

# Adani Green exits controversial \$442-m renewable energy project in Sri Lanka

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Adani Green has withdrawn from a controversial \$442-million renewable energy project in northern Sri Lanka amid fierce local opposition and a legal battle over its approval and potential environmental impact.

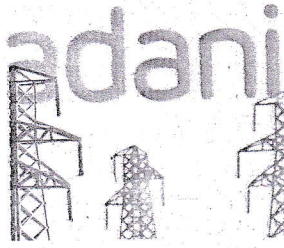
The company's withdrawal from the big-ticket renewable energy project in Sri Lanka signals a significant retreat, given the Adani Group's investment push in India's neighbourhood in recent years.

The move also amounts to a win for Sri Lanka's President Anura Kumara Disanayake, who, ahead of his election in September 2024, vowed to cancel the "corrupt" project. Months into office, however, his government appeared willing to renegotiate it.

## 2024 PPA

In January, the Disanayake administration decided to revoke a 2024 power purchase agreement — cleared by the predecessor Ranil Wickremesinghe government — by which Sri Lanka agreed to purchase power at \$0.0826, or 8.26 cents, per kWh from Adani Green, and sought a lower tariff.

In a February 12 letter to Sri Lanka's Board of Invest-



ment, seen by *The Hindu*, Adani Green said following the Sri Lankan government's recent decision to renegotiate the project, it decided to "respectfully withdraw from the said project", while "fully respecting" the sovereign rights of Sri Lanka and its choices.

## \$1-BILLION PROJECT

Citing "protracted discussions" with the Ceylon Electricity Board for over two years on the 484 MW wind farms to be set up in Mannar and Pooneryn towns in northern Sri Lanka, the company said it had envisaged a total investment — including in linked transmission networks — of nearly \$1 billion for the 'build-own-operate' project.

Adani Green's wind farm project in northern Sri Lanka has remained contentious from the time it was approved by the Gotabaya Rajapaksa administration in 2022 without a competitive tender process. The suc-

cessor Wickremesinghe administration took the project ahead, despite serious concerns raised by the political opposition over the apparent lack of due process and transparency.

Mannar residents and activists also opposed the project, flagging potential damage to a key aviation corridor, among other environmental risks, and challenged the project in Sri Lanka's Supreme Court.

## 'REMAIN COMMITTED'

In a media statement on Thursday, an Adani spokesperson said: "Adani Green Energy has conveyed its board's decision to respectfully withdraw from further engagement in the RE wind energy project and two transmission projects in Sri Lanka. However, we remain committed to Sri Lanka and are open to future collaboration if the government of Sri Lanka so desires." Colombo is yet to comment on the development.

The Adani Group is, however, going ahead with the construction of the \$700-million West Container Terminal at the Colombo port, partnering with the Sri Lanka Ports Authority and conglomerate John Keells Holdings.

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