



“Adani Energy Solutions Limited
Q2 FY-24 Investor Update Call”
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**MANAGEMENT: MR. BIMAL DAYAL – CEO – TRANSMISSION
MR. KAPIL SHARMA – CEO – AEML
MR. ROHIT SONI – CFO – AESL
MR. KUNJAL MEHTA – CFO – AEML
MR. VIJIL JAIN – HEAD IR – AESL**

Moderator: Ladies and gentlemen, good day and welcome to Adani Energy Solutions Q2 FY2024 Investor Update Call. I now hand the conference over to Mr. Bimal Dayal, CEO, Transmission, Mr. Kapil Sharma, CEO, AEML, Mr. Rohit Soni, CFO, AESL, Mr. Kunjal Mehta, CFO, AEML, Mr. Vijil Jain, Head, IR AESL. Over to you Sir!

Bimal Dayal: Thank you and good morning, all. Good afternoon to some of you logged in from a different time zone. Welcome to all the analysts and investors who have joined us for this Q2 FY2024 update call. I hope that you all are doing well. I am sure you would have gone through the press release and the presentation that has been uploaded on our website. Let me start with an operational update followed by a financial update for the period ending September 30, 2023.

Now, I would categorize this quarter as a strong and a steady quarter for AESL and while I run through the bullets here you would realize why I am saying this as well. On operational parameters it was a strong quarter with an average system availability of more than 99.68%, which actually led to an incentive income for the company of Rs. 26 Crores during the quarter. The company added 219 circuit kilometers during the quarter and reached a mark of 19,862 circuit kilometers. Two important things which happened this quarter from a transmission business perspective are we have fully commissioned two important lines which we dedicated to the nation, which are WKTL lines, Warora - Kurnool, and Karur transmissions lines as well. Both have been fully charged and we are very proud of this achievement because only WKTL line is a whopping 756 circuit kilometers, it is the largest inter-regional line, which is a 765 kV line. On Karur it is a 1,000 MVA capacity and is helping a green evacuation of 400 KV system in Tamil Nadu. A very important two lines while we did that, we have also commissioned Kharghar-Vikhroli 74 circuit kilometers 1,500 MVA capacity which is now helping Mumbai wherein 400 KV is coming close to the the Mumbai for let us say alternate power supply as well. In terms of network addition and growth, a comparative number here is that country level we added 1% on YTD basis, AESL network growth was 5% in first half adding 769 circuit kilometers during this period. In terms of capacity addition, while country level growth was 2% YTD, AESL capacity growth was 15% in the first half. Also, in terms of our under-construction pipeline we are on track, and we will make significant progress in coming quarters. As you will know we have been talking about some of the projects which are MP-II package, the Khavda-Bhuj line and WRSR. I am very happy to state that the progress on these lines is going well and the WRSR line. These projects together will add more than 1,300 circuit kilometers to the operational portfolio. While this is something which is on the table, we are very buoyant about the upcoming transmission project pipeline which is upward of Rs.1,26,971 Crores spanning around 12 to 24 months. A lot of bidding is going to take place and I am sure you will be aware of this.

On the transmission business segment, it translates into the financials of almost 8% operational revenue growth which we achieved equaling Rs.941 Crores of operational revenue in Q2. The revenue growth seen in the transmission business was partially driven by commissioning these lines and incentive income as well. In terms of EBITDA growth in the quarter we achieved 9% growth with EBITDA reaching an absolute number of Rs.907 Crores. Q2 PAT, as you will have noticed for transmission business stands at Rs.259 Crores, which is an increase of 8.5%. From profitability point of view, we focused more on cash profit which came in at Rs.501 Crores in Q2, which was 4% higher from the corresponding quarter. That was around the transmission business.

Let me touch on the distribution business a little. First the operational update and then the financial update, then I will run into the consolidated numbers and then we will open for question and answers as well. At AEML the Mumbai DISCOM ensures supply reliability of 99.99% really a number which we are proud of scoring well on all reliability parameters including SAIDI and SAIFI. The strong demand momentum continued in Q2 with energy demand improving by plus 9% year-on-year to around 2,446 million units. We have managed to keep the distribution losses at a record low which comes in at 5.81% against 6% in Q2 of FY2023. The distribution losses fell steeply due to seasonal factors like higher billing and days amongst others. The collection efficiency stands at a whopping 79.2%. Another great aspect which I think we have been sharing transparently with everyone, which we are proud of is the share of RE procurement in AEML increased to 38% which is unique, no distribution company can boast of such numbers. By the end of September, we were at 38% as committed under the July 2021 SLB issuance. Received LOA now for smart meters, there is lot of excitement around this line of business. We have received LOA from Maharashtra, Andhra Pradesh, and Bihar totaling 14.76 million smart meters with a contract value of Rs.174 billion during the quarter. We stand excited about this line of business coming alive soon. Our total smart metering under construction pipeline stands at 19.4 million smart meters consisting of eight projects with a contract value of Rs.232 billion. On the distribution financial side once again a very steady performance as well. The distribution segment revenue stands at the absolute number of Rs.2,480 Crores in Q2, which increased by 15% year-on-year on account of higher units sold and customer acquisitions. The distribution business continues to deliver strong performance with double digit growth in revenue and operational EBITDA. The distribution PAT was Rs.25 Crores, which is up due to one-time bookings which were made during the last year of the same quarter as well, hence it stands at 155% up year-on-year as well. So that was a snapshot of the distribution business and the financials of distribution as well.

A quick comment on consolidated financials as well. Our consolidated revenue, as you would have noted stands at Rs.3,421 Crores in Q2 witnessed a double-digit growth of 13% on account of the newly commissioned projects and higher consumption in AEML as well. On a consolidated basis our EBITDA increased to Rs.1,443 Crores in Q2, an increase of 6% year-on-year. Our PBT of Rs.370 Crores was 48% higher year-on-year from a lower base and consequently our PAT ended 46% higher at Rs.284 Crores translating from a higher PBT as well. This gives you a snapshot and highlight of the transmission business, the distribution business, and the consolidated financials. I will take a pause here and look forward to your questions and interaction during the next one hour. Thank you very much. Over to you for your questions please.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Good morning, Sir. Few questions on my side, first on the transmission pipeline you just spoke about 1.27 trillion when do you expect the entire pipeline to get materialized or in the sense when do you expect it to get completed and is all the RFQ and RFP have floated already?

Bimal Dayal: Yes, thanks Mohit for your question. Your question is about liquidation of these 1,26,971 numbers which I quoted as the transmission pipeline. Let me back off a little. The source of all this is the document which came out in November and December last year highlighting the 500-gigawatt ambition which the MOP has laid down for green evacuation. Consequently, a lot of transmission lines need to be added and I think the total number there was by 2030 the number was almost Rs.250000 Crores. What we see is in the next 12 to 24 months we will be seeing liquidation of this Rs.1,26,000 odd Crores of pipeline. As we speak the bidding, and the reverse auction is going on primarily two very heavyweight evacuations which are lined up. One is the Rajasthan corridor and the second is evacuation for Khavda which is almost 30-gigawatt, the country's largest corridor, which is coming up, we are proudly participating both from our solar side and the transmission side as well. I think there is a small number which is left wherein the RFPs have not been issued but most of the RFPs have been issued as well and we strongly feel that a lot of this bidding will take place in next three to six months and I think we will see a lot of movement and conversion of this into orders as well. This quarter is certainly going to be very heavy with reverse options coming up as well, so I hope this answers your question, Mohit.

Mohit Kumar: Yes, that helps Sir. My second question, is on Bhadla-Fatehgarh, I think the largest HVDC line is up for bidding what is the timeline and are we bidding for the same and then the related

question is that are you facing any issues or contemplating any issues from sourcing the HVDC equipment, we understand that all the factories are full across the world?

Bimal Dayal: So look we are very interested in such corridors and such projects as well because from the groups perspective one of the things which we have demonstrated is an unparalleled project execution capabilities right from, let us say KVTL or WKTL or the India's or Southeast Asia's first HVDC line which we brought up as well which we are maintaining so we are pretty much the only one in this segment, so yes we are very keen and also rightfully capable to execute this project. Well, there is no secret that there is a dearth of suppliers in 765 and above segment as well; however, we are pretty much working on all quarters including strategic discussions with some of them now to secure our equipment and hence I do not think I would like to raise a red flag on this one. The only thing I would like to say is to sum up, yes, we are interested, yes, we are very excited about it as well and yes, we are working to make sure that if we are successful, we will really deliver this on time with finesse, which we are known for.

Mohit Kumar: Sir, the third question is how is the progress on HVDC execution, which we are building up in Mumbai and how much capex you have incurred till date?

Bimal Dayal: You mean the HVDC Mumbai line which is under construction?

Mohit Kumar: Yes Sir.

Rohit Soni: So HVDC Mumbai project is running on track what we communicated. We are looking for it to be commissioned in 2025 – 2026. Our total capex what we had committed is close to around Rs.6,600 Crores to Rs.7,000 Crores. Again, our current spending is close to Rs.1,100 Crores to Rs.1,200 Crores what we already spent. Most of the equipment has been ordered. It is more of scheduling of those equipments which needs to be delivered from Indian sites and from international sites, so you will see more heavy spending coming in the next 18 months to deliver this project on track.

Mohit Kumar: Understood. Thank you, Sir.

Moderator: Thank you. The next question is from the line of Abhiram Iyer from Deutsche Bank. Please go ahead.

Abhiram Iyer: Congrats for a good set of results. My first question was on the change in regulatory capital balance so we booked a reversal of about Rs.300 Crores in Q1 and then now this is down to Rs.180 Crores can you just help me understand why we sort of now under collecting back

again with respect to what we had collected in 1Q that is question one, question two is more in lines of AEML debt could you provide us a gross debt number including all working capital loans and what is the cash balance at AEML, additionally is there any plans to provide support to the AEML bonds currently and what is your view on the current sort of rating outlook and how will it be resolved by?

Bimal Dayal: Yes sure. I will request Kunjal to respond.

Kunjal Mehta: Sure, so the first question was with respect to the regulatory asset base, the amount currently stands at Rs.7,870 Crores. Now if you look at it you see the reduction that is primarily on account of the depreciation which was provided in the first six months and as you would know the capitalization or the addition to the regulatory asset base does not happen in the first half. The first half is generally during the monsoon so we do not add any asset base to the regulatory asset base and therefore you will see that the capitalization has happened only of Rs.200 odd Crores and the reduction on account of the normal depreciation is slightly higher by about Rs.300 Crores so therefore you feel that there is a reduction in the regulatory asset base at the end of September but once the monsoon are over the capitalization will peak and therefore there will be a significant increase in the regulated asset base. We are working towards a capitalization or the addition of the regulated asset base in the range of about Rs.1,200 odd Crores by the end of this financial year and this will significantly increase the regulated asset base by March 2024, so it is only a timing difference that you are seeing a reduction in the regulated asset base, otherwise the regulated asset base by the end of the financial year would also increase in line with what we have already committed. Second was with respect to the gross debt and the cash balance that we have, so basically there has been no increase in the debt balance or any additional borrowing which AEML has done. The company currently has a gross debt of Rs.11,367 Crores which includes a subordinated debt from the shareholder that is QIS, without the QIS debt the total gross debt is Rs.9,350 Crores. We do not have any working capital, so the gross debt is Rs.9,350 Crores. The cash balance that the company has is Rs.1,183 Crores so the net debt is Rs.8,167 Crores that is \$1,300 million of two bonds and \$140 million of cash so equivalent to \$1,160 million of net debt that the company has.

Abhiram Iyer: Understood and with respect to as I asked is there any current plans to support the bonds in the market given by their pricing at, I believe that they do not currently reflect what AEML should be priced at, is there any plans from the company in that sense?

Kunjal Mehta: So, we will come out with the plans as and when it is approved. Currently there are no such plans, but the company does note that the yields are not fairly priced so the management will work towards correcting the fair price. Currently there are no such announcements.

Abhiram Iyer: Understood and one last question this is more on Adani Energy Solutions as a whole given that you have already sort of gotten approval from the shareholders for an equity raise and sort of indicated by the wider group that this is going to be completed towards the end of this year are there any changes to the timeline now, is this mooted equity raise going to happen next year now?

Rohit Soni: Abhiram thanks for that. I would say the plan is on so the only way which we are thinking is what is the right timing and what are the instruments to be used so this was more from enabling where we said we are looking at a billion dollar of raise so I think we are still working on it, so the time what we have given by year end that still holds good from our perspective and just to give assurance the current growth what we have the equity support 100% exists for it because we are generating enough cash from the transmission segment also and from the distribution segment. Given the pipeline is going to be a bit healthier than what we had anticipated so to prepare ourselves for the higher capex growth plan which comes as opportunity we thought that equity raise would help us for us to grow further but the current pipeline projects what we have they are fully supported with the equity what we have in the business.

Abhiram Iyer: Understood perfectly. Thanks.

Moderator: Thank you. The next question is from the line of Prapti from Alliance Bernstein. Please go ahead.

Prapti: Yes, thank you. Just I wanted to check with you on your credit ratings I understand that Adani Electricity is on a negative outlook by both the rating agencies so wanted to get some sense on what kind of conversations the company has had with the rating agency and what are they looking at to resolve this outlook back to stable hopefully and if there are any timelines around that that is my first question, secondly I do recall in a couple of quarters back when we had met there was this mention of a potential US private placement for as a part of your debt management plan so are there any updates around that would appreciate your response on these? Thank you.

Rohit Soni: Prapti thanks for your questions so the first one on the rating I think we have been actively communicating in fact I would say we are over communicating with the agencies given the last six to seven months through which we have been, so the engagements happen at multiple levels and if you see we have gone through the whole grind of the rating agencies both domestic as well as international. Our ratings stay intact. The only thing which got changed was the outlook predominantly stemming out of two reasons one is the noise around the wider portfolio that is part A and part B given the noise around it there can be any possible cost

increase on some of the loans which the company might have to tie up in the days to come and given those two reasons the rating agency had put on a negative outlook. We have been actively engaging with them. I think the last six months have been, I would say, learning from our perspective and from the market. The last three months I would say lot of positive development. I think active engagements are on. We should shortly see certain positive developments but that is more coming out of what the noise gets suppressed kind of things so that is the part on the rating side. We are actively engaging in fact over engagement is happening at this point of time that is part A. I think part two was US private placement yes, we were, and we are looking for a private placement of \$360 million of transmission assets which were commissioned in the last three to four years. That is a size of \$360 million, transactions and paperwork all are underway, we are just working which would be the right opportunistic time for us to conclude the deal so the homework and the paperwork is happening at the back end so we are still working if we can get it early next year that is what we are working so the work is still in progress.

Prapti: Thank you. Just this one followup on the part A of the question, is there any trigger or any event that these rating agencies are waiting for say for instance completion of this US private placement they will check the cost of funding or for that matter even Adani Green sort of refinancing that happens, is this something that these rating agencies are waiting for before revising the outlook or there could be various other elements as well involved in this?

Rohit Soni: No Prapti there is nothing of that sort I will again reiterate all our financing happens at cash flow generating SPVs and they all are ringfenced, so there is nothing which they are waiting at this point of time. I think it is more on the noise what we have on the outlook side that is the only part. The US PP I do not think there is any rate for which they are looking because all whatever we have done they either fixed price coupons they are self-contained by themselves, so I do not think we are waiting anything at this point of time for.

Prapti: Thank you so much.

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

Bharanidhar: Good morning. So, I just wanted to find out because in the initial remarks you spoke about Rs. 1.27 lakh opportunity in the next 12 to 24 months even the National Committee on Transmission is talking about Rs.70,000 Crores kind of a pipeline in the near term but if we see the actual projects that has been awarded it is closer to Rs.10,000 Crores to Rs.15,000 Crores kind of a number on an average per year so just wanted to find out what are the reasons

why actually on the ground projects getting awarded are on a much lower level, what are the challenges for this awarding activity?

Bimal Dayal: Yes, thanks Bharanidhar for this question. Once again I will take a step back and I think if you go back through quarters you will realize that there was hardly any bidding that was taking place and I think at that time one of the mature corridors of Rajasthan was actually stuck because of the GIB issues which actually got cleared I think if my memory serves me right around Q1 or Q2 calendar quarter this year post that we started to see a lot of traction. At the moment as we speak even, I think today and tomorrow there is bidding and reverse auction taking place as well for one of the Rajasthan corridors as well, so I think as I mentioned earlier that this backlog is being cleared in a very fast manner as well. Let me give you the significance and the reason why I believe this backlog will be cleared off as well. As you would know that Rajasthan corridor needs lot of upgradation and lot of evacuation as well and on Gujarat side, the Khavda project evacuation is almost getting ready at the moment in next let us say quarter or two and you will realize that the generation would possibly start as well. Once it starts I think we will see very heavy numbers coming in and I do not think this time we will actually miss out on evacuation that the transmission lines are now ready and we have the farms ready as well so I think in next one quarter you will certainly see the large bids coming out as well so I am not too worried about month, year or two. Yes, whatever has happened is a smaller number but what is going to happen in the next two quarters there will be a lot of catching up that will take place as well so there are big ones lined up including HVDC as well.

Bharanidhar: That is very clear so if I were to just ask about the potential on this HVDC line this is this Bhadla-Fatehgarh line, right?

Bimal Dayal: That is right so there is one HVDC line there and two coming up in Khavda phase five.

Bharanidhar: What would be the name of that Sir?

Bimal Dayal: This is phase 5A and C if I am not mistaken. These are fairly heavy projects in Khavda.

Bharanidhar: So, this Bhadla-Fatehgarh and two in Khavda put together how much would be the total size Sir, would it be each Rs.10,000 Crores kind of number?

Bimal Dayal: Bhadla is Rs.12,000 Crores, I think phase 5A is Rs.24,000 Crores and C is Rs.12,000 Crores as well.

Bharanidhar: That is very helpful. All the best and thank you very much.

Moderator: Thank you. The next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

Nikhil Abhyankar: Thank you, Sir. Thanks for the opportunity. Sir, my question is regarding the smart metering so what is the current order like the bidding pipeline that we have which are the large tenders that we are expecting to open up in this fiscal?

Bimal Dayal: Thanks. I will request Kunjal to respond.

Kunjal Mehta: Sure, so basically as already communicated so the total smart metering pipeline that we have is around 19 million meters and that roughly works out to around total contract value of about 232 million. The total size which is there is around 23 million quantities of smart meters which are available out of which we have already signed or are selected as one under the 19 million meters.

Nikhil Abhyankar: Sir I was asking for incremental order inflows going forward?

Kunjal Mehta: So basically, see this is a bid process and as and when the bids are won the incremental so the total pie which is available across India is about 25 Crores meters so that is huge pipeline out of which we have around close to 2 Crores meters.

Nikhil Abhyankar: Sir out of this 232 billion worth of order that we have so what is the expected capex for these and when should we expect the revenues to start coming in?

Kunjal Mehta: Sure, so the capex part is dependent on various types of technology and various types of the topography that is included in it. The typical size of the project as well as the entire architecture that we deploy on smart meters is dependent on it, so it is very difficult to quote a particular number as to what would be the capex size but suffice to say that the entire smart meter in process is significantly value accretive to AESL and roughly in that range of around 15% to 20% incremental returns are expected from smart metering.

Nikhil Abhyankar: A lot of smart metering orders have been given out in the past one to one-and-a-half years so do you expect to face any sourcing issues for such a large number of meters and are we also complying with the 65% local value addition norms do we expect to meet that?

Kunjal Mehta: Smart metering is not a very, very technology this thing so basically the entire technology and entire infrastructure which is there is locally available in India so we will be able to comply with whatever requirements are there. The metering technology has been prevalent in India since several times. There could be certain pieces of communication which we could

need to be imported but that also is evolving, and we will be able to meet the requirements of whatever Make in India or the local requirements are there. The more important thing which is there is that the entire backhand or the supply chain has now evolved and there is an entire ecosystem which will cater to this demand of completing the smart metering. On your earlier question as to when the revenue will arise, the most important part of this project is that the cash to capex cycle is very limited. We do not have to wait for 24 months or 36 months for the entire project to get completed and then start earning the revenue. The revenue will start earning as and when the meters are installed so it is more like a churning of a working capital deployment which is required or the capital which is required so in three months to four months time as and when the capex is incurred we will immediately start earning the revenue so that is the beauty of this project is that the cash to capex cycle is very, very limited unlike other projects or other infra projects.

Nikhil Abhyankar: Have you started ordering for these meters already?

Bimal Dayal: Yes, we have started ordering so the first project that we won was in the West region which is in South Mumbai, the other project is in the Assam, for both these projects we have started ordering for the entire meter requirement.

Nikhil Abhyankar: Just a final question on parallel licensing so any update on that?

Kapil Sharma: Yes, Nikhil so the application which we have made to MERC for Navi Mumbai and UPRC for Gautam Buddha Nagar there are certain additional requirement which commission asked us to submit which we have submitted recently so now they will be processing our applications at both the states.

Nikhil Abhyankar: Thank you and all the best and wish you a Happy Diwali.

Moderator: Thank you. The next question is from the line of Love Sharma from JP Morgan. Please go ahead.

Love Sharma: Thanks everybody for the time. I just have a couple of questions. If you could just highlight on the capex side what is the total capex we are looking to do at Adani Transmission for the entire this year and how much has been spent in the first half and excluding AEML and secondly related to that would be on the funding side has there been any new facilities or any new funding which you have arranged on the debt side to take care of the capex requirements and aside to that would be the go to market of the construction facility if you could just highlight how much is the availability there and if you are looking to add something more to that? Thanks.

Bimal Dayal: Yes, Rohit please go ahead.

Rohit Soni: Love thanks a lot. Good to hear from you again so I think capex you asked three set of questions. I think on capex the guidelines what we have been giving is every year we look between 55 to 60 billion capex that is there for us, so we have been on track for it and our first half numbers are also in line with those numbers. I think we have done close to around 25 billion capex so far and that is the capex number. The second part is funding I would say very good quarter from funding perspective, so we have been able to do the financial closure for HVDC line which is under construction in Mumbai. The first drawdown happened in this quarter so that has happened significantly. Then there were four more projects for which we were working on financial closures which got concluded in this quarter of which for two projects we have been able to draw the funds also to the tune of Rs.750 Crores across \$80 million to \$85 million so that is on the financial closure and funding so that is working pretty well. The third part of what you said was go to market facility which you are referring to the construction facility. If you take the construction facility what we have done was a \$700 million construction facility revolving up to 1.1 of which I think two transmission lines which were WRSS and Lakadia-Banaskantha LBTL lines were commissioned last year. I think we used \$170 million of the construction facility line for them so those lines are operational, this is what we do on the USPP those limits can be vacated out. KVTL, I think Mr. Dayalji mentioned about it that kV line has been connected to the grid. We are just waiting for the legal circuit to be completed. With that the KVTL project should also be done. We are targeting that to happen in this quarter so with that the third line also gets constructed so all the funds will be available for the HVDC construction. Currently \$300 million is what is the first branch of it. I think that will take care of most of the requirements for this year and early next year, so the go-to-market facilities are operating well for us. The funding has also happened. This is a very positive from this thing and they have been in line with what we expected so that is where we stand now.

Love Sharma: Great thanks Rohit. Thanks. I appreciate it. So just to confirm the go to market facility or the construction facility the current availability is how much again?

Rohit Soni: For KVTL we have the balance I think it was close around \$230 million that is available for KVTL. We have drawn I would say between \$80 million to \$85 million. The balance would be taken out or there might be saving to that extent. The HVDC is a \$300 million tranche one that fund is available. Post the takeout the balance Q2 would be available so a total of \$700 million go to market facility is available for HVDC.

Love Sharma: Understand got it and then just one more question on the facilities or the financial closure of the lines which you mentioned I believe those are the facilities in the onshore loan market?

- Rohit Soni:** Correct so we we have drawn those funds from the onshore markets, so we have not done any offshore. Offshore we done the construction facility and we done the onshore. Post the completion we have been communicating earlier also as the derisking strategy from management post the completion period and say one year of history. If we look at go-to-market facilities or take out a long term ultra bond where the interest is fixed so that the return to the shareholder, the cash flows and everything are known, and they minimize the risk kind of things so that would happen. That is the part of the normal cycle which we will do it so that is the reason why we have these private placement discussions going on. Post that again say year or year-and-a-half later we will again look at similar kinds of facilities to be done.
- Love Sharma:** Could you share the pricing on this from the onshore project loans which you would have raised and what kind of pricing internal have you got?
- Bimal Dayal:** I would say at market if you were looking at exact number it ranges between say 9.5% to 10% kind of number.
- Love Sharma:** AEML I believe you have not released the Q1 results yet is there any timeline as to when you you could expect Q1 and Q2 from AEML?
- Rohit Soni:** Say again Love. We could not hear the last AEML?
- Love Sharma:** What I meant for the AEML Adani Mumbai I believe I could not see the Q1 and Q2 numbers on the website is there a timeline as to when you would be releasing those?
- Kunjal Mehta:** Between today and tomorrow we will release it.
- Love Sharma:** Great. Thank you.
- Moderator:** Thank you. The next question is from the line of Abhiram Iyer from Deutsche Bank. Please go ahead.
- Abhiram Iyer:** Sorry just a followup question on the HVDC line is this still structurally under AEML as of now or has this been shifted already?
- Rohit Soni:** The structure is still the same Abhiram.
- Abhiram Iyer:** Got it and the plan is still to complete the construction under AEML and then shift it later?
- Rohit Soni:** Yes, that would be decided at that point in time.

- Abhiram Iyer:** Got it understood.
- Moderator:** Thank you. The next question is from the line of Sharon Chen from Bloomberg. Please go ahead.
- Sharon Chen:** Congratulations on a good set of results and thanks for taking my question. Just to clarify on the capex guidance, can you break down this year's capex guidance by transmission, smart meters and also distribution and given you have talked a lot about the strong pipeline do you expect capex to increase from next year? Thank you.
- Rohit Soni:** Sharon I think the annual capex guidance what we had said \$55 billion to \$60 billion, if could take broad numbers for this current year you should be looking at between say \$45 billion to \$50 billion coming on the transmission segment. If you take AEML which is a distribution segment that stays between \$10 billion to \$13 billion that is part B and smart meter I think commissioning and deployment just started in this current year so I think it will be a small number even product so that that would progress it up. We have got a 30-month window for construction so that would happen predominantly in the next year and then year later to it. You have asked what is likely to happen going forward. I think with the HVDC line which connects Mumbai that is going to be a big capital investment of say Rs. 6,500 Crores to Rs.7,000 odd Crores so that would see more spending coming on that line in the next couple of years so you might see a bit elevated capex spending but more or less in line with the guidance what we have been communicating earlier so that is why we stand here.
- Sharon Chen:** Great. Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand over the conference to Mr. Bimal Dayal for closing comments. Please go-ahead Sir.
- Bimal Dayal:** Thank you very much for all your questions and thank you for joining in on this call. We really remain excited about what we are doing, excited about the sector we are in and the growth and the participation in the coming tenders as well so there is a lot happening as you will know. With this I would only say that eyes down for the coming quarter and as you would know that we are also entering into this festive season as well, so I do not want to miss an opportunity to wish you and all your loved ones a Happy Diwali and a Merry Christmas. Stay safe. Thank you very much once again for joining in. Thank you.
- Moderator:** Thank you very much Sir. On behalf of Adani Energy Solutions that concludes this conference. Thank you for joining us. You may now disconnect your lines.