAs could be co-shared in terms of the million units that get divided between the second license and the first licensee.

But as of now, if the current norms were to prevail, there are no such requirements. So therefore, a new second licensee will eventually source the power on a competitive basis from the marketplaces, through competitive bidding and otherwise and make sure that those competitive PPAs duly blended between green options and other options are offered to the customers. So that's the way today, things stand out.

Moderator: The next question is from the line of Monica Gandhi from Aditya Birla Mutual Fund.

Monica Gandhi: I just want to know what the current liquidity position of the company is and what are the key maturities during the next two, three years on a consolidated level?

Anil Sardana: So, Monica, the answer to that part is that the company has declared cash profits each quarter, and that's the reason why we always say cash is the king. And you saw that we had for the quarter 3, Rs.955 crores of the cash profit, which was up 34% compared to year-on-year quarter. As of today, the cash position is about Rs.3,500 crores. And which is adequate and comfortable for us to fund our existing obligations.

The other part that you said, how is the situation likely to be in the next few years, while without getting into specific guidance or numbers, one does not see this trend being bucked. So, one would look at the similar trends continuing in the years ahead, albeit with more robustness. Why…

Monica Gandhi: Actually, I wanted to know, how is the repayment schedule for the next two, three years, not the cash position.

Anil Sardana: So, in fact why I said cash position because that includes pursuant to repayments. So therefore, that's the reason why I mentioned that. But since you want to know specifically about maturity itself, FY'24, the maturity is about Rs.725 crores. FY'25, the maturity is Rs.945 crores. I think that's what is for next three years.

I was wanting to convey one message in fact while you interrupted me, but for the other trend, when I talked about robustness in the liquidity, I wanted to mention that when we look at the March MTR order, which is going to be for two of the large transmission assets and for our large

Adani Electricity Mumbai business. And as you are aware we had some regulatory effects during the COVID times.

So, one would look at those being liquidated, and therefore, one would look at cash coming into our offers. And similarly, the recent orders that we had got from APTEL for MEGPTCL transmission system as also Adani Transmission India Limited. One would again look at those coming through the medium-term orders that will come in from the regulators. So, I thought it's important to mention that the current trend will be there, but it will be reinforced by virtue of some of these orders.

Moderator: The next question is from the line of Love from Lombard.

Love: I just wanted to have some follow-up on the previous question. For the maturity, I think you mentioned in the FY '24 number is Rs.725 crores in FY '25, Rs.945 crores, is that right?

Management: Correct.

Love: And can you split it for ATL and AEML.

Management: No. So, AEML, there is nothing.

Love: AEML is all current, mostly should be put it on you, so nothing there. AEML also had some short-term debt, I believe, in the last quarter. I'm not sure what is the current situation there in the current quarter that short-term debt has been repaid or extinguished?

Management: So right now, from our cash flow perspective, we are planning it that way, but we typically roll that over.

Love: And amount, is it like Rs.1,000-odd crores?

Management: About Rs.1,000 crores. That's correct, Love very right.

Love: For AEML I understand. And the liquidity you've mentioned, I think, Rs.3,500 crores. Could you also split for AEML, what would be the cash position there?

Management: So about close to about Rs.1500 crores.

Love: Sure Rs.1500 crores for AEML. And I think just one last question I had was the -- for APL, you also have this construction facility, which I'm not sure how the -- when is it due? Is it included in the maturity profile you mentioned, Rs.725 crores, Rs.945 crores is it on -- is it something

Management: So, they are not due in the next couple of years. They continue for another three years. And post that, then we have a takeout clause. So, we have only finished two of the projects out of it and the balance two are still under.

Love: So, they only come due after three years from today?

Management: Yes.

Love: One last question. I think on the capex side, given I think the noise which we have been hearing about with respect to group entity, etc. On the capex side, is there any change in terms of how you want to spend the capex plan for AEML and ATL because they were quite feasible amounts? And any plan to think about how the funding mix is likely to be for this capex?

Management: So, Love, as I mentioned, that we've sort of seen the current Black Swan event, and we have our ears to the ground. So, we clearly hear what the messaging is -- at the same time, at the ATL level, we have sort of maintained our discipline by being investment grade and maintaining our net debt-to-EBITDA ratios are well within the disciplined range. However, we would want to make it further robust.

And therefore, we are right now on the drawing board in terms of what should be our perspective in terms of the feedback that we hear from different quarters. We will come back to all of you as the time goes by. But as of now, as you've known, we have maintained very clearly that we will maintain a capex profile of Rs.5,000 crores each year. And to that extent, we believe we are comfortable continuing with that target in the subsequent years too. So as of now, that's what we are conveying.

But we are also open to the fact that we will once again revisit the entire input that we have received, but at the same time, maintain our growth profile for the simple reason that, since we stay investment grade, that's since we maintain our threshold level. And you have seen that quarter-on-quarter, we've maintained robust performance.

Love: But on the capex side, I believe, on the Mumbai business, is there any commitment you have to -- is there any specific commitment that the capex has to be spent, the plan of our, let's say, a billion dollar which you have for the next four year, five years, or is it potential, is there a possibility to seal that back for the Mumbai business?

Management: So, Love as we had mentioned in the previous quarter and since half past one year that AEML capex is fully funded. And that's the reason why I mentioned that subject also distinctly because that's available to us to put in our tranche of equity out of that kitty. So, since AEML capex is fully funded, AEML plans will continue in the manner that they have been projecting to their regulator and their stakeholders. So, nothing changes at AEML anyways because it's fully funded in the form of whatever they have right now done their capital management program.

Love: Finally in that sense, what we will expect because, looking at the cash position currently and the cash flow generation, it will be a combination of internal cash flow generation from AEML plus whatever you -- the additional debt borrowings?

Management: That's correct.

Moderator: The next question is from the line of Nikhil Abhyankar from DAM Capital.

Nikhil Abhyankar: Sir, in the notes to accounts, you have mentioned that we have received around 2.6 billion as differential interest rate savings from APTEL. So how much is it for the past, and how much is it recurring?

Management: Yes. I think it's referring to the one-off income what you have considered. So Nikhil, of that Rs.240 crores pertains to the past period, and that's how it comes as one-off income and the balance, I think, close to Rs.120-odd crores is for the current year, which is taken into the revenue. I hope that clarifies.

Nikhil Abhyankar: And sir, it is now for the smart meter, sir. So how do you see the opportunities coming up, and do we have already tied up with any manufacturers of smart meters?

Management: So, you must have seen many state distribution companies are coming out with a tender for smart meters. And we expect that in next financial year, there will be deal for around 10,000 meters, currently these buyers are the state-based firm. And as the ATEL, we have been in discussion with various manufacturing meter facility companies. In fact, at available, we have been buying from domestic meter manufacturers and we have the kind of relationship already existing with existing meter manufacturing facilities. So, we'll continue to retain that for these opportunities arriving.

Nikhil Abhyankar: And sir, how much do you expect to add to your top line from smart meters, say, in the next three years or five years?

Management: So, Mr. Sardana states here, we will make sure that whatever commitments that we take, we will take in such way that we remain in an investment grade and accordingly, we will commit ourselves.

Management: But guidance about the top line, I think it will be -- it will not be fair to convey that right now. We will continue to let you know as to how much business we have captured at each point in time and share those details with you.

Nikhil Abhyankar: And just a final question. Are you also looking to apply for the second license in any other area?

Management: Yes, Nikhil that I've mentioned before that pursuant to the proceedings of the first license which is in public domain already. We have started to scan a lot of areas which we believe we can add value for the benefit of the customers at large and we will share with you those details in the subsequent quarters.

Moderator: We'll move to the next question, which is from the line of Abhiram from Deutsche.

Abhiram: Quick question on the one-off revenue item that you mentioned of INR 258 crores. Is the cash already come in? I believe in the previous sort of earnings call; you had mentioned that this is something that you're expecting to reduce working capital. Has this cash already come in? Or are we expecting receipt of this in this quarter and just booked the revenue in the previous quarter because the decision was made in our favor?

Management: No. So Abhiram-A I'll clarify. So, we've received the APTEL order in this quarter and basis which we have recognized a revenue. As mentioned by MD sir, that the orders could get trued up into the cash flow starting, say, March '23 onwards. So, we'll get a cash flow of it starting in the next year. So that adds to the cash flow, which is going to happen in the post two months from now.

Abhiram: And the second question is, I don't know whether there is any clarity on this, but there have been reports on potential buyback of the Adani Electricity Mumbai bonds. Does the company have any commentary here?

Management: I mean I don't think we have ever made an announcement, a public commitment to the buyback kind of thing. They have been actively engaging with the investors to assuage their concerns, but we've not done any of those things so far.

Abhiram: So, the company is not considering it or is this one of the considerations?

Management: You're leading us to say something, but I would say we were actively looking into it. That's all I could say...

Moderator: The next question is from the line of Ajay Sharma from Maybank.

Ajay Sharma: Can you talk about the operating cash flow? I mean the first half operating cash flow was lower compared to last year, around Rs.1,000 crores. So how do you see the trend for the Q3 and the full year?

Rohit Soni: So, Ajay, I'll take that, Rohit here. I mean, we come up with a cash flow on a six-monthly basis. So, the last cash flow was set up on 30 September. The next one is going to come on 31, March. But to give you a broader thought here, I think the EBITDA is on an upward trajectory. The working capital has come down what they were from 30th, September. So, it's much faster than what was said on 30th, September.

Ajay Sharma: And then I wanted to check in terms of circuit kilometer, right? What sort of addition are you looking at over the next few years, basically, if you could -- you have some projects under construction and do you have any projection just like the way you project for other businesses?

Rohit Soni: Yes. So, Ajay, it will be -- it is suffice to suggest that we had a target of achieving Rs.20,000 crores by 2022. So, we are now looking at achieving these 20,000 kilometers by next year based on the available projects.

Ajay Sharma: And any idea on what's the kind of pipeline into the per year addition you can do going forward is on the pipeline?

Management: Yes. So, projects wise, we have a very healthy pipeline as we had already shared with you that we still have close to about Rs.14,000 crores worth of projects for us to execute. But at the same time, in terms of circuit kilometers, how it pans out, I guess, that's something that we will declare quarter-by-quarter in terms of what we accomplish.

Ajay Sharma: And then just a last question on the shared pledge, right? I think you released some shares that were released yesterday. And I just wanted to know now about -- I think about 5% and 6% odd is outstanding. And so, I just want to know, is it a primary collateral or secondary collateral? And then what sort of loans basically are outstanding against that pledge? And how does that pledge need to change depending on the share price. So, if you could provide some color.

Management: Yes, Vijil will respond.

Vijil Jain: I'll take up this. So, we had about 6% of promoters holding pledge as of last reported period. And you were talking about the recent announcement from the promoter side and on the group side. So that is currently under work, and we will further update as to where the pledge ratio will move.

Moderator: The next question is from the line of Parth Jhala from Goldman Sachs.

Parth Jhala: I just wanted to know about our commissioning plans. So, I think we have about 3,400 circuit kilometers under construction. Of this almost 2,900 or 3,000 circuit kilometers are set to commission in calendar year 2023. So just wanted to know the funding for this. Is this all locked in? And by that, I mean not just the equity component, but the debt against it as well has that been procured and tied in? And also, for the HVDC, which we expect in April 2025, could you just share some color on the funding for that?

Management: Parth, I think very actually projected, I didn't want to in the previous when Ajay asked this question, I didn't want to mention how many kilometers we will achieve quarter-on-quarter. We have already shared with you details as you rightly stated that close to about 3,450 kilometers is something that we already have with us for us to execute, and therefore, we will achieve our target of 20,000 circuit kilometers soon.

Now in terms of your other questions, whether we are completely stretched up in terms of the capital management plan for the projects that are already with us. The answer is affirmative. Yes, you're right, absolutely, including the equity component that comes out of our internal resource emission. So, you are bang right. We have a financial closure for the projects that you mentioned, all that we have shared with you all.

Moderator: The next question is from the line of Ajay Sharma from Maybank.

Ajay Sharma: I just wanted to follow up I got cut off on the pledge thing. So, I just want to know what sort of loans are being supported by this pledge. What had you outstanding earlier?

Rohit Soni: I mean, Ajay, Rohit here. I think I mean that we don't do at the ATL level, I think you'll have more hearing from the group coming out from the family things. So, I don't think we would be able to answer that at this point in time.

Ajay Sharma: Because the only concern in the market, which I think if you could elevate was in terms of whether that pledge needs to increase with the drop in share price or not, but it doesn't seem to be the case, but I just wanted to if you could provide that sort of comfort basically?

Management: Ajay, we'll be releasing the feedback to the thing, but at this point of time, nothing to add to that what you.

Moderator: Thank you. Ladies and gentlemen, this was the last question for today. I would now like to hand the conference over to the management for closing comments.

Management: So, thank you. Thank you, Mohit, for organizing this, and thank you all the analyst friends for your Q&A. That brings us to the end of this Q3 FY '23 call. And we hope that if you have any follow-through questions, you will continue to send them, mail them across to Vijil, who is our Investor Relations colleague, and we'll be happy to respond to you whenever you have such questions. Up until then, we look forward to you joining us also at Q4 FY ‘23 call. Please do communicate your feedback to Vijil, we'll be we will internalize that. Thank you so much once again. I appreciate you joining this call.

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