Adani Enterprises Limited

Q3 FY25 Earnings Conference Call

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Moderator: Ladies and gentlemen, good day, and welcome to the Adani Enterprises Limited Earnings Conference Call. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar. Thank you, and over to you.

Mohit Kumar: Thanks, Mike. Good evening, everyone, and welcome to the Q3 FY25 Earnings Call of Adani Enterprises. Today, we have with us the senior management of the company represented by Mr. Vinay Prakash, Director-Adani Enterprises Limited and CEO-Natural Resources; Mr. Robbie Singh, CFO, Adani Enterprises; Mr. Manan Vakharia, Investor Relations.

Without much delay, I will now hand over the call to Mr. Robbie Singh for his opening remarks, which will be followed by Q&A. Over to you, sir.

Robbie Singh: Thank you, everyone, for joining. Good evening. We welcome you to the Earnings Call to discuss Adani Enterprises results announced today for the quarter and nine months ended 31st December 2024. Adani Enterprises Limited is the flagship company for Adani Group, one of India's largest business incubators. Over the years, Adani Enterprises has focused on building utility and infra assets contributing to addressing logistics and energy transition challenges of India.

The business portfolio of AEL is clubbed under incubating and established businesses, which comprise assets spread across energy and utility, transport and logistics, direct-to-consumer and primary industries. AEL's emerging core infra businesses under its incubation portfolio are represented by Adani new industries, data center, airports and road businesses. Established business portfolio is represented by primary industry vertical spread across mining services, metals and minerals, commercial mining and industrials.

The emerging core infra businesses have yet again delivered robust nine-months results.

ANIL, the Green Hydrogen Ecosystem's EBITDA increased by 121% to INR 3,666 crores. Module sales are now at a run-rate of 1 GW per quarter. And the wind business has supplied over 100 turbine sets during this nine-month period.

Adani Airports' EBITDA grew by 43% to INR 2,527 crores with the passenger volume increasing 7% to 69.7 million and this is at a run rate of roughly 90 million passengers per year.

The incubating businesses results during the nine-month period are - income up by 47% to INR 25,170 crores, EBITDA up by 27% to INR 7,674 crores, and PBT up by 114% to INR 4,016 crores.

This consistent high contribution of these emerging core infra businesses boosted the overall consolidated results during the nine-month period with the consolidated income up by 6% to INR 72,763 crores and consolidated EBITDA up by 29% to INR 12,377 crores. Incidentally, just so that everyone understands, this nine-month EBITDA is roughly the same as last full year

EBITDA of approx. INR 13,200 crores. The consolidated profit before tax up by 21% to INR 5,220 crores. And just again, this is roughly same as last full year profit before tax.

I just want to also highlight for everyone that as part of the holding structure of the (Australia) mining business within AEL, we use the instrument to invest. When AEL invests in its mining subsidiaries, it uses a shareholder loan, which is generally given in U.S. dollars to the mining business, primarily in Australia.

So consequently, we have a non-cash non-payable mark-to-market (it can vary each quarter) for this quarter roughly about over INR 1,000 crores. So consequent to that non-cash non-payable mark-to-market, there is a proportionate increase in, because of reporting requirements, the finance cost at INR 2,141 crores. Please note, out of the INR 2,141, roughly INR 750-770 crores is non-cash, non-payable MTM only. So, the actual interest cost in cash is INR 1,390 only.

I just wanted to clarify this, because we've seen some of the questions because there was a delay in putting our presentations on to the website. But if you go to our earnings presentation, which is on the website, if you go to Page 28 of that presentation, you will see in the gray shaded area. For clarity of investors, we have highlighted that clearly. And I just wanted to make sure that investors / analysts do not get unnecessarily worried about this. And we will make sure that we clarify this appropriately as a comment always in the future, so it doesn't cause any unnecessary confusion.

On Adani Wilmar transaction, during the quarter, we agreed for an option agreement with respect to Adani Wilmar JV. Subsequently, we launched an offer for sale and reduced our stake by 13.5%. Further steps for transferring the remaining stake of 30.4% will be taken as per the agreement.

Just to give you a highlight, Adani Wilmar contributed roughly about INR 250 crores to our cash after tax number of AEL. To highlight this transaction and the benefit of this transaction for AEL shareholders, the post-tax equity proceeds of this transaction will be roughly INR 14,200 crores, which will enable Adani Enterprises to invest up to INR 70,000 crores in its core infra businesses. At a rate of return of what we earn, which is about 15% to 18%, it will enhance EBITDA of Adani Enterprises by INR 11,000 crores and a cash after tax of roughly INR 5,000 crores. So, we lose the cash after tax of roughly INR 250 crores and our new investments will result in a cash after tax of about INR 5,000 crores. It's a 20x improvement in the actual cash after tax post this transaction. So it's massively accretive in terms of earnings, EBITDA, cash flow for Adani Enterprises shareholders.

Coming to project and operational updates on major businesses, I'm pleased to inform that Adani wind manufacturing business of ANIL has also listed 3.3 MW wind turbine in RLMM. Now we have four turbines listed - two of 5.2 MW size, one of 3.0 MW and the latest one of 3.3 MW.

In AAHL airports, during the quarter, as you might have seen reports, Navi Mumbai Airport successfully conducted the first commercial flight validation testing. Mumbai Airport is now the first airport in India and third globally to achieve Level 5 accreditation, distinguishing it as a leader in passenger satisfaction. Adani Airports further added 14 new routes, 4 new airlines and 9 new flights during the quarter across all of its operating assets.

On our commitment to ESG, we are pleased to inform you that during this quarter, AEL has secured sector leading net score of 63 out of 100 in the S&P Global Corporate Sustainability Assessment for year 2024. This marks a significant improvement from our previous score of 49. AEL has now been ranked among the top 5 companies globally in the ESG performance out of 180 sector peers globally.

I now hand over to my colleague, Vinay to go through mining services portfolio.

Vinay Prakash: Thank you, Robbie. Good afternoon, everyone. As far the mining services business is concerned, Adani Enterprises Limited is the pioneer of MDO, which is mine developer and operator concept in India with an integrated business model that spans across developing mine as well as the entire upstream and downstream activities, It provides the full-service range right from seeking various approvals, land acquisition, R&R, developing required infrastructure, mining, benefication which is washery and transport to designated consumption points. Our success is underpinned by our commitment to excellent risk management and sustainable mining practices.

The company is now MDO for 9 coal blocks and 2 iron ore blocks. During the quarter, the dispatch volume increased by 55% to 11.8 million metric tons. The revenue increased by 67% to INR 856 crores and EBITDA increased by 148% to INR 354 crores, in line with the growth in volume and improved revenue mix.

As far as the IRM business is concerned (Integrated Resource Management business), we have continued to develop business relationships with diversified customers across various end user industries. We remain number one player in India and endeavor to maintain this position going forward.

Over the past couple of years, the IRM business has been exploring ways to tap into the newer market segments through initiatives like the IRM portal, which is e-portal for the online trading of natural resources. Also by leveraging technologies for faster and more reliable supplies, the portal has ensured ease of doing business for retail customers, leading to a larger market share for AEL. IRM continues to target our balanced customer mix of retail and public sector enterprise customers.

During this quarter, the volume stood at 12.1 million metric tons. The revenue from IRM business stood at INR 9,562 crores and EBITDA stood at INR 745 crores.

Under the commercial mining, where we have a tenement block in Australia Carmichael mine, the production increased by 14% to 3.3 million metric tons and the shipment increased by 7% to 3.2 million metric tonnes during the quarter.

Now we are open for the Q&A.

Moderator: Thank you sir. We have the first question from the line of Mahesh Patil from ICICI Securities. Please go ahead.

Mahesh Patil: Sir, my question is on the Navi Mumbai Airport. So if you could just highlight the current status of this airport. And the follow-up question would be in initial days till the tariff gets decided, how will the revenues be booked for aero charges here?

Robbie Singh: I think the status is - we are pretty much on track there. Because of logistics and everything they are trying to formalize the formal launch it will sometimes be in April. Now the tariff order will get determined, but in the meantime, you are able to charge provisional tariff, and it will be done on the normal basis of provisional charge. And that is a well-established process, for which we've already filed. Once we receive formal clearances in about March, we'll highlight those numbers in our May presentation post the annual results. But all of that work is going on as per schedule. We don't expect any delay in any of that process.

Mahesh Patil: Okay. And sir, another question is on the solar manufacturing side. How do you think about solar manufacturing order book currently? And how do you think about the U.S. market given the recent events that have happened?

Robbie Singh: I think we are pretty much at our current run rate of about 1 GW. So, we are pretty much at full capacity there already. Eventually, as we have already said before, the final target is to have 10 GW of capacity. But today, for our actual capacity, we are at practically at 100%, which is roughly about 4.5 GW annual. No near-term changes in that and no near-term changes in the forecast, we expect to run at about GW per quarter of sales.

Mahesh Patil: Okay, sir. And so on the U.S. market, how is the market portfolio of exports?

Robbie Singh: No real dramatic change there. Our mix will continue as we are. But we don't expect that because it's a largest market. Although there's a lot of noise, but it's the largest market. We are a very, very small part of a very large market. So it doesn't change much from that basis. Very limited change.

Moderator: We have the next question from the line of Prateek Kumar from Jefferies.

Prateek Kumar: I have a question firstly on your airport EBITDA, that has moved from INR 744 crores in Q2 to INR 1,100 crores in Q3. How is this EBITDA changed in Mumbai quarter-to-quarter and for six airports quarter-to-quarter?

Robbie Singh: We can take this question specifically on notice. We have the detail but I don't want to just give you a rough number. Prateek, if you don't mind, we'll put this number up as a note, and we share with you. But largely, it is because our RAB assets have come online in our six non-Mumbai airports, plus the change growth in non-aero is driving this number to INR 1,100 from INR 743. So we can do the detailing as you request, but we'll provide that as a separate answer. We'll share it.

Prateek Kumar: And the impact of tariff orders on five airports is now completely baked in this quarter or like more of it is expected? I know for one of the airport it is still not there, and of course, Navi Mumbai is not there -- but you have remaining five all baked in?

Robbie Singh: For five airports Prateek, it's baked in this quarter. So in this quarter's numbers, you see the impact of the tariff change.

Prateek Kumar: And in terms of that Adani Wilmar deal that while 13% stake has been sold already, the remaining 30% stake is expected to close within this financial year?

Robbie Singh: It is largely there, agreement is done. The agreement is subject to various antitrust approvals and competition approvals. Now they generally can be completed within sort of 6 weeks to say 30 weeks. So we expect somewhere in that range, all the competition approvals will be completed.

Prateek Kumar: Right. Thirdly, on your leverage position in this quarter, we have not given the net debt number for quarter end, because you're not giving cash number -- what is the net debt number or cash number whichever number if you can give. And third question is the capex for nine months and the full year capex target for the company?

Robbie Singh: No. We have given the number, if you go to our earnings presentation on Page 31, we have given the number, INR 33,171 crores, which is a non-current external debt number provided which is as of March '24 and then as of December, net external debt of INR 46,858 crores is provided. It's on Page 31 of the presentation.

Prateek Kumar: Yes. So it is external debt, but it is not net debt. So, I was asking about the cash position, I mean I was asking about the net debt position, which is gross debt minus cash position and not talk about external debt. May be I can take that offline.

Robbie Singh: We'll give you number just 1 second. The non-current debt is INR 46,858 crores and cash on balance sheet is ~INR 5,800 crores.

Prateek Kumar: Right. And the capex is targeted for this year and nine months capex, how would that stack up?

Robbie Singh: So on capex side, we have a slight variation because of various approvals etc, which is related to PVC project and is slight timing change in the green hydro ecosystem of about INR 4,000 crores and in the PVC of about INR 7,000 crores. So aside from that INR 11,000 crores, our capex on rest of the business is on track. So, we had highlighted guideline of around INR 80,000 crores and our planning is at INR 69,562 crores.

Prateek Kumar: Guideline for this year was INR 80,000 crores, your target is INR 69,000 crores and for nine-months what would be that number?

Robbie Singh: INR 7,000 crores variation is in PVC project and about INR 4,000 crores is timing difference in ANIL ecosystem in terms of where the prep work is going on. So, there is a timing difference about INR 4,000 crores in the ANIL Green Hydrogen Ecosystem.

Prateek Kumar: Yes. And sir, the nine months capex would be how much?

Robbie Singh: So for nine months, we are at roughly around INR 21,000 crores.

Prateek Kumar: Okay. So over like INR 50,000 crores is expected in the last quarter?

Robbie Singh: I will give you a number what will not come in due to timing difference, what will be billing. What you will see is that roughly the INR 28,000 crores of the ANIL ecosystem will not come in this year from an accounting perspective. So that is one big number. And because of the way we will complete formal completion of Navi Mumbai Airport will take place in April. So consequently that number will also come up next year. So this year, that number will be round about INR 11,000 crores. So INR 40,000 crores is just these two timing differences.

Prateek Kumar: Okay. So may be in this year's financials, reported capex would be around INR 30,000 crores eventually vs nine month of INR 21,000 crores.

Robbie Singh: Correct. That would be the correct number because then in the next year, Navi Mumbai capex of INR 11,000 crores to INR 12,000 crores will be added simply because of completion. And then consequently, as we start on the ANIL ecosystem, those numbers will come up in the next year from accounting perspective.

Moderator: We have the next question of the line of Naman Jain from Kotak Institutional Equities. Please go ahead.

Naman Jain: Actually, I have a few questions primarily on the ANIL ecosystem. Firstly, there has been a sequential drop in exports when it comes to modules, if you can elaborate on that. Second, how do we see the realization in the domestic DCR market? And what's your view going forward? Third, the 10 GW target which you are looking for, is it still 2028? Or are we preponing that?

Robbie Singh: I think that 10 GW is going as originally planned, it would not be preponed. If there is a change, we will update. In relation to the sequential change, that's how the customers scheduling work. And as the scheduling washes through, the numbers will come back to the normal schedules that the customers have. So that's largely just the ordering schedule of the customers for the overseas exports orders.

Naman Jain: And the view on the DCR market, the realization right now and how do we see it going forward? Because we still saw a drop in EBITDA margin to this quarter -- so has there been some pressure in the domestic market?

Robbie Singh: So I think if I understand your question correctly, the margin between DCR and exports is roughly in single digit, low single digits. So there is no significant -- it doesn't significantly alter the EBITDA profile of the business in terms of DCR or exports at the moment.

Naman Jain: Okay. Got it. Got it. And just one last question. If you can share the WTG sales and EBITDA for the year, that will be helpful?

Robbie Singh: Yes. So, for WTG or the wind manufacturing, the total income for 9 months is roughly INR 1,700 crores and EBITDA is close to INR 340 crores.

Moderator: We have the next question from the line of Sarang Joglekar from Vimana Capital.

Sarang Joglekar: Just wanted to get some idea on the solar manufacturing. So on the domestic side, is it the sales to the group company or external?

Robbie Singh: Solar is external. Solar modules is external. Wind turbine is largely to AGEL.

Sarang Joglekar: Okay. Got it. In the external market, I just wanted to understand if the sale is usually through channel partners, distribution to the retail market or to the EPC players. And I mean, roughly what is the size of this retail market that is going, for example, rooftop solar?

Robbie Singh: For us, it is both retail plus utility market. We'll take this question as an FAQ and come specifically on the module mix in the domestic market. We can come back to you on this.

Moderator: We have the next question line of Dhaval Shah from RBSA Investment Managers.

Dhaval Shah: Sir, my question pertains to the solar manufacturing side. So, while you have reported revenue growth of 38% and EBITDA 34%. And on subsequent slide, we mentioned that the realization and the operating efficiency both has increased. So, just wanted to understand that is it because of the higher proportion of the WTG which has reduced the margin or, I would say, dilute EBITDA margin?

Robbie Singh: I think on the margin question, if you go back to our previous presentation, the margin largely is in line with what we indicated at that time that the excessive margin of previously will not be continued, largely because of the fact that the realization of the modules is now more normalized than the number that was there previously. But not related to specifically to the wind turbine, as it increased this percentage.

Dhaval Shah: Okay. So if I consider the normalized scenario, the commentary says that the realization has improved and the efficiency has also improved for the solar manufacturing. So, it's margin accretive in the normalized scenario?

Robbie Singh: Correct. And that's likely to continue in the future as more and more indigenization keeps happening.

Dhaval Shah: Okay. And sir, just on the clarification on the capex side, which you have mentioned and connecting that with your slide on the AWL space where you mention how the cash would be invested. So I understand that INR 78,000 crores of what we are planning to invest is inclusive of the projects which we are considering like the green hydrogen ecosystem and all?

Robbie Singh: Yes. Those outcome do not change. It is just that, like, for example, one of the things is Navi Mumbai airport is relatively complete. It will formally complete in April. So, the numbers won't come up in that period when it completes. Then the timing difference which is there in ANIL ecosystem. So more or less the -- we generally don't assume and we don't forecast on potential capex that we might do. These are all known projects that we've already highlighted.

Dhaval Shah: Okay. That indication I was looking at. And this also INR 80,000 crores, which we have earlier said for this year, we will be ending by spending only INR 30,000 crores. I understand the accounting difference, but the spend would be IN R30,000 crores.

Robbie Singh: Yes. On books, you will see a number on that yes.

Moderator: We have the next question the line of Dhananjay Mishra from Sunidhi Securities.

Dhananjay Mishra: So, in terms of our ongoing capex, and in view of a slight shift on capex on ANIL ecosystem front, we are expecting close to INR 10,000 crores again from Wilmar sale next year and INR 70,000 crores you can go with debt. So, on our QIP plan for equity fund raising, do we need that really in FY'26 or it can delayed in FY'27?

Robbie Singh: That is largely because as a process we take enabling approvals. But you're right, in the short term, there is no specific need, but our run rate equity requirements will continue broadly. But we will renew that approval if required, but no specific additional need outside of what we have already raised.

Dhananjay Mishra: Okay. So for FY'26, as such we don't need to raise as per our current schedule of capex if we conclude on Adani Wilmar?

Robbie Singh: Adani Wilmar will conclude. So yes, so we said that we will raise about $2.5 billion. So that's roughly what we have raised - $0.5 billion in QIP and about $2.0 billion here, roughly.

Dhananjay Mishra: Okay. So there is a room for $1 billion more.

Robbie Singh: But no, we don't have tactile timing, but yes.

Moderator: We have the next question from the line of Bhavik Shah from MK Ventures.

Bhavik Shah: Sir what I understand is that the current year capex is at around INR 30,000-32,000 crores. So can you help us with the capex for next 2 years, say FY'26 and FY'27. How much will be your capex for these two years?

Robbie Singh: I think on this, we will not be able to specifically answer this question for this quarter because we update that annually. I mean we can attempt to give you a broad, but I don't want to give guess till we complete our process to go through planning for the next 12 months, which will be in May. So I will more accurately be able to answer this question in May, when we have all the necessary information from a planning perspective.

Bhavik Shah: Okay. And sir, do we have any major loan repayments coming up in, say FY'26 and what will be the quantum of loan repayments FY'26?

Robbie Singh: We are normal. The short-term debt is very very limited at AEL. So materially, it will be around INR 3,300 crores in Airports, for which with the cash held at AEL is INR 5,800 crores.

Bhavik Shah: Okay. So basically, what I understood from the previous lines is that you said around INR 39,000 crores, INR 28,000 crores from ANIL and INR 11,000 crores of airports will be spent in the next year?

Robbie Singh: Yes.

Bhavik Shah: So that will be the minimum…

Robbie Singh: That will be booked in next year. ANIL and Airports will be spent and booked.

Bhavik Shah: Okay. Understood, sir. And sir, see, for other businesses, like the data center or in Carmichael or anything, do you need any capex there?

Robbie Singh: No, data center other than what's flagged, it remains same. For Carmichael we all know that all capex is done.

Bhavik Shah: Okay. And after Navi Mumbai Airport, will the other airports also need capex?

Robbie Singh: Navi Mumbai itself will need capex.

Bhavik Shah: So that will begin from after this phase?

Robbie Singh: Yes, after the first year itself, new capex will start.

Bhavik Shah: And so from the copper, how much capex is required in next year for copper business?

Robbie Singh: Copper capex is mostly done. It's just the business is now ramping up. And we expect the business to ramp up in the next financial year fully.

Bhavik Shah: Okay. So we expect to like have peak utilization next year itself.

Robbie Singh: Just repeat your question, please.

Bhavik Shah: So, we expect to see peak utilization levels in copper business the next year itself?

Robbie Singh: The next financial year, there can be plus/minus say the normal scheduling changes, but towards the first quarter of the following year.

Moderator: We have the next question from the line of Giriraj Daga from Visaria Family Trust.

Giriraj Daga: My first question is on the IRM side. So, we are seeing a material drop in the volume and earnings per se. Like would you say this was just one-off time and it will come back to the normal run rate or for next few quarters, we will settle somewhere in between?

Vinay Prakash: So as far as the IRM business is concerned, as we have been saying in the past also, we consider it also as a service function where we are actually supplying the fuel need of our customers. Considering that there is a good domestic coal availability for customers, the market has come down. So, if you really see how things are happening in India in terms of domestic coal production and the power demand, it will have similar type of figures for at least a few quarters, but then it has to go up -- and also, as I said in the statement, we are trying to see how we're going to have more into services like by adding Sagarmala or by adding some other activities where we can take the advantage of being there in the service function for last two decades. So you will see a volume getting back but then we have a composition of coal trading plus services.

Giriraj Daga: Okay. Understood. Second, my question is on the capex, so just to get myself clear. First, we are talking about ANIL ecosystem capex, where we'll be consuming internally the module and the wind turbines? So that INR 28,000-30,000 crores, roughly around about number, that will come when they'll start consuming for clean hydrogen projects right? So, are we looking to for next year?

Robbie Singh: I think the capex on the manufacturing ecosystem is completed. Mostly, it's just that the final bit of completion of ingot-wafer is going on. And at some point in time, the foundry will start. So that's only capex left. There is ecosystem capex, which we encourage, but others are also investing there, and it's not just us. Now in wind turbine, yes, most of the wind turbine capacity is being utilized by AGEL at the moment. because it's a special 5.2-MW wind turbine is not available anywhere else. And AGEL's needs are quite large.

The capex that ANIL ecosystem will happen is that when we move towards the generation of the green electron from the production of green hydrogen. So, the site work and all the prep work is going on at the moment. As when that picks up as you see, just for our sister firm Adani Green, once that picks up, the capex happens quite rapidly. On the site prep and all those work goes, so once that starts, which is the ecosystem for the production of green hydrogen, then the capex will pick up rapidly.

Giriraj Daga: Understood. So what my question is that -- so currently, they're selling 1 GW of module every quarter. And if you, let's say, sell 1 GW for FY'26 entirely 4 GW then this ANIL ecosystem capex will be very low, right, next year also?

Robbie Singh: Yes, yes. Because manufacturing part of the green hydrogen ecosystem, which is ANIL's manufacturing area, that investment we've already completed.

Giriraj Daga: So as per your estimate, when we will stop selling modules in external market and then consuming basically for our ecosystem, when we'll hit that timeline?

Robbie Singh: Modules, we'll continue to sell externally a very large amount. But overall we will also have this module capacity itself also rising. So, it will never be that we will be consuming the models ourselves only.

Giriraj Daga: So next year we will have a module capacity of what? Like 10 GW is a target for FY'28, right?

Robbie Singh: Yes, 4.5 GW.

Giriraj Daga: 4.5 GW and how is the schedule for FY'27, like will we reach there? Will we combine capex directly to FY'28?

Robbie Singh: That's most likely FY'27 or '28.

Giriraj Daga: So, next year also cash capex will be somewhere about INR30,000 crores or INR35,000 crores, right, because ANIL ecosystem capex will still be a year away from there?

Robbie Singh: Correct.

Moderator: We have the next question from the line of Prateek Kumar from Jefferies.

Prateek Kumar: My question is on commercial mining. So is this large PBIT loss which has been put in the segment. This is also largely due to MTM loss which you said in the beginning. Is that right? And, also what is the segment EBITDA during this quarter in the segment?

Robbie Singh: So just on the MTM, it's not an MTM loss on any external debt or external contract we have. It's just basically an artifact of how we invest equity overseas. All of that is not just invested as pure equity, it is also invested as shareholder loans. So, we booked the movement on the shareholder loan. It is not payable, it's non-cash. And it's just that item. And the second part of your question on segment of Carmichael mine financials income was roughly INR 5,400 crores for nine months and EBITDA of INR 763 crores.

Prateek Kumar: So even the EBITDA is like sort of negative for the same reason which you mentioned for the quarter?

Robbie Singh: Yes, that is largely because of the MTM.

Prateek Kumar: And Okay. On data centers, we have around 270 MW of capacity under construction and we have order book of around 210 MW, while the commercialized capacity is only around 30 megawatts?

How are we, in the context of current environment around chip prices, which may get impacted because of the new thing which has come up, like how are the contracts for us work? We have talked about the 210 MW of order book. So how are the chip contracts like sort of work here? And how do you see?

Robbie Singh: Prateek, that is already customer-driven, so all the contracts are afoot. There's no change in that. We have roughly 210 MW under near-term completion, so that will be done. And we're just another roughly 20 MW came online this year itself. So there's no change in the construction and development plan of that business.

Moderator: We have the next question on the line of Deval Shah from RBSA Investment Managers.

Deval Shah: Sir, I just need a clarification on the PVC. You mentioned that on INR 7,000 crores of capex plan, is it postponed or there is a change of plan. So just wanted to understand on the PVC side of the capex?

Robbie Singh: It's just that given all the approvals required etc. here, construction, the scheduling means that a lot of that capex will come in the following year rather than this accounting year from booking prospective.

Deval Shah: Just that for PVC there is a timing difference?

Robbie Singh: Yes. It’s timing. It will get complete, the project is scheduled to complete in Calendar '27.

Deval Shah: Okay. And sir, just wanted to understand your thought on obviously, on the rupee depreciation. So what is its impact, management is foreseeing impacting our debt profile and our capability on fund raising as well because of the INR/USD volatility?

Robbie Singh: No, we plan for what is called the long run volatility curve of roughly about 4%. So, if you look at the last or any 10-year period in the last year, you'll see a volatility curve around about 3.2 to 3.7, independent of what happens in 1 or 2 years. But because we cover that volatility curve over the 10-year period, there is no impact on our finance charges because of the rupee volatility.

Deval Shah: Okay. So as I understand, in our projection as well, so whenever you are planning for the overseas debt or in net commercial borrowings or whatever, we are taking the 2% depreciation impact in our projections. Probably in the linear or some of the other models, but we are taking considering the 4% depreciation?

Robbie Singh: We assume that, that occurs. So consequently, we plan that way already.

Moderator: Thank you. That was the last question. I now hand it over to the management for closing comments.

Robbie Singh: Mohit, thank you for organizing this and to all the participants and Q&A. Thank the investors. If there's anything, via Mohit you can please reach us. We will update a few FAQs that we have noted down. We'll update them and then we will also send to Mohit so that can be distributed to the people who ask the questions. Thank you.

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