

Management Discussion & Analysis

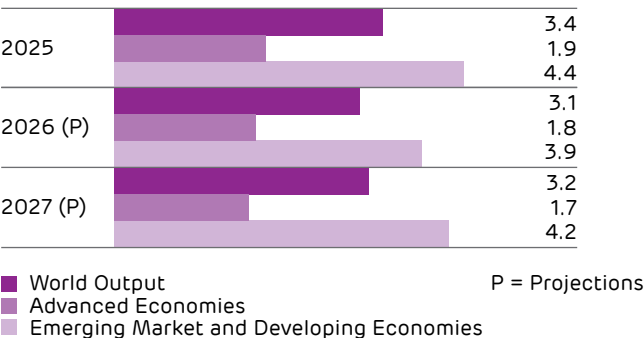
Global Economy

The global economy exhibited notable resilience throughout 2025 amid evolving trade policies and divergent regional performances. Investments in technology, notably in artificial intelligence (AI) and associated sectors, helped offset pressures from tariffs and heightened policy uncertainty. Global headline inflation stabilised at 4.1%, with annual rates remaining consistent across regions, aided by several economies reporting figures below market expectations.

The geopolitical environment continues to remain uncertain, with heightened tensions in West Asia emerging as a key source of disruption to global trade, energy flows, and supply chains. While the Russia-Ukraine conflict continues to have residual effects on crude oil supply/price, commodity markets and logistics, the current focus of global risk has increasingly shifted towards West Asia, where escalating instability is contributing to supply-side pressures, inflationary concerns, and broader market volatility. These developments are creating indirect challenges for industries across sectors, particularly through higher input costs, shipment delays, and uncertainty in the availability of critical materials and services.

Global GDP growth attained 3.4% for the year, in line with prior estimates, though this masked varying performances across other regions. Advanced economies expanded by 1.9%, with the United States achieving 2.1%, supported by strong technology expenditure and fiscal stimulus. The EURO area registered 1.4%, while Japan recorded 1.2%. Emerging market and developing economies delivered a stronger performance at 4.4%, led by China at 5.0% and India at 7.6%.

Real GDP Growth



Trade tensions remained a key source of uncertainty during the period, as the legal status of US tariff actions and the future of related bilateral arrangements became less certain following the Supreme Court ruling that struck down the Trump tariffs. This development added to the unpredictability around future tariff rates, trade policy direction, and the durability of recent bilateral understandings. Policy uncertainty therefore remained elevated, even as businesses continued to adjust to a changing trade environment. Financial conditions stayed broadly supportive overall, while artificial intelligence related investment and wider technology spending continued to provide an important offset to trade related headwinds.

Global trade volumes remained steady, buoyed by strong technology exports from Asia that offset weakness elsewhere. Central banks navigated inflation via calibrated monetary adjustments: gradual rate reductions in the United States and United Kingdom, steady policy in the EURO area, and modest hikes in Japan. These measures sustained supportive financial conditions against persistent trade and geopolitical headwinds.

(Source: WEO (IMF)-April)

Outlook

The global economic outlook remains clouded by several material downside risks that may weigh on trade, inflation, and investment conditions in the period ahead. Trade policy uncertainty has increased following the US Supreme Court's ruling on Trump tariffs, which has created fresh questions around the future of bilateral tariff arrangements and the direction of global trade policy. At the same time, geopolitical tensions linked to the Israel-Iran conflict continue to pose a risk to energy markets and supply chains, particularly if disruptions in crude oil and shipping routes persist.

In addition, China's tighter export controls on critical minerals and other strategic materials may further strain global supply chains and increase costs for key industries such as electronics, automotive, renewable energy, and advanced manufacturing. These developments, together with elevated policy uncertainty and cautious financial market sentiment, are likely to temper near-term global growth. While artificial intelligence-related spending and private sector adaptability may continue to provide support, the balance of risks remains tilted to the downside.

The global economic outlook indicates steady growth of 3.1% in 2026, consistent with 2025 levels before easing slightly to 3.2% in 2027. This forecast incorporates a modest upward revision from prior estimates, driven by sustained technology investments in artificial intelligence and related domains that counterbalance trade policy challenges. Fiscal stimulus across major advanced economies, combined with supportive financial conditions, underpins this path, although risks from policy uncertainty and geopolitical pressures remain prominent.

Advanced economies are projected to achieve moderate expansion of 1.8% in 2026, easing slightly to 1.7% in 2027. The United States is expected to lead with 2.3% growth, supported by fiscal measures such as tax incentives under the One Big Beautiful Bill Act and recovery from the 2025 federal government shutdown. The EURO area maintains growth at 1.1% despite structural hurdles and limited benefits from technology investments, while Japan slows to 0.7% following fiscal backing from its new administration.

Emerging market and developing economies should sustain momentum above 3.9% through 2026 and increase to 4.2% in 2027. China anticipates 4.4% growth in 2026, boosted by stimulus measures and reduced US tariffs from the recent trade agreement, before moderating to 4.0% as domestic challenges resurface. Other regions, such as the Middle East and Central Asia, are projected to deteriorate to 1.9% due to the West Asian conflicts, and sub-Saharan Africa reaching 4.2% through ongoing stabilisation initiatives.

Headline inflation is projected to increase to 4.4% in 2026 before falling back to 3.7 percent in 2027. While the overall trajectory is downward, advanced economies are nearing their stability targets at a slower pace, particularly in the United States, where price pressures remain more persistent. Global policy rates are expected to follow divergent paths. Rates are projected to decline gradually in the United States and the United Kingdom, while the EURO area is expected to maintain steady levels. In contrast, Japan is likely to see incremental rate hikes as it adjusts its long-standing monetary framework.

World trade growth is anticipated to slow to 1.9% in 2026, primarily due to ongoing tariff adjustments and shifting trade policies. Despite these headwinds, the sector remains resilient as technology exports continue to act as a vital engine for global economic growth.

(Source: WEO (IMF)-April, WTO.org)

War Impacts

Iran's closure of the Strait of Hormuz disrupted global oil and LNG supplies, leading to a sharp rise in energy prices and renewed concerns over the stability of international trade flows. These developments have heightened uncertainty across global markets and have affected the availability and pricing of critical energy inputs, while also adding pressure to inflationary trends in several economies.

At present, global uncertainty is being shaped more significantly by developments in West Asia, where heightened disruption is affecting multiple industries globally. Ongoing supply chain disruptions and input shortages, particularly in critical areas such as LPG availability, helium shortages, and other industrial commodities, are creating ripple effects across sectors and contributing to cost pressures, sourcing challenges, and operational uncertainty.

The broader impact of these developments is being felt across manufacturing, logistics, and allied industries, with indirect consequences for pricing, production planning, and overall business sentiment. As global trade and growth remain under pressure, the continuing volatility in energy markets and supply chains is expected to sustain uncertainty across sectors in the near term.

(Source: WEO (IMF) - April)

Indian Economy

India's economy in FY 2025-26 has shown steady strength and broad momentum against a global backdrop of geopolitical tensions, trade uncertainty, and financial market swings. Second Advance Estimates (SAE) project real GDP growth at 7.6%. This highlights the durability of our domestic demand-led growth model. Good agricultural output supported rural incomes. Urban consumption improved with steady employment, tax measures, and lower inflation.

FY23		7.6%
FY24		7.2%
FY25 (FRE)		7.1%
FY26 (SAE)		7.6%
FY27 (P)		6.8-7.2%

FRE = First Revised Estimate; SAE = Second Revised Estimated; P = Projections

India continues to remain one of the world's fastest-growing major economies, supported by resilient domestic demand, strong investment activity, and ongoing structural reforms. However, the latest GDP estimates indicate that India is currently the 6th largest economy in the world with a nominal GDP of about USD 4.15 trillion in 2026. The country is expected to retain its strong growth momentum and may regain a higher global ranking over the medium term as economic expansion continues.

Private consumption continues as a primary driver, aided by lower inflation and higher real incomes. Investments picked up pace, propelled by public capital expenditure that enhanced infrastructure and spurred activity in manufacturing, construction, logistics, and energy sectors. Initiatives like Viksit Bharat 2047 and Kartavya Kaal promote self-reliance, capacity building, and duty-focused development amid external pressures.

The Indian power sector continues to support economic growth through rising electricity demand from industrial activity, infrastructure growth, and digital consumption. India's installed power capacity reached 532.74 GW as on March 2026, while renewable energy additions accounted for the majority of fresh capacity added during the financial year, reflecting the scale and pace of the sector's expansion. Electricity demand also remains on a healthy upward path, with the IEA estimating 4% growth in 2025 and a stronger 6.6% rise in 2026, supported by industrial activity, services growth, and higher air-conditioning penetration.

(Source: [Power Peak Digest](#))

India's inflation trajectory has remained broadly stable, supported by easing food and fuel pressures and a more resilient domestic price environment. In March 2026, headline CPI inflation stood at 3.4% (provisional) under the revised series, remaining comfortably within the RBI's target range and indicating that price pressures continue to be manageable. The Government of India has also introduced a new CPI series with an updated base year and basket, which improves data transparency and better reflects current consumption patterns. Together, these developments suggest that inflation remains under control while providing a more reliable basis for assessing price trends and purchasing power.

(Source: [CPI](#))

The Union Budget 2026-27 reinforces the Government's focus on sustaining economic growth through higher infrastructure spending, manufacturing support, and stronger capital formation. Total public capital expenditure has been budgeted at ₹12.2 lakh crore, reflecting a continued thrust on infrastructure-led

development and the crowding in of private investment. The Budget also places emphasis on electronics manufacturing, capital goods, and other strategic sectors, which should support broader industrial activity and power demand across the economy.

For the energy and infrastructure ecosystem, the Budget provides a favourable backdrop through its continued push for long-term capacity creation, connectivity, and industrial expansion. Such measures are expected to support electricity consumption, grid expansion, and related investment opportunities, while also strengthening the environment for businesses operating across the power value chain. In this context, the Budget is aligned with India's broader development priorities and should support sustained demand for energy and infrastructure services over the medium term.

Outlook

The outlook for the Indian economy remains positive and stable. For the upcoming fiscal year (FY 2026-27), real GDP is expected to grow between 6.8% and 7.2%, demonstrating India's ability to maintain strong momentum even during uncertain times globally. This growth will likely be fuelled by ongoing government spending on infrastructure, a steady increase in private sector investment, and a strengthening manufacturing base. Additionally, the services sector is expected to continue its consistent expansion. Backed by a stable economy and steady government policies, India is well-prepared to manage global challenges while ensuring that economic progress remains inclusive and sustainable over the long term.

Power sector expansion is helping improve the reliability of supply for manufacturing, data centres, electric mobility, and urban development. At the same time, ongoing investment in transmission networks and grid modernisation is improving evacuation capacity for renewable power. The outlook remains positive, supported by policy focus on energy transition, rising demand, and continued infrastructure investment.

(Source: [PIB](#), [PIB 2](#))

War Impact

The ongoing geopolitical tensions in West Asia have created significant challenges for the Indian economy, primarily through disruptions in global energy supplies. As India remains heavily dependent on imported crude oil, any disruption in the movement of oil and other key energy supplies through critical trade routes has the potential to exert upward pressure on energy prices and import costs. Higher energy costs may, in turn, add to inflationary pressures, create strain on the current account, and affect the broader macroeconomic environment.

In addition, ongoing supply chain disruptions and input shortages, including LPG, helium, and other critical industrial commodities, are creating knock-on effects across the economy. These constraints are affecting multiple sectors and adding to cost pressures for manufacturing industries such as automotive, chemicals, ceramics, and allied sectors that depend on the stable availability of raw materials and other inputs. The broader industry-level impact is also contributing to uncertainty in pricing, procurement, and production planning.

Overall, the evolving nature of global risks is expected to continue shaping economic and business conditions in India, with indirect consequences for demand, inflation, and operating margins across sectors.

Global Power Sector

The global power industry serves as the fundamental infrastructure backbone for the modern world, fuelling economic growth, industrial expansion, and large-scale urbanisation. Through integrated generation, transmission, and distribution systems, the sector provides the essential energy required to sustain global digital transformation and maintain the continuity of the world's most critical services.

The industry is experiencing a spike in electricity demand, driven by the rapid growth of AI-ready data centres, the global shift toward electric vehicles (EVs), and an increased need for advanced cooling systems. This is further amplified by a worldwide resurgence in manufacturing, placing unprecedented pressure on power grids to deliver consistent and scalable energy.

The sector is undergoing a rapid evolution towards renewable energy, grid modernisation, and resilience-focused infrastructure. Amid intense international competition for clean energy leadership, the global power industry is prioritising large-scale investments in decarbonisation and grid stability to meet long-term sustainability goals while ensuring energy security.

Power Generation Capacity

Global renewable energy capacity reached 5,149 GW by the end of 2025, supported by a record 692 GW added during the year, with a 15.1% growth rate. Remarkably, renewables represented 92.5% of all new power capacity installations worldwide. This growth was led by Solar PV, which accounted for 73% of all additions, while Wind energy contributed 159 GW to the global grid.

This rapid expansion has brought renewables to 49.4% of total global installed power capacity, marking a decisive structural shift away from fossil fuels. Asia continues

to drive the majority of these deployments, with China, India, and Southeast Asia leveraging their manufacturing scale to lead the global transition towards cleaner energy sources.

Global electricity demand is projected to grow at an average annual rate of 3.6% between 2026 and 2030, adding approximately 1,100 TWh to the system each year. This growth is nearly 2.5x faster than the demand for total energy, fuelled by industrial expansion, electric vehicles (EVs), air conditioning, and data centres. Consumption in emerging Asian economies is rising twice as fast as in advanced economies.

Clean energy investments hit a historic record of USD 3.3 trillion globally in 2025, signalling a shift in focus toward immediate execution rather than long-term pledges.

(Source: IRENA)

Transmission and Distribution

Annual grid investments must rise by approximately 50% from the current USD 400 billion to reach required levels by 2030. This scale-up is vital to accommodate a 3.6% surge in global demand and the seamless integration of renewable energy. Modernising the network will require a strategic focus on smart grids, flexibility markets, and advanced control systems to build a truly resilient infrastructure.

The "New Era" of Electricity Systems

Global electricity systems have entered a "New Era," facing unprecedented pressure from the rapid scaling of renewables, increased cooling requirements, AI data centres, and widespread electrification. In this environment, innovation is essential for maintaining grid stability as demand begins to push beyond current capacity limits.

Key cleantech trends identified by S&P include long-duration energy storage, grid-interactive buildings, and virtual power plants. A significant breakthrough is the use of advanced conductors, which can double transmission capacity without the need for constructing new lines. The World Economic Forum (WEF) emphasises that resilient infrastructure must successfully combine massive scale with system stability to attract the necessary long-term capital.

Modernised interconnection regulations and technology-neutral frameworks are supporting the deployment of AI, the fiberisation of cable networks, and hybrid broadband models. These provisions ensure non-discriminatory access and transparent arrangements across the energy value chain. Additionally, a focus on

ethical AI governance and robust audit provisions is becoming central to managing increasingly complex and interconnected power systems.

Outlook

The global power sector is undergoing a decisive structural shift toward clean energy, with renewable capacity reaching 5,149 GW in 2025 after a record 15.1% growth, predominantly driven by Solar PV and Wind installations in Asia. This rapid expansion has brought renewables to nearly half of the world's total installed power capacity. Looking ahead, global electricity demand is projected to surge by 3.6% annually through 2030—fueled by industrial growth, electric vehicles, and data centers—which will be supported by a historic USD 3.3 trillion in clean energy investments as the industry transitions from long-term pledges to immediate execution.

(Source: IEA, S&P Global Energy, IRENA, WEF)

Indian Power Sector

India continues to solidify its position as the world's 3rd largest power sector in FY 2025-26. This rapid expansion reflects the nation's scaled infrastructure development and its robust capability to meet rising energy demands through a diversified power base. The sector is undergoing a profound structural shift toward sustainability, with renewable energy now contributing 50%+ of the total installed capacity. While coal remains the dominant source for baseload power, the aggressive expansion of solar and wind energy has propelled India into the top tier of global renewable energy rankings.

(Source: CEA)

Power Generation Capacity

India's power sector reached a total installed capacity of 532.74 GW as of March 2026. This milestone was supported by a record addition of 57,528 MW by end of March 2026. A significant portion of this growth was driven by renewables, which accounted for 54,592 MW of the new capacity, comprising 44,613 MW from solar and 6,058 MW from wind energy.

Power Generation Capacity Added

(MW)

FY25	34,054
FY26	57,528

Source- Ministry of Power

Total power generation reached 1,846 TWh in FY 2025-26 (up to March 31, 2026), with non-fossil fuel sources contributing 29.2% or 539 TWh. The sector successfully managed a peak demand of 245 GW on January 9, 2026. A historic breakthrough occurred on July 29, 2025, when renewable energy met 51.5% of the total electricity demand on a peak day of 203 GW.

Supported by a massive investment of ₹1.85 lakh crore, the sector has drastically reduced the national energy shortage to just 0.03%, down from 4.2% in FY 2013-14. This infrastructure push has had a profound social impact, facilitated the electrification of 18,374 villages and provided power connections to 2.86 crore households across the nation.

Reduction in Power Shortage

FY24	4.2%
FY26	0.03%

Source- Ministry of Power

India's energy trajectory is defined by an ambitious commitment to green growth and long-term decarbonisation. The nation is currently on a clear roadmap to achieve 500 GW of Non-fossil fuel capacity by 2030, highlighting a strategic pivot toward domestic energy security and global leadership in the clean energy transition.

(Source: PIB 1, PIB 2, PIB 3, PIB 4, EnerData)

Capacity Mix and Additions

India's energy mix is increasingly diversified, comprising thermal, coal, hydro, nuclear, and renewable sources. According to the IRENA Renewable Energy Statistics 2025, the nation has secured a leading position on the global stage, ranking 3rd in Solar Power capacity, 4th in Wind Power, and 4th in total Renewable Energy (RE) installed capacity.

The sector witnessed an unprecedented expansion in clean energy, with the share of renewables crossed 50% of India's total power capacity by the end of FY 2025-26. This milestone was driven by massive annual additions, including 54.5 GW of renewable capacity in 2025 and a record 55.3 GW of non-fossil fuel capacity during FY 2025-26.

The rapid scale-up of solar infrastructure has fundamentally altered the daily generation profile, enabling "daytime solar dominance." This shift allows renewable sources to meet a larger portion of the base load during daylight hours, leading to a significant and

sustained displacement of traditional coal-fired power and advancing the nation's decarbonisation goals.

(Source: [PIB](#), [EnerData](#))

Demand & Supply

India successfully met its total power demand throughout FY 2025-26, ensuring uninterrupted supply across the grid. The distribution segment witnessed a significant financial turnaround, with DISCOMs turning profitable at ₹2,701 crore in FY 2024-25. This recovery is being driven by steady improvements in Aggregate Technical and Commercial (AT&C) losses, further strengthened by the large-scale rollout of 4.05 crore smart meters under the Revamped Distribution Sector Scheme (RDSS). Further, states have taken the initiative to install 5.62 crore smart meters under their own plans and other schemes.

The National Electricity Plan has set an ambitious roadmap to meet a projected peak demand of 458 GW by 2032. A critical component of this plan is the evacuation of 500 GW of Non-fossil fuel capacity by 2030. Achieving these targets will require a massive strategic investment of ₹9.15 lakh crore in transmission infrastructure to ensure the grid is capable of handling the transition to high-capacity green energy.

(Source: [PIB 1](#), [PIB 2](#))

Indian Transmission and Distribution Sector

India's transmission and distribution sector serves as the vital link between power generation and end-consumers, ensuring reliable electricity delivery across a vast geography, spanning diverse terrains and population densities. The sector has transformed into a foundational backbone supporting the nation's ambitious power capacity growth (532.74 GW) in FY 2025-26. The network spans 5 lakh circuit kilometres (ckm) of transmission lines at 220 kV and above, with inter-state capacity at 1,450 gigavolt amperes (GVA) (March 2026), enabling seamless power flow across regions.

(Source: [PIB](#), [CEA](#))

Transmission Development

During FY 2025-26, the Central Electricity Authority (CEA) recorded the addition of 12,139 ckm of transmission lines across various voltage classes. This included 5,111 ckm at 765 kV and 3,064 ckm at 400 kV, with the remaining balance at the 220 kV level. Despite this progress, the total addition fell short of the planned target of 15,382 ckm, reflecting a significant execution gap in the national grid expansion.

(Source: [CEA 1](#), [CEA 2](#), [CEA 3](#))

Transmission line addition: FY 2024-25 and FY 2025-26

	By voltage class			By ownership			By network		Total
	220kV	400kV	765kV	Central	State	Private	ISTS	InSTS	
FY25	3,718	2,954	2,158	2,586	4,761	1,483	3,253	5,577	8,830
FY26	3,964	3,064	5,111	4,801	5,280	2,058	6,009	6,130	12,139
% change	6.62%	3.72%	136.84%	85.65%	10.90%	38.77%	84.72%	9.92%	37.47%

(Source: [CEA](#))

The shortfall was primarily attributed to execution delays within the central sector. Power Grid added 4,801 ckm against its specific target, facing headwinds from land acquisition, Right-of-Way (RoW) and other challenges including forest and wildlife clearance, Environment clearance, GIB issues. In contrast, the private sector demonstrated higher relative efficiency, contributing 2,058 ckm of new lines vs target of 3,217 ckm.

A critical highlight of the year was the continued progress of the Green Energy Corridors (GEC) initiative, designed

to facilitate the smooth evacuation of renewable power. Target of 18,500 ckm of dedicated transmission line under phase 1 & 2 of this scheme. This infrastructure is vital for integrating large-scale solar and wind energy into the national grid, supporting India's long-term transition toward a sustainable energy future.

Tariff-based competitive bidding and HVDC technology integration ensure execution efficiency, positioning transmission as a critical enabler for India's 8-10% power demand growth trajectory.

Distribution Network

The distribution sector achieved a historic financial milestone, with DISCOMs posting an aggregate profit after tax of ₹2,701 crore in FY 2024-25. This performance marks a significant reversal of decade-long losses that previously exceeded ₹1.4 lakh crore. This recovery was bolstered by a sharp reduction in outstanding government dues, which fell to ₹4,109 crore, signalling a new era of financial discipline and liquidity within the sector.

The Revamped Distribution Sector Scheme (RDSS) has been the primary driver of operational modernisation, leading to the deployment of prepaid smart meters out of sanctioned 19.79 crore smart meters and 52.52 lakh DT meters. This technology push has successfully reduced Aggregate Technical and Commercial (AT&C) losses to 15.04% and narrowed the ACS-ARR gap to a mere 0.06/kWH. These improvements enable real-time billing and more effective theft control, ensuring a more sustainable revenue cycle.

Under the RDSS, rural electrification efforts reached a critical milestone by completing the electrification of several households. With a total allocation of ₹3.03 lakh crore, the scheme targets last-mile connectivity and aims to further drive down AT&C losses to below the national average of 12-15%, which is now at 15.04%.

This infrastructure backbone is essential for bridging the energy gap in underserved regions while improving service reliability.

The Draft Electricity Amendment Bill 2026, in conjunction with the RDSS, is designed to promote competition and expand consumer choice through commercially viable operations. This robust framework enabled the sector to meet a peak demand of 245 GW in FY 2025-26, with the national energy shortage dropping to a historic low of 0.03%.

(Source: PIB, Solar Quarter)

Outlook

The National Electricity Plan (2023-32) envisions adding 1,91,000 ckm lines and 1,270 GVA transformation capacity addition plan between FY 2022-23 to FY 2031-32 at a cost of ₹9.15 lakh crore, targeting inter-regional capacity at 168 GW to integrate 500 GW renewables by FY 2029-30. Green energy corridors for variable renewable evacuation, nine new HVDC poles totalling 33 GW, and battery storage pilots will dominate FY 2026-30 capex. Discom financial turnaround through performance-based incentives and privatisation pilots promises reduced losses, positioning the T&D sector as the enabler for India's energy security and net-zero pathway by 2070.

(Source: Wire & Cable India)

'Adani Energy Solutions' Strategy' Connects 'Global Certainty'

Global Certainty	Adani Energy Solutions Strategic Response
The Age of Electricity & Urban Stress: Electricity demand is growing twice as fast as overall energy, driven by AI, EVs, and data centres	Integrated Grid Expansion: We are aggressively scaling our transmission network and Mumbai/Mundra distribution hubs to serve as the backbone for this rising Electricity Demand.
Firm & Baseload Power Growth: A surge in demand for reliable, round-the-clock energy requires both robust infrastructure and direct-to-consumer solutions.	Baseload Ready & Energy Solutions: High-capacity transmission lines ensure steady power evacuation from large baseload plants. Concurrently, our Energy Solutions Platform leverages this network stability to offer enterprises guaranteed, round-the-clock Energy Solutions, seamlessly combining renewables, storage, and grid support.
Digitisation of Power Networks: Modern grids require advanced monitoring, real-time data, and automated control to ensure efficiency.	Smart Grid & Metering Leadership: Adani Energy Solutions is advancing in this direction through smart metering business by digitising India's distribution network, providing real-time data and reducing utility losses to form a truly smart national grid.
Climate Resilience & Extreme Weather: Rising temperatures, floods and storms demand climate-resilient infrastructure and sustainable ways to manage peak electricity loads.	Sustainable Cooling & Resilient Grids: Alongside building climate-resilient grids, our Cooling Solutions business tackles rising temperatures by deploying centralised, energy-efficient cooling that dramatically reduces grid strain and supports net-zero goals.

Global Certainty	Adani Energy Solutions Strategic Response
Renewable Dominance: The rapid addition of solar and wind generation requires dedicated infrastructure to move bulk power to demand centres.	Green Corridors: Leading "Green Energy Evacuation" projects, such as our 6,000 MW HVDC links, directly enabling the flow of green power from generation hubs to industrial centres.
Supply Chain Risks and Critical Materials: Global supply chains for essential energy equipment remain vulnerable, threatening project timelines – particularly HVDC projects.	Supply Chain Resilience and Ecosystem Synergy: Leveraging the broader Adani portfolio's scale, we strengthen procurement strategies and partnerships to secure critical materials, insulating our project execution (executed two HVDC projects) from global volatility.
National Sovereignty and Government Intervention: Governments globally are taking an active, interventionist role to secure energy infrastructure as a matter of core national security.	National Partner: Aligning our integrated energy solutions and projects directly with India's 'Viksit Bharat' vision, acting as a trusted sovereign partner to secure and modernise the nation's energy future.
India as a Growth Driver: The centre of gravity for global energy demand has shifted toward India and emerging markets	Market Leadership: As India's largest private integrated energy solutions provider, Adani Energy Solutions is positioned at the epicentre of this growth to anchor the nation's energy transition.

Adani Energy Solutions Limited

Adani Energy Solutions Limited, the transmission and distribution platform of the Adani Group, has evolved into one of India's most significant private players in regulated wires and adjacent energy solutions. Established in 2006 to handle power evacuation from the Mundra plant, the Company initially developed 3,800 circuit km of transmission lines. Following its separation from Adani Enterprises in 2015, Adani Energy Solutions has scaled rapidly through a combination of organic expansion and strategic acquisitions, including transmission assets from GMR, Reliance Infrastructure and KEC, building a geographically diversified national footprint.

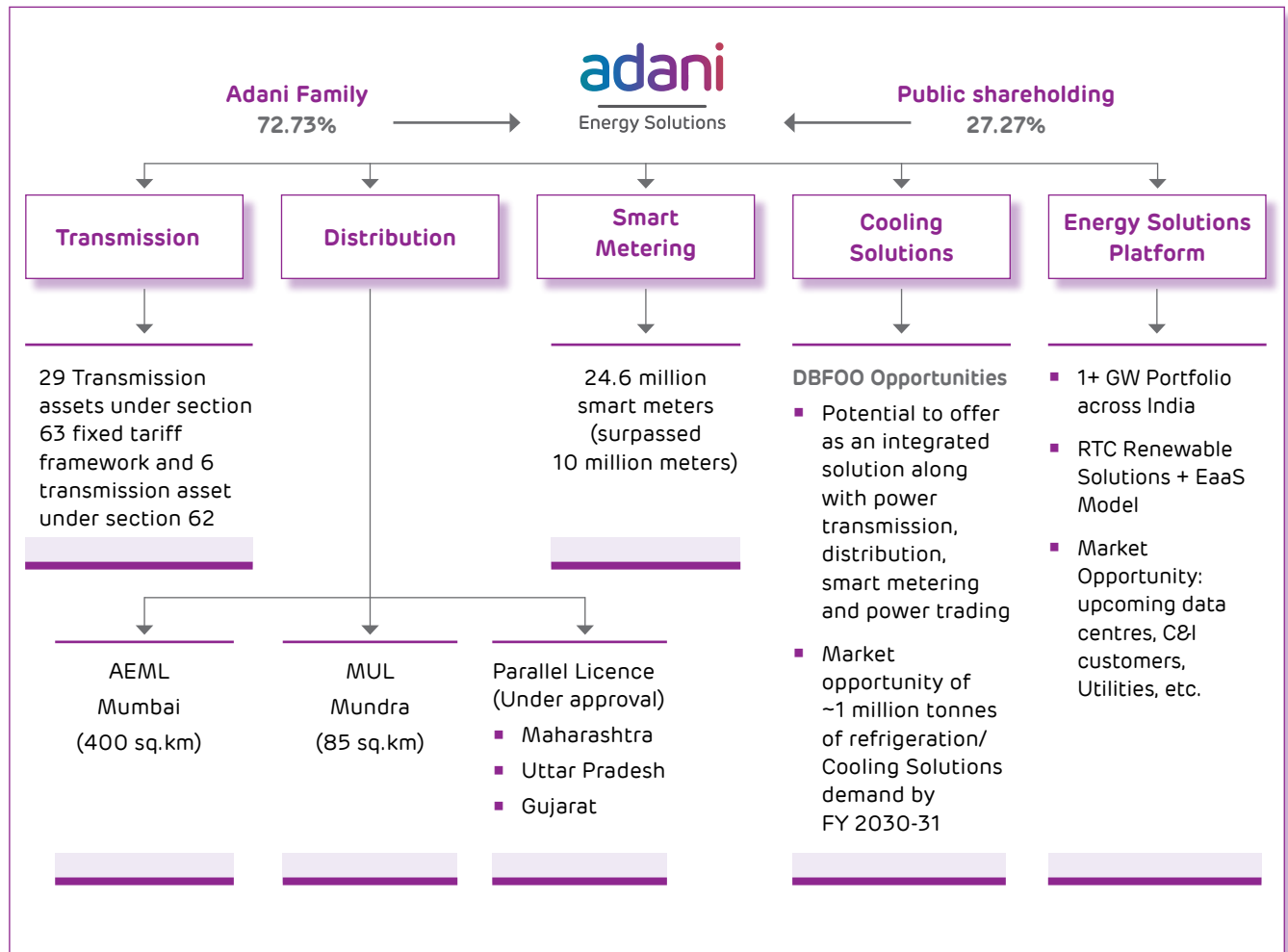
As of FY 2025–26, Adani Energy Solutions is the largest private transmission company in India, with a cumulative network of 27,949 circuit kilometres and 1,23,175 MVA of transformation capacity, spread across 16 states. A key milestone during the year was the successful commissioning of Mumbai's first 1,000 MW VSC based HVDC line, featuring the world's first compact HVDC substation.

The Company plays a critical role in strengthening India's grid backbone, enabling large-scale renewable energy integration and supporting the country's ambitions of rapid electrification and 500 GW of non fossil capacity by 2030. Adani Energy Solutions continues to pursue its long term vision of expanding its transmission portfolio to 30,000 circuit kilometres by 2030, supported by a robust pipeline of under construction and upcoming projects.

Adani Energy Solutions entered the power distribution segment in 2018 and today serves over 13 million consumers in Mumbai. The distribution network consistently delivers best in class reliability of 99.99%, supported by digital systems and loss reduction initiatives. During FY 2025–26, network sales remained resilient at 10,584 million units, reflecting stable demand and efficient network operations.

Smart metering has emerged as an established business for Adani Energy Solutions. In FY 2025–26, the Company became the first in India to deploy more than 10 million meters. Backed by long tenure DBFOOT style contracts and an order book of over 24.6 million meters and a market opportunity of about 100 million meters, the business plays a critical role in enabling distribution reforms, reducing losses and empowering consumers under the Smart Meter National Programme.

Beyond its core transmission, distribution and smart metering platforms, Adani Energy Solutions is building new growth engines in Energy Solutions Platform and Cooling Solutions. The Energy Solutions Platform offers customised, reliable and increasingly green power supply solutions to large consumers, helping them optimise energy costs, quality and sustainability outcomes. Cooling solutions represent a structural opportunity linked to urbanisation and climate realities. Through cooling solutions, Adani Energy Solutions is building an energy efficient, scalable platform that complements its urban footprint.



Business Outlook

- Favourable macro and sector backdrop: The energy transition continues to create a strong structural opportunity for Adani Energy Solutions, supported by regulatory stability in India, rising electricity demand, and the broader shift towards grid modernisation and cleaner energy systems. The Company remains well placed to benefit from the expected acceleration in capital expenditure across the power value chain, with a robust bid pipeline and long-term demand visibility across transmission and smart metering.
- Transmission business outlook remains strong: Adani Energy Solutions transmission business continues to be backed by a ~₹ 1.5 lakh crore near-term tendering opportunity. The Company's under-construction transmission pipeline of ₹ 71,779 crore provides strong execution visibility, with projects such as WRSR, Khavda Phase-III-A, two HVDC projects, and various other projects supports the Company's

growth momentum. Recent wins such as South Kalamb S/s: Part A project also reinforce Adani Energy Solutions expanding transmission footprint and transformation capacity.

- Smart metering offers a large long-term runway: The smart metering business continues to represent a significant growth opportunity, given the estimated countrywide untapped market of more than 100 million meters. Adani Energy Solutions surpassed 10 million cumulative meter installations during FY 2025-26, supported by an active installation pace and a high-quality orderbook of 24.6 million meters with potential revenue of ₹ 29,519 crore. This provides strong revenue visibility and supports the Company's position as a major player in India's smart metering transformation.
- Operational execution and digital platforms will support scale: Adani Energy Solutions' outlook is also supported by its focus on operating excellence, reliability, and digital transformation.

The Company continues to target industry-leading transmission availability while reducing distribution losses, and is increasingly leveraging AI-enabled systems such as ENOC for power to improve efficiency, responsiveness, and asset performance. These digital capabilities are expected to enhance service quality and support scalable growth across operating businesses.

- Sustainability remains central to the growth strategy: Adani Energy Solutions' long-term outlook is aligned with its sustainability commitments, including higher renewable power procurement, lower emission intensity, and stronger environmental stewardship across operations. The Company aims to increase renewable energy procurement to 70% by FY 2029-30, while maintaining its decarbonisation

and zero waste commitments. These initiatives strengthen Adani Energy Solutions' ESG profile and align the business with India's broader energy transition objectives.

- Financial discipline and capital management remain important: The Company continues to focus on a disciplined financial profile through deleveraging, lower borrowing costs, and longer debt maturity profiles. Recent bond repurchases and the maintenance of a manageable Net Debt to EBITDA ratio of 4.5x reflect Adani Energy Solutions' intent to preserve balance sheet strength while funding growth. This approach is expected to support sustainable expansion without compromising financial flexibility.

Operational Performance

Transmission

Asset-Wise Transmission Availability ((%) Availability)

±500 kV Mundra - Mahendragarh HVDC Transmission System (ATIL - Asset-1 HVDC)

FY24	98.50	98.60	1.09
FY25	98.50	98.69	1.19
FY26	98.50	98.95	0.45

±500 kV Mundra-Mahendragarh HVAC Transmission System (ATIL - Asset-1 HVAC)

FY24	98.50	99.89	1.39
FY25	98.50	99.96	1.46
FY26	98.50	99.93	1.42

400 kV Mundra-Sami-Dehgam Transmission System (ATIL - Asset 2 HVAC)

FY24	98.50	99.72	1.22
FY25	98.50	99.79	1.29
FY26	98.50	99.73	1.22

400 kV Tiroda-Warora Transmission System (ATIL - TW)

FY24	98.00	99.84	1.84
FY25	98.00	99.45	1.45
FY26	98.00	99.67	1.66

Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL)

FY24	98.50	99.85	1.35
FY25	98.50	99.87	1.37
FY26	98.50	99.87	1.66

Chhattisgarh-Western Region Transmission Limited (CWRTL)

FY24	98.00	99.89	1.89
FY25	98.00	99.95	1.95
FY26	98.00	99.93	1.93

Raipur-Rajnandgaon-Warora Transmission Ltd. (RRWTL)

FY24	98.00	99.90	1.90
FY25	98.00	99.83	1.83
FY26	98.00	99.88	1.87

Sipat Transmission Ltd. (STL)

FY24	98.00	99.89	1.89
FY25	98.00	99.82	1.82
FY26	98.00	99.89	1.89

Western Transmission (Gujarat) Ltd. (WTGL)

FY24	98.00	99.67	1.67
FY25	98.00	99.75	1.75
FY26	98.00	99.81	1.89

■ Normative ■ Actual ■ Above Normative

**Western Transco Power Ltd.
(WTPL)**

FY24	98.00	99.64	1.64
FY25	98.00	99.90	1.90
FY26	98.00	99.85	1.84

**Adani Transmission Bikaner Sikar
Private Ltd. (ATBSPL)**

FY24	98.00	100	2.00
FY25	98.00	100	2.00
FY26	98.00	100	2.00

**Adani Transmission (Rajasthan)
Ltd. (ATRL)**

FY24	98.00	99.97	1.97
FY25	98.00	99.95	1.95
FY26	98.00	100	2

**Aravali Transmission Service
Company Ltd. (ATSCL)**

FY24	98.00	99.91	1.91
FY25	98.00	99.96	1.96
FY26	98.00	99.96	1.96

**Maru Transmission Service
Company Ltd. (MTSCL)**

FY24	98.00	99.89	1.89
FY25	98.00	99.94	1.94
FY26	98.00	99.82	1.82

**Alipurduar Transmission Ltd.
(ApTL)**

FY24	98.00	99.94	1.94
FY25	98.00	100	2.00
FY26	98.00	99.96	1.95

**Warora Kurnool Transmission Ltd.
- Western Region (WKTL - WR)**

FY24	98.00	99.94	1.94
FY25	98.00	99.96	1.96
FY26	98.00	100	2.00

**Warora Kurnool Transmission Ltd.
- Southern Region (WKTL - SR)**

FY24	98.00	98.59	0.59
FY25	98.00	99.61	1.61
FY26	98.00	97.95	0

**Ghatampur Transmission Limited
(GTL)**

FY24	98.00	98.42	0.42
FY25	98.00	98.82	0.82
FY26	98.00	99.66	1.66

**Obra-C Badaun Transmission
Limited (OBTL)**

FY24	98.50	99.54	1.04
FY25	98.50	99.45	0.95
FY26	98.50	99.65	1.15

**Fatehgarh Bhadla Transmission
Limited (FBTL)**

FY24	98.00	99.89	1.89
FY25	98.00	99.97	1.97
FY26	98.00	99.98	1.98

**North Karanpura Transco Limited
(NKTL) nset - (partially operational)**

FY24	98.00	99.96	1.96
FY25	98.00	99.93	1.93
FY26	98.00	99.81	1.81

**Bikaner-Khetri Transmission
Limited (BKTL)**

FY24	98.00	99.77	1.77
FY25	98.00	99.53	1.53
FY26	98.00	99.46	1.46

**Jam Khambhaliya Transco Limited
(JKTL)**

FY24	98.00	99.55	1.55
FY25	98.00	99.85	1.85
FY26	98.00	99.87	1.87

**Lakadia Banaskantha Transco
Limited (LBTL)**

FY24	98.00	99.87	1.87
FY25	98.00	99.70	1.70
FY26	98.00	99.82	1.82

**WRSS XXI A Transco Limited
(WTL)**

FY24	98.00	99.94	1.94
FY25	98.00	99.92	1.92
FY26	98.00	99.89	1.89

**PPP-8 Hadoti Power Transmission
Limited (HPTSL)**

FY24	98.00	99.90	1.90
FY25	98.00	99.95	1.95
FY26	98.00	99.92	1.91

**PPP-9 Barmer Power
Transmission Limited (BPTSL)**

FY24	98.00	99.92	1.92
FY25	98.00	99.92	1.92
FY26	98.00	99.87	1.87

Normative
 Actual
 Above Normative

PPP-10 Thar Power Transmission Limited (TPTSL)

FY24	98.00	99.90	1.90
FY25	98.00	99.98	1.98
FY26	98.00	99.85	1.85

MP Power Transmission Package II Ltd (MP II)

FY24	98.00	99.96	1.96
FY25	98.00	99.86	1.86
FY26	98.00	99.79	1.79

Karur Transmission Line (KTL)

FY24	98.00	100	2.00
FY25	98.00	99.93	1.93
FY26	98.00	99.81	1.80

Kharghar Vikhroli Transmission Limited (KVTL)

FY24	98.00	100	2.00
FY25	98.00	99.77	1.77
FY26	98.00	99.96	1.95

Khavda Bhuj Transmission (KBTL)

FY24	98.00	99.35	1.35
FY25	98.00	99.80	1.80
FY26	98.00	99.80	1.80

Adani Energy Solution Mahan Limited (AESML)

FY24			
FY25	98.00	99.58	1.58
FY26	98	99.81	1.81

Normative
 Actual
 Above Normative

Distribution**Network Sales**
(million units)

FY24		9,916
FY25		10,558
FY26		10,584

Description: Network sales recorded strong and sustained performance, increasing to 10,584 million units in FY 2025–26 from 10,558 million units in FY 2024–25. This steady growth reflects continued demand and efficient network operations, reinforcing the Company's stable consumption profile.

Customer Base
(million)

FY24		3.18
FY25		3.18
FY26		3.27

Description: In FY 2025–26, the customer base grew to 3.27 million, signalling a positive growth trajectory. This increase reflects improved customer sentiment, driven by strong engagement, trust in the Company's offerings, and continued confidence in its value proposition, positioning the business well for sustained growth ahead.

Collection Efficiency
(%)

FY24		101.01
FY25		101.03
FY26		100.54

Description: The collection efficiency has shown a consistent improvement by remaining near 100% mark. This steady rise reflects improved billing and payment recovery processes.

E-payment
(%) (% of total collection)

FY24		79.57
FY25		83.34
FY26		85.50

Description: The adoption of e-payments as a percentage of total collection has shown consistent growth over the past three years. In FY 2025-26, this figure rose to 85.50%, reflecting a strong shift toward digital transactions centered around ease of payments for consumers

Distribution Loss
(%)

FY24		5.29
FY25		4.77
FY26		4.21

Description: The distribution loss percentage has shown a consistent decline over the past financial years. In FY 2023-24, the loss stood at 5.29%, which decreased to 4.77% in FY 2024-25. By FY 2025-26, it further reduced to 4.21%, remains well below the regulatory norms, reflecting improved efficiency in the distribution network.

SAIDI
(mins)

FY24		21.26
FY25		21.27
FY26		12.91

Description:

SAIDI - System Average Interruption Duration Index indicates the average outage duration for each customer served.

SAIFI
(nos)

FY24		0.69
FY25		0.67
FY26		0.42

Description:

SAIFI - System Average Interruption Frequency Index indicates an average number of interruptions.

CAIDI
(mins)

FY24		30.63
FY25		31.58
FY26		30.82

Description:

CAIDI - Customer Average Interruption Duration Index indicates the average time required to restore service during a predefined period.

Flagship Project Milestone: Bhadla-Fatehpur HVDC Corridor

A major highlight of our operational expansion this year was securing long-term financing from a prestigious consortium of Japanese lenders, including MUFG Bank and Sumitomo Mitsui Banking Corporation (SMBC). This funding is dedicated to our flagship 800 kV High-Voltage Direct Current (HVDC) transmission project.

With a massive evacuation capacity of 6,000 MW, this 950-km 'Green Energy Corridor' will connect the solar hubs of Bhadla, Rajasthan, to the industrial centres of Fatehpur, Uttar Pradesh. By deploying advanced technology from Hitachi Energy and BHEL, the project serves as a critical link in India's national grid, ensuring the seamless delivery of clean power to meet rising urban demand.

Furthermore, as the financing is structured as a 'Green Loan' under the Equator Principles, it reaffirms Adani Energy Solutions' commitment to global ESG standards and highlights the growing international confidence in our sustainable growth strategy.

Transmission

- Maintained robust system availability of 99.70% as on FY 2025-2026
- Added 799 ckm to the operational network during the year, with total operational network at 20,023 Ckm
- Strategic collaboration for automation of field activities with a major international partner for Drone Stringing across all projects.

Smart Metering

- Successfully delivered and installed 11.4 million smart electricity meters Adani Energy Solutions Ltd as the first in India to achieve this milestone at this rate of more than 23k average daily Meter installations

but it signifies our exceptional execution standards. Additionally, secured a new AMISP contract under AEML for 18.35 lakh meters, with the project go-live received in the same FY.

- Commercialisation of 83% of all installed meters has already been completed, reflecting strong operational efficiency and system readiness.
- Our digital innovation, "AI-ML-based QC Tool for Smart Metering," has been recognised as a "Runner-Up" at the IMC RBNQA (Ramkrishna Bajaj National Quality Award) Best Practices Competition 2025 under the Service Category.
- To ensure real-time visibility of consumer installations, we circulate daily and hourly progress updates via dedicated digital automation reaching out to each individual with personalised messages via various platforms
- We are a proud member of the India Energy Stack, contributing to national initiatives for digital transformation in the energy sector.

AEML Distribution Business

- AEML received a new international rating of BBB+ with a Stable outlook from CareEdge Global—at par with India's sovereign rating and one notch higher than its existing international ratings.
- India Rating Agency upgraded rating of AEML from IND AA+/Stable to IND AAA Stable and CRISIL upgraded the same from Crisil AA+/Positive to CRISIL AAA Stable Ranked No. 1 Distribution Utility in India as per the Ministry of Power's Annual Ranking of Distribution Utilities.
- Launched Email and WhatsApp chatbots on the Conversational AI platform, integrated with the Customer Contact Centre, reducing call volumes and agent responses.
- Commercial complaints reduced by ~30% as a result of Increased optical reading leading to Accurate billing, On-fly bill on IVR and WhatsApp BOT, Predictive module and proactive communication for High Consumption complaints, etc.
- Implemented 10 modules of LCAP, including Bill distribution, Complaint attending app, GIS Portal, Reverse Migration, HT Web, etc., and further development is in process.

Financial Performance

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Operational Revenue (₹ crore)	14,217	17,057	18,296
Total EBITDA (₹ crore)	6,322	7,746	8,726
Adjusted PAT (₹ crore)	1,197	1,810**	2,393

Adjusted for an exceptional item because of carve-out of the Dahanu power plant in line with Ind AS 105 of ₹ 1,506 crore in FY 2024-25

* Adjusted for regulatory income of ₹ 148 crore in Q4 and FY 2024-25 in T&D segments and net one-time deferred tax reversal of ₹ 469 crore in FY 2024-25 in AEML distribution business.

Description

Revenue

Operating revenue increased by 7% in FY 2025-26, driven by contributions from newly operationalised transmission assets (Khavda Phase II Part-A, KPS-1, Sangod transmission and NKTL lines), along with increase in energy sales in the distribution business and continued scale-up in the smart metering segment.

EBITDA

Consolidated EBITDA for FY 2025-26 increased by 13% to ₹ 8,726 crore, supported by with steady performance across all segments – transmission, distribution, and smart meter

Key Ratios

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Debt-Equity Ratio	2.70	1.75	1.84
Return on Equity/Net Worth	9.03	5.02	9.66
Net Debt/EBITDA	3.8	3.2	4.5

Net Debt to EBITDA rose to 4.5x due to accelerated capital deployment in infrastructure assets; this will improve as projects commence operations and generate EBITDA.

Economic Value Generated & Distributed (GRI 201-1)

(figures in ₹ crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total revenue [A]	11,861.47	13,840.46	17,218.31	24,446.55	28,325.16
Income from Generation, Transmission & Distribution Business	10,435.61	12,537.07	15,577.77	22,386.65	26,497.02
Other income	603.95	547.74	610.95	679.46	737.13
Revenue from Trading	821.91	755.65	1,029.59	1,380.44	1,091.01
Regulatory Deferral Account Balances- Income [B]	682.47	1,035.58	-460.01	-1340.75	-1,095.56
Total distribution [C]	9,881.04	11,817.51	13,501.25	18,814.02	22,529.33
Operating costs	6,123.07	7,743.33	9,429.18	14,272.25	17,338.79
Employee wages and benefits	885.07	986.65	951.7	1,032.94	1,092.64
Payment to providers of capital [interest]	2,364.95	2,781.47	2,766.51	3,259.16	3,632.90
Rate & Taxes	20.07	12.03	13.11	10.79	18.32
Payment to government	465	260.94	298.59	195.04	392.80
Community investments [CSR]	23.14	33.09	42.16	43.84	53.88*
Economic value retained [A+B-C]	2,662.90	3,058.53	3,257.05	4,291.78	4,700.27

*includes donation

Risk Management

Adani Energy Solutions Limited follows an enterprise-wide risk management approach aligned with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) ERM Framework, integrating risk considerations with strategy, performance and internal controls.

At the apex of the governance structure, the Board of Directors retains ultimate oversight of risk and ensures that risk considerations are embedded in strategic decision-making. The Audit Committee and the Risk Management Committee (RMC) review the effectiveness of the risk framework and control environment, while the Management Risk Committee (MRC) monitors enterprise-level exposures and escalation mechanisms.

The Chief Risk Officer (CRO), reporting to the CEO, leads the enterprise risk agenda. The Business Risk Team (BRT) and Function Risk Committees (FRCs), operating under the CRO, work closely with business units to identify, assess and mitigate strategic, operational, and emerging risks.

The Company also maintains structured monitoring of emerging risks — including regulatory, technological, macroeconomic and geopolitical developments — to ensure early response and organisational resilience.

⊕ Read more about our Risk Management on **Pg. 68**

Human Resource

Adani Energy Solutions' position in the sector is supported by a strong people agenda that treats talent as a core differentiator. The Company combines formal classroom programmes, informal learning and structured on-the-job exposure to build future-ready capabilities across roles and levels.

Employee engagement is encouraged through a mix of enriched work environments, challenging responsibilities and regular two-way interactions between teams and management. This sustained focus has helped the organisation maintain high levels of retention, deepen its internal leadership bench and reinforce long-term business continuity.

As at March 31, 2026, Adani Energy Solutions had a consolidated base of permanent employees, reflecting a stable and committed workforce.

⊕ Read more on our human resource management on **Pg. 194**

Internal Control Systems and their Adequacy

Adani Energy Solutions maintains effective internal control procedures commensurate with its size and operational scope. The Board of Directors bears ultimate responsibility for the internal control systems, ensuring their adequacy, effectiveness, and proper implementation. The Company's internal control framework is designed to enhance management efficiency, maintain the accuracy and reliability of the financial and operational information, ensure compliance with all applicable laws and regulations, and safeguard the Company's assets.

This stringent framework aims to proactively identify and effectively manage the diverse range of risks faced by the Company, encompassing operational, compliance-related, economic, and financial risks.

Cautionary Statements

This section includes forward-looking statements regarding the Company's objectives, projections, expectations, and estimates, which are based on certain assumptions about future events. However, the Company cannot guarantee the accuracy or realisation of these statements, as actual results may differ due to external factors beyond its control. The Company assumes no responsibility to publicly update or revise any forward-looking statements based on subsequent developments.