



# Adani Energy Solutions Limited

## Q3 & 9M FY26 Earnings Conference Call

January 23, 2026

**Management:**   **Mr. Kandarp Patel – CEO – AESL**  
                          **Mr. Kunjal Mehta – CFO – AESL**  
                          **Mr. Kapil Sharma – Business Head – Transmission**  
                          **Mr. Pushpendrasinh Zala – Business Head – Smart Meter**  
                          **Mr. Bhaskar Sarkar – Business Head – Cooling Solutions**  
                          **Mr. Vijil Jain – Head IR – AESL**

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**Moderator:** Ladies and gentlemen, good day, and welcome to Q3 and 9M FY '26 Earnings Conference Call of Adani Energy Solutions Limited. From the AESL side, we have the following on the call as main speakers, Mr. Kandarp Patel, CEO, AESL; Mr. Kunjal Mehta, CFO, AESL; Mr. Kapil Sharma, Business Head Transmission; Mr. Pushpendra Zala, Business Head, Smart Metering; Mr. Bhaskar Sarkar, Business Head, Cooling Solutions; Mr. Vijil Jain, Head IR, AESL.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vijil Jain from AESL. Thank you, and over to you, Mr. Jain.

**Vijil Jain:** Sure. Thanks, Renju. Just to add, we also have Mr. Kapil Sharma, the Business Head for Transmission business also with us. Thank you, everyone, for attending the call. Good day, and a warm welcome. I just hope you got a chance to go through the earnings material, which we uploaded on the website and the exchange.

And just to very quickly explain the flow of the call, so we will start with an opening statement from the CEO, followed by Q&A and then a closing remark from the CFO. Let me now hand over the call to K.P. sir for opening remarks. Thank you.

**Kandarp Patel:** Thank you all investors and analyst friends for joining this call. These are very exciting times for AESL. We have now delivered another strong performance in the last quarter. The adjusted PAT growth, if we consider the one-time effect of deferred tax of INR185 crores last year in quarter 3, the adjusted PAT growth is 30 percentage, not only in financial terms, but in other capex performance as well as opex performance company has done significantly well.

In the first 9 months, we have commissioned 4 transmission projects – NKTL, Khavda Phase-II Part-A, Khavda Pooling Station and Sangod Transmission project. In coming months, we are on track to commission another 3 projects. One of them is the landmark HVDC project, where almost the entire project work is completed.

The testing and commissioning is going on. The other two projects that will get commissioned soon are Khavda Phase III-A, which is Halvad project and WRSR project. Besides the commissioning of a good number of projects in coming time, we have also won another HVDC

project, which is KPS-III, Khavda South Olpad project. Now with this another HVDC project, our project pipeline has reached to about ~INR 78,000 crores.

On a Smart Metering side, we have been doing in line with what we anticipated and projected. So in the current quarter, we have installed meters close to 19 lakhs. And now we have reached to about aggregate meter installed count of about 92 lakhs. And by the time we close this year, we will certainly cross 1 crore meter installations.

On capital management side as well, you must have noted that Moody's has revised rating and improved from negative to stable for 2 of our subsidiaries, Adani Transmission Step-One Limited and Adani Electricity Mumbai. As far as operational performance is concerned, we continue to have excellent line availability, which is over 99.7% rate, which has resulted to incentive income of INR33 crores as well.

As far as distribution business is concerned, because of weather in this year, the sale has not grown as compared to the last year. But on the operational front, we continue to do excellent work. Now T&D losses are around 4 percentage. To be precise, it is 4.03 percentage, which is a significant achievement looking to the fact that we continue to improve this particular parameter. As far as consumer services and other things are going, we have been doing fairly well there.

In fact, the collection remains more than 100 percentage. And we have been now collecting more than 85 percentage of payment through e-payments. Yes, we already talked about smart meters, where we have already installed 90 lakh meter and reached to 93 lakhs in -- close to 93 lakhs installations. The pipeline also remains strong, so about more than 100 million meters are yet to be bid out. We expect to continue to maintain our market share, and we will add that pipeline in the metering business as well.

As far as C&I business, there are a lot of activity going on. And in fact, we feel that this is going to be one of the major growth drivers besides transmission and smart metering. We have now reached to aggregate load of about 700 megawatts, serving about 14 consumers that was at the end of December. The current count is 31 consumer and load of about 1,300 megawatts. So we are rapidly growing there. And you will see a lot of action on C&I front.

As far as Cooling business is concerned, we continue to create that market for Cooling business. You are aware that we are already putting up India's largest district cooling facility of 40,000 metric tons of refrigeration at Mundra.

As far as financial performance is concerned, you must have noted those numbers. Income has grown by 16 percentage and consolidated EBITDA has also now reached to INR2,200 crores quarterly, which is a growth of 21%. The consolidated PBT has also rose by 43 percentage, which has reached to INR 800 crores level.

Now what is the most important thing that is going to happen that as far as transmission and smart metering and C&I business is concerned, there is a strong pipeline and opportunity pool available in the market. So we'll continue to add that. But at the same time, the kind of effort

that we are putting in execution, you have seen that result in smart metering side. In next year, we expect to add massive capitalization in transmission as well.

And with those, in fact, we are poised to capitalised about 7 projects in current and next financial which will add the gross block of about ~INR25,000 crores.

And that will give a massive jump to the EBITDA and profitability of the company. So, I think these are very exciting times for AESL. And we look forward to hearing from all of you from time to time. Kunjal, over to you.

**Kunjal Mehta:** So, with these remarks, I now request any questions that anyone has. We're happy to take questions from the investors.

**Moderator:** The first question comes from the line of Mohit Kumar with ICICI Securities.

**Mohit Kumar:** Sir, my questions are more on the industry side. Of course, we haven't seen too much of traction in the smart meter -- smart meter order book, right? I think whatever we have won was from the last year. Do you think in the next 12 to 18 months, do you think that there will be some more opportunities on the smart meter side?

**Kandarp Patel:** So, Mohit, thank you so much. As far as smart meter bidding is concerned, there are a few states where bidding is yet to happen or yet to conclude. One is Tamil Nadu, that bidding happened, but I think they will reinvoke the bid. But there are a few other states like Karnataka, Telangana.

They got the DPR approved under RDSS. I believe those states have now filed the DPR with MOP. And on receipt of that approval, they will also come out with bidding. So we expect that significant action we will see in smart metering bidding in next couple of quarters.

**Mohit Kumar:** Understood. And on the transmission, so of course, we have done phenomenally well in this fiscal. I think we have seen INR40,000 – 50,000 crores worth of new transmission projects. My question is more about the future. How do you think about the next 12 to 18 months? It seems like the transmission bids have slowed down. Do you think in our opinion that we can do at least INR60,000 crores, INR70,000 crores additional bidding in the next 12 months?

**Kandarp Patel:** So, Mohit, the project that has been approved by NCT and those state -- various state STUs, if you add all those projects, it crosses INR1 lakh crores bidding opportunity. Conservatively, we think that bidding for at least INR70,000 crores, INR80,000 crores will happen in the next 12 months.

**Mohit Kumar:** Sir, last question from my side, sir, HVDC commissioning timelines, we were guided earlier that it will get commissioned in the Q2. It hasn't happened. And what is the new tentative commissioning date?

**Kandarp Patel:** So, all the work is completed there. Testing and commissioning is going on. So, we expect that to get commissioned in another 30 to 45 days.

**Mohit Kumar:** Anything that caused the delay, sir?

- Kandarp Patel:** So, there were 2 major issues we had to resolve in HVDC on Vasai creek. And there were some working permissions related issue because of which it got delayed. And there is also 4-kilometer of stretch of cabling that is to be done in Aarey Colony. There, we took a little more time because that rain got prolonged, and we have to make a very, very focused effort there that while we do that underground cabling work, we don't damage any ecosystem.
- And because of that prolonged rain in Mumbai, it got a little late. Both the terminals are ready. Now the terminal testing and commissioning is going on. And the last batch of cabling is also getting ready.
- Moderator:** Next question comes from the line of Puneet Gulati with HSBC.
- Puneet Gulati:** My first question is on your KPS-III HVDC. What is the cost that you're now pencilling for this Khavda Olpad project?
- Kandarp Patel:** That will be about close to INR 19,000 crores.
- Puneet Gulati:** And on the Bhadla-Fatehpur HVDC, what is the stage of execution there?
- Kandarp Patel:** So, all the contracts have been awarded. Entire route survey has been done. The necessary application for forest and wildlife has also been submitted. In fact, an environment -- the forest clearance for Rajasthan portion has, in fact, progressed significantly and PSC 1 committee has already given approval. Construction at Bhadla site has already began.
- Most of the basic engineering has been done, and now you will see a lot of progress in terms of execution on the ground. So, all the preparatory work has been completed. We are finding some challenges in land acquisition for Fatehpur, but we expect to complete that also in 1 months' time. So significant work has been done there. More than 200 acres has already been acquired.
- Puneet Gulati:** Okay. It's still due in -- by July '29, right? So, land acquisition challenges can still be surpassed. And can you still do it by July '25? Or you think it could be delayed?
- Kandarp Patel:** Easily, easily. Yes, yes. So, because the entire engineering and other things has been done. The contract is also in place. So we will now very soon mobilize the resources, and we'll start construction there.
- Puneet Gulati:** And you have 4 projects due for completion this calendar year, right? The Khavda-IV, Jamnagar, Navinal and Pune-III. Are these all 4 on track?
- Kandarp Patel:** Yes. So Navinal got a little delayed because the issuance of transmission license from CERC. We already commenced the work and foundation for half of the land has been done. But in absence of that license, we were not getting 164 approval. Now we will get that, but given the progress, even though it is late from original schedule, but we expect it to complete it in the current year. As far as Jamnagar project is concerned, there we are acquiring the substation land, which is government land, so that process is going on.

And we already started working on the transmission line. Those ROW order under government policy is under process, and we expect those orders to come out in 1 month to 1.5 months for the entire region. And with those orders, we'll start commencing the execution work as well. But the Jamnagar project has also -- as of now, is delayed by 1 to 1.5 months as compared to the original schedule. But we'll catch up once we have these government approvals.

**Puneet Gulati:** Okay. And can you just give me the revised timeline for all these 4, if you can?

**Kandarp Patel:** Yes, Jamnagar and Navinal both will get complete in last quarter of next financial year – FY27. Khavda-IV A, will be -- 1 element will be in the second quarter, one -- another element will be in third quarter of the next financial year and Pune-III in the last quarter of next financial year.

**Puneet Gulati:** And lastly, I've been noticing your smart metering execution has picked up. Anything that has changed from policy support side or anything that you are doing to pick up pace there?

**Kandarp Patel:** So we have been making all those efforts in picking up that execution rate. So we are installing about 22,000 to 25,000 meters a day. We keep on getting those challenges in the ground, but now having installed so much of meter and with this kind of exposure, our team has been able to do a fabulous work on ground.

**Moderator:** Next question comes from the line of CA Garvit with Serene Alpha. Since there is no reply from the line of Mr. Garvit, we'll move to the next participant. And that is Mr. Gaurav Nigam with Tunga Investments.

**Gaurav Nigam:** I have a first question; we are hearing about this policy relaxation on the Chinese side in some sectors. I think most recently, there has been some news about the thermal power side. I just wanted to check, is there anything that we can benefit from? And is there any positive benefit on the transmission side specifically that can come to us on a going forward basis?

**Kandarp Patel:** So Gaurav, if that happens, obviously, it will help because that will increase our options for equipment sourcing. But even if -- even if it is not done, we are not affected because we have that kind of strategic relationship with all our major OEMs. We have been doing all these projects.

And so far, with the restriction on Chinese players, and we will be getting all the supplies at the right time and at an appropriate pricing. So obviously, it will be an incremental advantage. But even if it doesn't happen, we are not affected.

**Gaurav Nigam:** But as of now, is there anything where we are positively getting the benefit or nothing has happened so far?

**Kandarp Patel:** Come again, sorry?

**Gaurav Nigam:** I was just asking, is there any benefit that we have started getting as of now or that restriction still stayed, sir?

**Kandarp Patel:** No, it is still there. So there were news items which we came across that government is planning to relax it. We don't know the exact contour of it. But if that happens, then obviously, it will increase options for us.

**Gaurav Nigam:** Understood, sir. And sir, second question was specifically about -- if you look at on the transmission side, I mean, we are seeing lower tendering. I mean first half was slow, we expected third quarter to pick up. I think there is some pickup. And on execution side also, I mean, as you mentioned, there has been some delays. I think we are hearing in the other developer also, there is some delays.

So I mean, is there something structurally which is hampering both on the tendering side and the execution side? I mean, how do you think about it? Because I mean, year-on-year, if you look at from last year to this year, there have been both sites there have been significant lowering. So I mean just wondering how do you look at both on the tendering and execution side?

**Kandarp Patel:** So Gaurav, the challenges in execution is known to all of us. So essentially those are relating to equipment supply or manpower ability or our ROW. But this year, the additional challenge that we faced, especially us because our mainly concentration of project execution is in Mundra, around Khavda and then Gujarat and also in Maharashtra, where rain continued for quite some time. It was abnormal. It continued up to almost Diwali period, and that has affected our execution.

As far as manpower ability is concerned, what we have done is that now the skilled manpower was the most critical one. In fact, in last 6 months, we have set up our own training facility at Gorda, where we -- it's a catchment area for people who works on a tower erection and that facility is up and running. Now we will be having 200 people trained available to us from this month.

And every quarter, we will have about 400 to 500 people available to us in the stinging, which we will provide to our EPC partners for execution. And with this kind of endeavour, we see that significant progress will happen on the execution side. Another challenge remains is ROW and therefore, I mentioned that in Jamnagar and in most of the projects, what we are trying to do is while we start a project.

But we focus more on getting those ROW orders from collector, compensation-related order from collectors. So that becomes a benchmark for us for negotiation with the farmer. So, with all these efforts, we expect to see a lot of progress in this quarter as far as capex is concerned and then next quarter because that also will be a working season. So, you'll see a lot of action on that front.

**Gaurav Nigam:** And sir, just your perspective on the tendering side as well, I mean there seems to be -- I mean, year-on-year, there is a drop. So how do you think about that, sir?

**Kandarp Patel:** So as I said earlier, we expect that about INR80,000 crores of bidding will happen combined together state as well as central. And that INR80,000 crores is also a significant number. And if we even continue to maintain our market share, we will have a significant opportunity there.

- Moderator:** Next question comes from the line of Sumit Kishore with Axis Capital.
- Sumit Kishore:** My first question is to better understand the phaseout of capitalization of your works in hand. So, of the INR780 billion works in hand, would it be right to say that roughly INR400 billion is non-HVDC? And how is the capitalization spread over FY '26, '27 and '28 for this? And you can correct the numbers.
- Kunjal Mehta:** Yes, sure. So based on the timelines which we just mentioned, the Mumbai HVDC and the NKTL project, which will get complete -- I mean the NKTL which just got completed, will give around INR10,000-odd crores of capitalization. With HVDC which will get completed in the next 2 months itself, which will give an additional tariff of around INR1,600-odd crores.
- We expect the additional ones, especially the Khavda Phase III, that is the Halvad project and the WRSR projects that will get commissioned in the next 3 to 5 months period, which will lead to an additional capitalization of close to INR4,800-odd crores. And then all the 3 projects, which Kandarp mentioned will lead to an additional capitalization of INR10,000-odd crores by the end of the next financial year.
- So, all put together, we have INR10,000 crores in the next 1 or 2 months, INR5,000 crores odd in the next 4 to 5 months, and the balance INR10,000 crores coming up by the end of next financial year.
- Sumit Kishore:** FY '27 end?
- Kunjal Mehta:** Correct.
- Sumit Kishore:** So what is the visibility right now for FY '28 as well on the capitalisation side?
- Kunjal Mehta:** I don't have the immediate visibility of FY '28. That would be too far. First thing is that this is something which we have immediately on our end.
- Sumit Kishore:** Sure, sir. My second question is relation to the 2 large HVDC projects that you are executing. Broadly, what would be the capex phase out as you complete these projects by 2029, 2030 or so, broad capex phase out?
- Kandarp Patel:** Yes. So roughly, the capex in transmission per year on an average, there could be a variation year-to-year. But for next 5 years, it would be in the range of about INR18,000 crores to INR20,000 crores.
- Sumit Kishore:** This is including everything, HVDC, non-HVDC, everything.
- Kandarp Patel:** Correct. On the later years, it might go up as we add new transmission project in our kitty. But given the project pipeline in the country, it will be about on an average INR18,000 crores to INR 20,000 crores.
- Sumit Kishore:** Okay. And specifically for the HVDC projects, would it be fair to say that in the first 2 years of execution, less than 25% of the capex will get incurred and bulk of it will be in the latter part?



**Kandarp Patel:** Yes.

**Sumit Kishore:** Okay. Okay. And my last question, if you can also shed some light on the phase out of the next HVDC project awards, which is likely, say, until end of FY '27 to name the products and the potential size that we are looking at.

**Kunjal Mehta:** New projects. New HVDC projects likely to come up in FY '27?

**Kandarp Patel:** Yes. So there are few HVDC projects under bidding pipeline, and we certainly would be participating in those bid sincerely.

**Sumit Kishore:** Any specific bids that you're aware of that you can just share with us?

**Kandarp Patel:** Yes, there is one project, HVDC project from Barmer HVDC, which comes up to Maharashtra, South Kalamb that is the immediate -- yes, that we expect to come in the bidding process.

**Sumit Kishore:** So, can that get awarded by June? Or will it be maybe in the second half of CY '26?

**Kandarp Patel:** I think that it will be done in the first quarter of the next year.

**Moderator:** Next question comes from the line of Manish Somaiya with Cantor.

**Shweta:** This is Shweta here from Cantor on behalf of Manish. Congrats again on another strong quarter. I have 2 questions from me. The first one is on the debt stack. You've had multiple bond buybacks in the year earlier and sort of wanted to understand, given the surplus cash for this year, what is the prioritized use? Is it going to be further bond buybacks? Or is it going to be more capex?

And also given the scale of transmission and the smart metering ramp-up, what leverage ceiling should we like sort of look at that would essentially force like a reconsideration and equally because you've discussed this before that you'd say like there's going to be no fundraising terms by equity. So I think this is my first question and then we'll get the other one.

**Kunjal Mehta:** Yes. So you're right. So the company did by bond buybacks, and we did bond buybacks in our electricity Mumbai Distribution Company. We did a bond buyback of 120 million last year followed by a bond buyback of 90 million -- 95 million up to the 9 months that we did. We did a 1 buyback of 50 million, and then we again followed it up with a buyback of 45 million.

So AEML distribution business because of the surplus that it is generating. And as we have guided, we will continue to de-lever that company after meeting all its capex and its opex requirements. So that company has roughly a capex of around INR1,500 crores to INR1,600-odd crores.

And after meeting that capex, the company still has that surplus, which we will use to de-lever the balance sheet. And at the right time, we will continue to do the bond buybacks in that organization.

As far as the consolidated debt profile of the company is concerned, we have always guided that we would be in the range of around 4 to 4.5x based on our capex cycle over a sustained period. But it would be in that guidance range always.

**Shweta:** Understood. Also, given the progress in the newer verticals, can you reshare the margin structure, especially for the C&I business, sort of the expected growth and the capital intensity to scale the vertical? And what are the timelines that you're targeting for this business?

**Kandarp Patel:** So, C&I, especially C&I and district cooling business, like you see in a smart meter, which is the margin as compared to the conventional transmission and distribution business, there are very high margins in smart metering. We expect similar kind of margin structures, both in district cooling as well as C&I business.

In fact, C&I business will be a very interesting one where we won't have any capex to do. But despite the fact that because of our solutioning capability, the margins would be significantly high of the order of INR 0.75 plus per unit. And that will be a massive segment too – so we are also very excited.

**Shweta:** I have to ask this question, especially on data centers. You have mentioned there's a lot of potential for AESL, especially with the group's tie-ups. And sort of what indicators should we be tracking -- for AESL?

**Kandarp Patel:** Data centers, in fact, we bring a great amount of value when we deal with the data center because the two things where they find it difficult not only in India, but across the globe is getting the power infra or connectivity and also power supply. Now AESL having presence in both, and we are in a position to offer them an end-to-end solution.

And this kind of approach has been well appreciated. In fact, we have been in discussion with multiple players, big players who are planning to enter into India in a massive way. So, it's going to be a very exciting one, especially C&I coupled with our capability of delivering that power infra as well.

**Moderator:** Next question comes from the line of Pratik Chitaleya with M&G.

**Pratik Chitaleya:** So my question is around how are we going to fund the future capex? Are we going to raise the debt or it will be funded through internal accruals? How it will be done?

**Kandarp Patel:** Sure. So I'll split that basis the business divisions that we have. So, in AEML, as I just told, that business, whatever capex that is there is being funded through its internal accruals. So is the case with respect to the smart meter business. Smart meter business has a low gestation period. And because of that, it is able to fund its own capex.

In fact, the -- what we are actually doing is that securitizing the receivables of smart meter based on the meters that we have installed, we are securitizing that meters, and that is funding more internal accruals for my transmission projects.

And in case of transmission business, we generally lever these assets up to 70%, 75% at the inception. And then once the asset gets completed, we again launch it into the bond market. So we try to lever it further up to 80%, 85% once the asset gets operational.

So based on that and based on the internal accruals and the fund flows that the company is generating, we do not envisage any further equity borrowing, which is required to fund all our under-construction projects that we currently have.

**Pratik Chitaleya:** Okay. Are we looking at the bond funds, funding through bonds or...?

**Kandarp Patel:** So, we look -- for our debt funding, once the asset gets operational, we continue to look various options, which includes domestic bonds, which will include the bonds in the international market as well as bonds in the capital markets across. So yes, we look at but only after the asset gets completed.

**Kunjal Mehta:** And also sometimes for refinance like...

**Kandarp Patel:** And of course, refinancing, yes.

**Moderator:** Next question comes from the line of Vishal Periwal, PL Capital.

**Vishal Periwal:** Sir, in terms of tendering this particular year, can you give some color, like how has been in the last 3-odd quarters of FY '26? And in terms of NCT cost, I mean, out of that, like how much we could have won this year?

**Vijil Jain:** So, this year, so far, we had up to INR 44,000-odd crores worth of tendering which happened. And this is again based on the NCT cost estimates. And as you know, the actual cost estimates project to project differs. For example, HVDC especially, right?

So, the numbers are elevated in terms of actual cost. But so far, I think what we are seeing is close to INR 80,000-odd crores worth of bidding should come through by end of this year, again, which is a large number.

**Vishal Periwal:** Right. And out of the INR 44,000 crores you mentioned, so we could have won how much, I think?

**Vijil Jain:** Yes. So we've got two projects. One is the HVDC, which is as per NCT, about INR12,000-odd crores, and one more project which is at Talegaon, which is about INR1,600-odd crores. So INR13,600-odd crores in terms of NCT costs, which broadly gives us a market share of about 30% to 32%.

**Vishal Periwal:** Okay. And the escalation which you mentioned, so I think the NCT is INR12,000 crores for HVDC, which we have recently won. So, in this call only, you mentioned probably the cost could in the range of INR18,000 crores to INR20,000 crores. So the escalation that you mentioned, it is pertaining to that only, right?

**Kandarp Patel:** Correct, correct, correct.

- Vishal Periwal:** Okay. Got it. And then second is in terms of tendering, you did mention like INR1 lakh crore, probably opportunity of INR80,000 crores. So all these are ISTS project? Or any opportunity are you seeing in the state also?
- Kandarp Patel:** No, no, there are state projects as well, especially from states like Maharashtra, Karnataka and Rajasthan.
- Vishal Periwal:** Okay, okay, okay. And when you mentioned we'll see these opportunity in a couple of months. So probably things will move to financial year '27 also, INR80,000 crores that you mentioned, right, sir? Or within this next 2 months that we are seeing.
- Kandarp Patel:** So next 12 to 15 months, you will see almost INR80,000 crores to INR1 lakh crore of bidding.
- Vishal Periwal:** Okay, okay, okay. And maybe like harping on the same, which you might have answered. So the tendering this particular year was slow. So I know, I mean, we have maintained market share. I mean that is what is required from AESL. But at a sector level, sir, what could have been the reason for the same? Or maybe last year was there were lot of one-offs and bump up year was there. How you see things on the ground?
- Kandarp Patel:** So I think every year, on a steady-state basis, we will have about INR80,000 crores to INR90,000 crores. Suddenly 1 year because there was a backlog and they wanted to finish it off quickly, it bumped up. This year, it got a little slowed down because there were certain transmission projects that they wanted to reevaluate depending on the change in the generation and demand profile in the country.
- But on a steady-state basis, we believe that it will be about INR80,000 crores, INR90,000 crores bidding that will happen every year. Because now the state sector has also started opening up. So, as I mentioned, three states are already very, very active in TBCB and we expect many other states like UP, Bihar, Assam, Tamil Nadu, Gujarat, those are also expected to come in TBCB.
- Vishal Periwal:** Okay, okay. And as of now, in this INR80,000 crores, which states are active, where we are looking...?
- Kandarp Patel:** Rajasthan, Karnataka and Maharashtra.
- Vishal Periwal:** Okay, okay. Sure, sir.
- Kandarp Patel:** In Maharashtra, in last 6 months, at least 7 to 8 projects got under bidding.
- Vishal Periwal:** Okay, okay. But I mean like has there been any outcome or...?
- Kandarp Patel:** Yes, yes, yes. They have been awarded; they have been awarded.
- Moderator:** Next question comes from the line of Chun Yi with Ispring.
- Chun Yi:** I have two questions. Firstly, it's regarding the refinancing of your U.S. dollar bond. Would the company consider more of onshoring option or offshore? And what are the considerations that

the company will look at? Looking at this from more of a currency perspective and also there's a headlight today on Adani as well. So probably from the corporate governance side, it could be some negative sentiment. How would the company approach this?

**Kandarp Patel:** No, sure. So, what we generally focus is that we keep our options open, whether it is offshore or onshore. And at the right time, we look to refinance our bonds. So the options are always open, whether it is offshore or onshore. Our focus is always to ensure that our bonds are always rated investment-grade, whether it is offshore and onshore. And therefore, you would see is that in onshore markets, most of our projects have AA plus and AAA ratings.

And similarly, in the offshore markets, our bonds have sovereign ratings. So our focus is to ensure that we get the highest ratings. And based on that and based on the market conditions, we would tap either the onshore market, offshore market for our refinancing of the existing bonds that we have.

**Chun Yi:** So just for the U.S. dollar bonds coming due this year, when will the company be considered -- come out of the plan for going offshore, onshore because I think you were saying August?

**Kandarp Patel:** Yes, yes, we are working towards that, and we would refinance that at least in the next 2 to 3 months and complete the refinancing.

**Chun Yi:** Okay. That's very helpful. And another question is probably on the ESG side. I would like to know how does the company assess the rates with our supply chain partners, especially labor practices and maybe environmental compliance?

**Kandarp Patel:** So we are very much working with our vendors, especially the EPC vendors and we ensure that they follow all the governance, especially the safety practices that we follow and also comply with our own ESG standards that the Adani Group as well as the AESL as a company is following. So from our vendor ecosystem, we ensure that all our vendors are also in compliance with the ESG standards that we have set for us as well as for the Adani Group.

**Kunjal Mehta:** And just to add to the vendor ecosystem part. So typically, across the value chain, our focus is to tie up with Tier 1, Tier 2 suppliers so to ensure that we have last mile or the traceability element is there in terms of the best governance as well as labor practices at the respective vendors also.

**Kandarp Patel:** And all effort you must have seen that is translating into our continuous ESG rating, whether it is international or domestic one.

**Moderator:** Next question comes from the line of Vishal Biraia with Bandhan Mutual Fund.

**Vishal Biraia:** Could you talk a bit more on leverage as to where are we currently and what should be the leverage in the next couple of years? By March of '27, where should the total debt be? And what portion of this is financed by U.S. domiciled banks?

**Kunjal Mehta:** Sure. So our total net debt currently as we speak is INR38,000-odd crores, of which INR48,000 crores is gross debt, and we have cash balance of INR9,600-odd crores. Out of the INR47,000

of gross debt we have, we have roughly INR9,700 crores of the U.S. dollar bonds in Adani Electricity Mumbai and INR10,500-odd crores of bonds in the transmission business.

So around INR25,000-odd crores of dollar bonds in INR47,000 crores of the debt that we just mentioned. And our leverage currently is 4.3, which was 4.4 in September based on the published results. Currently, we are at 4.3 based on the trailing 12 months basis. And we will continue to maintain that always.

- Moderator:** Mr. Biraia, are you done with your questions?
- Vishal Biraia:** No. Last quarter, you bought back some bonds, right?
- Kandarp Patel:** Correct, correct.
- Vishal Biraia:** So FYTD, what has been the total purchase of bonds that you have done?
- Kandarp Patel:** In this financial year, we did a bond buyback of \$95 million. \$50 million we did in Q1 and \$45 million we did in Q2.
- Vishal Biraia:** Okay. And where would this leverage -- what would be the total debt by March of '26?
- Kunjal Mehta:** So, it would be in this range itself. The net debt would be in the range of INR38,000 crores to INR40,000-odd crores, because we have the natural amortization of the repayment, which is also happening parallelly.
- Vishal Biraia:** Yes. Okay. So by March '27, with this, say, INR30,000 crores of incremental capex that you will do, INR25,000 crores, INR30,000 crores, your net debt you are saying will still remain at INR40,000 crores. Is that what you are saying?
- Kunjal Mehta:** It is the capitalization which will happen. The capex has been done on a progressively basis every year. So yes, so it is -- what I spoke was the capitalization part.
- Vishal Biraia:** Agreed. But even if so, if I assume, say, INR20,000 crores worth of capex that you will do for the next financial year, say, and INR5,000 crores of capex that you might do in fourth quarter, so I was saying, so that is where even if I assume INR25,000 crores more of capex that you would...
- Kunjal Mehta:** Yes, yes, but that would also translate to additional earnings because of the capitalization which will happen, right?
- Vishal Biraia:** Sure, sure. Sorry to harp on this. But so, by March of '27, you are saying your net debt ratio would still be flattish.
- Kunjal Mehta:** Correct, correct. I can walk you through the numbers, I mean, but it's not going...
- Vishal Biraia:** Sorry, last question is, of this INR25,000 crores of bonds, what is the maturity that is coming about in the next 2 years?

- Kandarp Patel:** So, the immediate one, which is coming up is the \$500 million bond, which is in August '27, which I told you we are going to refinance in the next 1 to 2 months itself. The balance we have back dated maturities like the AEML bonds is maturing in 2030, 2031. Our average debt maturity profile of the dollar bonds as well as the INR bond market is currently 7.9 years.
- Moderator:** Next question comes from the line of Shirom Kapur with Jefferies.
- Shirom Kapur:** Just want to ask you on your capex and capitalization. So starting with capex, are you -- last quarter, you had guided for transmission, about INR114 billion to INR115 billion, distribution, INR16 billion and smart meters, INR40 billion for this year. Are you on track for that kind of capex this year? I mean, are you maintaining that guidance?
- Kunjal Mehta:** So we did capex of INR9,294 crores till 9 months. By the end of this financial year, we would be in the range of around INR15,000-odd crores once the entire capex has been completed for transmission, smart meter and distribution.
- Shirom Kapur:** So this is a slight downward revision from last time. Is that -- is there any particular segment where this revision has come? Is it from the transmission side or smart meter side? Would you be able to quantify that?
- Kunjal Mehta:** So, some of the projects got spilled over by 1 or 2 months in the next financial year. So that's the reason why the INR12,000-odd crores, I mean, just about INR1,000-odd crores, we had guided the market to around INR16,000 crores. We are currently looking at around INR14,500 crores to INR15,000-odd crores.
- Kunjal Mehta:** And the downward is mainly in transmission.
- Shirom Kapur:** Okay. Got that. Secondly, on capitalization. So I guess similarly, last quarter, you had mentioned that in the second half, we're expecting about INR120 billion of capitalization in the transmission segment. Now you mentioned it's about INR100 billion. So there's been a slight downward revision there as well. That, again, I'm guessing is because of the deferment of projects, but I just want to understand this breakup that you mentioned of INR100 billion in AEML and NKTL.
- So AEML, my understanding is it's a INR70 billion project. And NKTL, as per your previous release, was a INR965 crores project. So is that the right number? So what is adding up to this INR100 billion that you expect?
- Kunjal Mehta:** You are right. INR965 crores NKTL is the correct number.
- Shirom Kapur:** Okay. So that means the balance that we're expecting this in the fourth quarter of FY '26 would be the Mumbai HVDC of INR70 billion, and the NKTL has already happened as of December. Is that going to happen 4Q?
- Kunjal Mehta:** It has already happened. Just happened in December, yes.

- Shirom Kapur:** Okay. Understood. And then -- so earlier in the call, you mentioned this INR240 billion to INR250 billion total. That would be including 4Q as well as FY '27, right, of 7 projects to be commissioned?
- Kunjal Mehta:** Correct, correct.
- Moderator:** Next question comes from the line of Anuj Upadhyay with Investec.
- Anuj Upadhyay:** Sir, one thing on the smart metering. We had given a guidance or a target to reach around 6 crores over the coming few years. Currently, we have a pipeline with installation in the range of 2.5 crores. Any target by when can we reach this 6 crores number?
- Kandarp Patel:** So the 6 crores was -- we were talking about that number of a couple of years back. In last -- unfortunately, in the last entire financial year, there was no significant bidding opportunity came up. That -- as I explained to you, there were many states who initially never wanted to become a part of RDSS. They didn't come out with a bidding.
- Now most of them have submitted their proposal to Ministry of Power, and we expect that bidding to happen in next year. And we will if not reach to 6 crores, but we will at least maintain our market share, meaning thereby we would have about 5 crores of meter concession.
- Kandarp Patel:** Yes. But what's also important is that the capex or the capitalization got translated into the transmission projects because at that point in time, our under-construction pipeline was just around INR15,000-odd crores, which is now close to INR80,000-odd crores. I mean that was the biggest shift which happened when we were talking about 6 crores meters if you were referring to that period.
- Kandarp Patel:** So in fact, that is the biggest advantage that AESL has of diversity in businesses. Like many other similar players in transmission doesn't have that kind of diversity. So we could utilize opportunity in transmission to compensate that was not happening in smart metering.
- Anuj Upadhyay:** Got it, sir. And sir, in one of the earlier answer which you responded to someone's query, you mentioned that the smart metering segment would be self-funded through the internal accruals. Now with, say, a run rate of around 1 crore installation or slightly higher by the end of the current fiscal and my sense is our annual revenue on a per meter basis comes in the range of INR600-odd crores -- INR1,600, sorry. So that should secure revenue -- cumulative revenue somewhere in the range of INR1600 crores on a per annum basis, just on installation of 1 crore meter.
- By going or reaching a number 2.5 crores, which probably we are targeting by the end of next fiscal, that number would probably go up somewhere in the range of close to INR3,500 crores or INR4,000 crores. Correct me if I'm wrong, sir. By this mean, can you just help me in understanding the economics, how the incremental capex in the smart metering space would be self-funded?
- Kandarp Patel:** No, what I was saying is that we will not be doing debt funding into it. We would be securitizing those receivables itself. So the INR600-odd crores is over the next 7 years. So I would use the



securitization of that receivables itself to fund the new meters, which are going to come up. So I don't have to fund it through the accruals of the transmission business to fund smart meter business.

And based on that securitization of the receivables, I would be more than sufficient to fund whatever growth which is there in smart meter business or the existing projects of 2.25 crores meters that I have.

**Moderator:** Next question comes from the line of Prateek Dugar with Intelsense.

**Prateek Dugar:** I had a question on our 9-month EBITDA bridge. I mean if I look at the SCA addition to the EBITDA, the jump in the smart meter is understandable. And -- but can you elaborate on the transmission side as well? Because like it has also seen a INR300 crores jump. Like how do we read into this?

**Kunjal Mehta:** I mean, the transmission business has grown generally because of the operationalization of 3 or 4 projects that got completed, especially the Khavda-I, the KPS-I and the Sangod-I, resulting in the additional revenues and distribution business gave the steady state of INR1,200-odd crores for the 9-month period. So from that basis, that -- I mean, the largest part is coming from the operationalization of the new transmission projects, which are getting completed.

**Prateek Dugar:** So sir, if I understand that the -- like could I say that the SCA margin that we accrue or the SCA EBITDA if it jumps, like could that be a leading indicator for our operating EBITDA as well going forward?

**Kandarp Patel:** So SCA EBITDA does not lead to increase in the operating EBITDA. The operating EBITDA largely comes from the -- as the transmission project gets completed, that forms part of my operational revenue and the operational EBITDA. The capex that I do will give you an indication of the SCA margin that we put out in the income statement.

**Prateek Dugar:** Okay. That's it from my side. And one more, sir. I think if you're aware that sometimes back in December, the CEA had come out with a proposal of some critical items. There was a list of some 16 items in which there were HVDC assemblies which were imported largely. So, are you facing some challenges as per getting the procurement for HVDC valve assemblies?

**Kandarp Patel:** No, we are not facing any challenge. In fact, for the recent HVDC project that we have won, which is Khavda-Olpad, we already finalized and closed the contract with OEM.

**Prateek Dugar:** Okay. And that would be a foreign OEM?

**Kandarp Patel:** Yes, yes. We have closed that contract with GE. And in fact, we have been able to -- sorry, we have been able to agree with them for a schedule which is far more aggressive than completion schedule given in the bid timeline.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Kunjal Mehta for closing comments.

**Kunjal Mehta:**

I take this opportunity to thank all the participants who participated in the call. And due to paucity of time if we are not able to answer any of your questions and if you need additional clarifications, we are just a phone call away. Just would like to end our comment with that. We are now at a strong pedigree of completing our projects, especially the Mumbai HVDC and the 4 projects that we just mentioned. And based on that, we are looking to have a capitalization of at least INR25,000-odd crores in the next 12 to 15 months.

So that is something which is very important as far as the transmission business is concerned. And the smart meter pipeline, where we have already completed the installation of close to 92 lakh meters and looking to complete the balance meters in the next 12 months or so. So both of our transmission and smart meter business continue to have strong degree of revenue translation, which will happen in the next 12 to 15 months. Thank you all. Thank you for participating in the call.

**Moderator:**

Thank you. On behalf of Adani Energy Solutions Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.