



**PL Capital**  
PRABHUDAS LILLADHER

# Adani Energy Solutions (ADANIENS IN)

Rating: ACCUMULATE | CMP: Rs961 | TP: Rs1,090



## ***Powering on multi-engine growth model***

**Vishal Periwal** vishalperiwal@plindia.com | 91-22-63782549

**Disha Mudda** dishamudda@plindia.com | 91-22-66322222

## Contents

	<b>Page No.</b>
About the company .....	5
Investment Arguments.....	7
Second largest power transmission player in India .....	7
Order book and market share.....	7
Opportunity in power transmission.....	7
Line commissioning .....	7
Smart meter installation in India picking up .....	9
Financials & unit economics .....	9
Ecosystem partnerships & supply chain .....	10
Sector outlook – Smart meter .....	10
Benefits of smart meter deployment for consumers.....	10
Benefits of smart meter deployment for power utilities .....	11
Power distribution: Eyeing new bids .....	12
Growth plans.....	13
Unlocking energy-efficient cooling infrastructure .....	14
Market opportunity .....	15
ADANIENS – C&I Power Solutions: Emerging high-growth vertical .....	15
Financials: Net debt/EBITDA to be range bound .....	16
Outlook & Valuations.....	19
Key risks .....	21
Annexure.....	22
Capital raising in last 5 years and current share holding .....	22
Management team led by industry veterans .....	23
ESG: Rating has improved over the years.....	24
US legal cases.....	26
Related party transactions.....	26
SCA accounting.....	26

## Company Initiation

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	2,37,671	2,73,394	3,87,917	4,56,963
EBITDA (Rs. m)	70,665	81,308	1,14,075	1,44,017
Margin (%)	29.7	29.7	29.4	31.5
PAT (Rs. m)	18,100	23,513	36,484	46,508
EPS (Rs.)	15.1	19.6	30.4	38.7
Gr. (%)	40.5	29.9	55.2	27.5
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	10.4	10.1	13.9	15.3
RoCE (%)	9.2	8.9	10.7	11.3
EV/Sales (x)	6.3	5.7	4.6	4.2
EV/EBITDA (x)	21.2	19.3	15.5	13.2
PE (x)	63.7	49.1	31.6	24.8
P/BV (x)	5.2	4.7	4.1	3.5

### Key Data ADAI.BO | ADANIENS IN

52-W High / Low	Rs. 1,068 / Rs. 641
Sensex / Nifty	79,116 / 24,481
Market Cap	Rs. 1,154 bn/ \$ 12,522 m
Shares Outstanding	1,201m
3M Avg. Daily Value	Rs. 1434.45m

### Shareholding Pattern (%)

Promoter's	71.19
Foreign	13.47
Domestic Institution	10.14
Public & Others	5.20
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(2.8)	26.7	48.5
Relative	3.0	29.2	37.0

### Vishal Periwal

vishalperiwal@plindia.com | 91-22-63782549

### Disha Mudda

dishamudda@plindia.com | 91-22-66322222

# Adani Energy Solutions (ADANIENS IN)

Rating: ACCUMULATE | CMP: Rs961 | TP: Rs1,090

## Powering on multi-engine growth model

Adani Energy Solutions (ADANIENS) is expected to witness a sharp acceleration in earnings, with EBITDA growth over FY26E–28E projected at 2.5–3x the pace achieved during the past 3–4 years. Growth will be driven by the company's core power transmission business and the rapidly scaling smart metering segment. In the power transmission segment (57% of FY26E EBITDA), annual capitalization is expected to increase significantly from Rs40–50bn historically to Rs110–140bn during FY26E–28E, supported by a strong order book of Rs777bn scheduled for commissioning over the next 4–5 years. Smart metering business (7% of FY26E EBITDA) also offers significant growth potential, supported by a robust order book of 24.6mn meters and strong policy push from the government to reduce transmission and distribution (T&D) losses through large-scale smart meter deployment. Meanwhile, the distribution segment (~29% of FY26E EBITDA) is expected to benefit from privatization-led opportunities and operational improvements, which should support steady earnings growth over the medium term.

Overall, ADANIENS's consolidated EBITDA (ex-SCA) is expected to grow at ~31% CAGR over FY26E–28E, driven by ~32%/~9%/~98% growth in transmission/distribution/smart metering segments, along with incremental contribution from Service Concession Arrangement (SCA) income under Ind AS 115. ADANIENS trades at 13x FY28E EV/EBITDA, a premium to peers trading at 9–11x. The higher valuation reflects ADANIENS's stronger EBITDA growth outlook, with a projected 31% CAGR (FY26E–28E), compared to low-teens growth for peers. We initiate coverage on ADANIENS with 'Accumulate' rating and assign SoTP-based TP of Rs1,090.

- Strengthening grip on India's power transmission market:** ADANIENS has built strong national presence with operations across 16 states, 27,901 ckt km of transmission lines (PGCIL operates 1,75,000 ckt km lines, and 75,000MVA of transformation capacity). Transmission segment is expected to contribute ~57% of FY26E EBITDA, with share largely remaining same at ~57% by FY28E on the back of execution and new project commissioning. Transmission order book has scaled ~4.5x in the past 18 months to Rs777bn (Q3FY26), providing multi-year revenue visibility. ADANIENS secured 28% share of transmission projects awarded in FY25, and is targeting at least 20% share in upcoming opportunities. With ~Rs1trn worth of projects expected to be bid out annually over the next 3–4 years, including at least 1 large HVDC project, ADANIENS is well positioned to consolidate its leadership further.
- Powering India's digital energy shift by smart meter:** ADANIENS holds 17% market share in smart meter bids and has installed over 9mn meters, supported by an order book of 24.6mn as of 9MFY26. Installation rates have risen to ~22,600 meters/day (vs. ~5,200 meters/day a year ago), with active projects in Maharashtra, Andhra Pradesh, Assam, Uttarakhand and Bihar. ADANIENS plans to reach a cumulative installed base of ~10mn meters by FY26E and ~24mn meters by early FY28E. Being a key player in India's digital energy push, provides multi-year revenue visibility and ADANIENS has seen recurring, asset-light EBITDA growth. The company expects 100–110mn

meter tenders from key states, including Tamil Nadu, Karnataka, Telangana, Andhra Pradesh and Madhya Pradesh, and aims to capture 25-30% of upcoming bids. Smart meter EBITDA contribution to ADANIENS is expected to rise from 7% in FY26E to 16% in FY28E.

- **Power Distribution share to moderate, but strategic growth levers will stay intact:** Power distribution business to contribute to ~29% of FY26E EBITDA, serving 12mn consumers across premium markets like Mumbai and Mundra SEZ. However, its share in consolidated EBITDA will moderate by FY28E to 20% as other segments are scaling up faster. The company is focused on expanding via parallel license models, bidding for new circles in Uttar Pradesh and other states, and integrating renewables into supply, aligning with India's energy transition and decarbonization agenda. Significant capex is lined up in both markets—Mumbai being the primary focus for capex with annual investments of Rs15-16bn, driving regulated asset base (RAB) expansion of Rs10-12bn annually.
- **Stable net debt EBITDA, rising returns define ADANIENS's growth phase:** Consolidated EBITDA (ex-SCA) is projected to grow at 31% CAGR over FY26E–28E, led by 32% growth in transmission, 9% in distribution, and 98% in smart meters, with SCA income adding to the rest. Company-level capex of Rs150-250bn annually (FY26E–28E) with equity needs of Rs60–75bn will be funded via internal accruals and Rs97bn in cash. As transmission and smart meters scale up, PAT margin will improve by 200bps over FY26E–28E, and so will RoE (up 500bps in the next 2 years). Net DER is expected to rise from ~1.8x in FY26E to 2.4x FY28E but Net debt/EBITDA is expected to remain stable over FY26-28E at 5x.
- **Investment summary:** We initiate coverage on ADANIENS with 'Accumulate' rating and SoTP-based TP of Rs1,090. The implied multiples at our TP stand at 30x FY28E P/E, 4.2x P/BV and 15x EV/EBITDA. We prefer SoTP-based valuation as the company has several segments with different set of variables, risk profiles, and growth trajectories. The Transmission business is valued at 15x EV/EBITDA on FY28E EBITDA and contributing ~66% to the overall TP, resulting in EBITDA CAGR of 28% over FY26–28E for 14%–15% RoE. The Distribution segment is valued at 4x P/BV, i.e., ~20% of the total value, resulting in EPS CAGR of 9%–10% over FY26-28E for 15% RoE. The Smart Metering business is valued at 10x EV/EBITDA and accounting for ~14% of the valuation, given annual addition of 7mn meters, resulting in EBITDA CAGR of 98%.

## About the company

Adani Energy Solutions Ltd (ADANIENS) was demerged from Adani Power in 2016 with an initial portfolio of 4 transmission assets: Mundra–Dehgam, Mundra–Mohindergarh, Tiroda–Warora–Aurangabad, and Tiroda–Koradi. Today, ADANIENS is India’s second-largest power transmission player, after PWGR, and commanded a strong 28% market share in transmission project bids awarded in FY25. The company is also a market leader in smart metering with a 17% share of bids won. ADANIENS supplies electricity to the Mumbai region and the rapidly expanding Mundra SEZ. ADANIENS’s integrated business model, scale, and consistent execution track record make it a compelling play on India’s next-generation energy infrastructure build-out. As of 9MFY26, ADANIENS operated: 47 transmission assets, 9 smart metering assets, and 2 distribution assets.

- **Power transmission (~57% of FY26E EBITDA):** ADANIENS, part of the diversified Adani Group, operates a network across 16 states, comprising over 27,901 circuit km of transmission lines and 11,817.5 MVA of transformation capacity. In FY25, ADANIENS secured a leading 28% share in transmission projects awarded, reinforcing its dominant market position and competitive edge in the sector. As of FY26E, the segment is expected to contribute to ~57% of ADANIENS’s EBITDA.
- **Power distribution (~29% of FY25E EBITDA):** ADANIENS maintains a strong foothold in the power distribution market. It serves over 13mn consumers in high-value markets, including Mumbai and the Mundra SEZ. While EBITDA contribution from this segment is expected to moderate by FY28E, the distribution strategy emphasizes scaling operations through parallel license models, bidding for new circle (in Uttar Pradesh and other states) delivering retail-focused power solutions, and progressively integrating renewable energy into the supply mix—aligning with India’s energy transition and decarbonization goals.
- **Smart meters (~7% of FY26E EBITDA):** ADANIENS is one of the largest players in this high-growth segment with 17% market share in smart meter bids. It is rapidly scaling its smart metering business, positioning itself as a leading integrator in India’s digital energy transformation. The company has already installed over 9mn smart meters across key geographies, enhancing grid efficiency, billing accuracy, and customer service. A robust order book of 24.6mn meters provides visibility on multi-year revenue growth. With India targeting to deploy over 250mn smart meters by 2030, ADANIENS is well-positioned to capture significant market share and drive recurring, asset-light EBITDA growth.
- **Cooling solutions – Long-term growth opportunity:** India’s cooling solutions sector is poised for exponential growth, with demand expected to increase 20-fold over the next 2 decades. Key drivers include rising disposable income, increasing urban heat stress due to global warming, and low air conditioning penetration rate of just 7%–9%, compared to ~90% in developed economies. As traditional, energy-intensive air conditioning becomes unsustainable, the market is shifting toward low-carbon, scalable alternatives such as thermal energy storage and district-level cooling systems. ADANIENS is strategically positioned to capitalize on this transition by offering cooling-as-a-service

(CaaS)—an innovative, pay-per-use model that is affordable, climate-friendly, and infrastructure-efficient. By FY30, India's cooling demand is projected to exceed 7.9mn tons of refrigeration (TR), creating a multi-billion-dollar market opportunity. With limited competition and deep domestic market knowledge, ADANIENS is already executing sustainable cooling projects in Navi Mumbai, Ahmedabad and Mundra. These systems not only reduce greenhouse gas emissions but also improve safety by minimizing fire risk. First-mover advantage and integrated capabilities position ADANIENS as a key player in India's transition to next-generation cooling infrastructure.

- **C&I - Energy solutions:** ADANIENS is actively expanding into the commercial and industrial (C&I) energy solutions space, driven by rising demand from energy-intensive sectors such as data centers, which require high reliability and rapid infrastructure deployment. It has already secured contracts totaling 1,300MW across 31 captive and non-captive consumers. ADANIENS expects this segment to scale significantly, targeting 7,000MW of aggregate load by FY30E. Engagements are ongoing with global players and technology majors, positioning ADANIENS for strong growth in this segment in the mid-to-long term.

## Investment Arguments

### Second largest power transmission player in India

ADANIENS operates a vast network across 16 states, comprising over 27,901 ckt km of transmission lines and 1,18,175MVA+ of transformation capacity. As of FY26E, the power transmission segment to contribute ~57% of ADANIENS's EBITDA, and the share is expected to be stable at 57% by FY28E, driven by strong execution and commissioning of upcoming projects.

#### Order book and market share

- FY25 saw unprecedented transmission bidding activity of Rs1,615bn, with ADANIENS securing a leading 28% share in the projects awarded.
- Its transmission order book has grown by ~4.5x in the last 18 months to Rs777bn (Q3FY26). It won 7 projects in FY25 worth Rs440bn, including the Bhadla-Fatehpur HVDC project worth Rs250bn, and in YTD FY26, it has won orders worth Rs202bn (including Khavda Olpad of Rs180bn+).
- ADANIENS targets a minimum share of ~20% in upcoming bids.

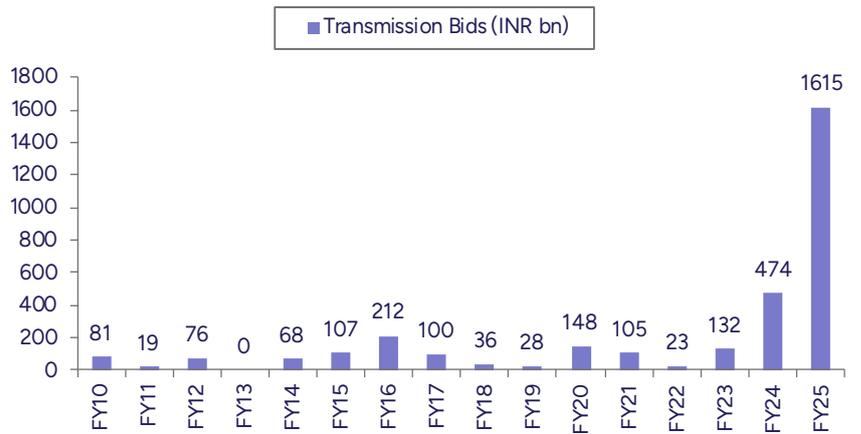
#### Opportunity in power transmission

- ADANIENS anticipates bidding for transmission projects worth ~Rs1,000bn each year, which will include at least 1 large HVDC project, for the next 3-5 years.
- Upcoming HVDC project – Barmer, Rajasthan, to South Kalamb, Maharashtra – valued at ~Rs250bn, is expected to open for bidding in Q1/Q2 FY27.
- Mumbai HVDC Phase 2 is also under consideration. ADANIENS has requested the state transmission utility to evaluate its requirement. While the exact timeline for approval is uncertain, the estimated Phase 2 cost, though premature to confirm due to scope clarity, could be ~Rs100bn considering the current market conditions.

#### Line commissioning

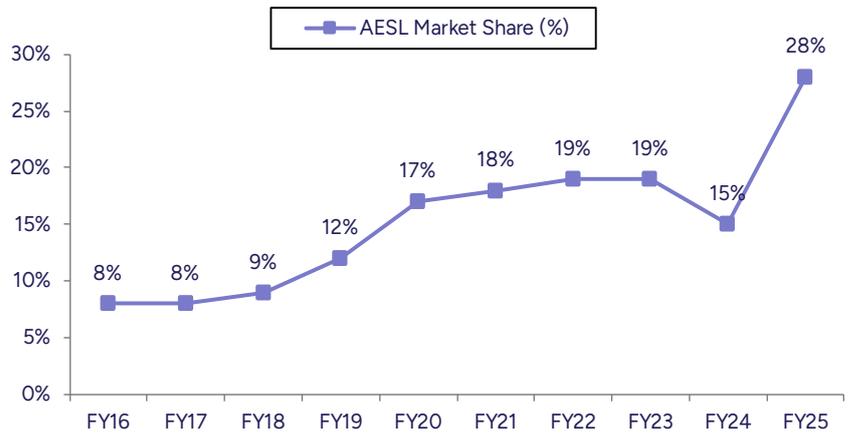
- Under construction orders of Rs777bn (Q3FY26), ADANIENS expects to commission 5 transmission projects in FY26 worth Rs108bn: Mumbai HVDC, North Karanpura, , Khavda II-A, Khavda Pooling Station 1 and Sangod transmission. In 9MFY26, ADANIENS commissioned 4 projects worth Rs33bn with revenue of Rs2.9bn.
- In FY27E, capitalization is expected to reach Rs125bn+ with major lines getting commissioned - WR SR, Khavda III-A, Khavda IV-A, , Khavda IV-D and multiple line augmentation projects. Further, FY28E capitalization is expected to reach Rs140bn.

**Exhibit 1: Rising transmission bids (Rs bn)**



Source: Company, PL

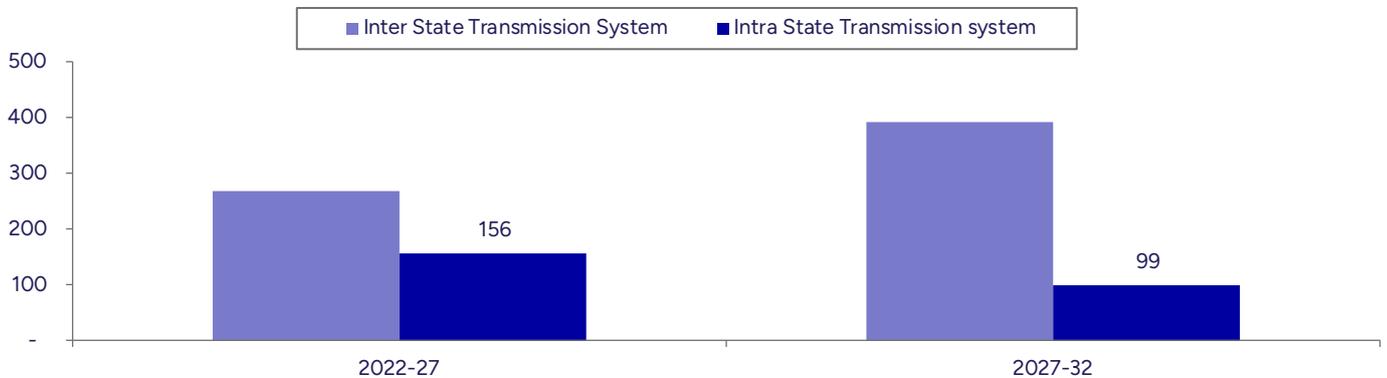
**Exhibit 2: ADANIENS's market share increased over the years**



Source: Company, PL

**Exhibit 3: Future bidding opportunity at Rs1trn p.a. over next 4-5 years**

**NEP Capex Summary (INR bn)**



Source: Company, PL

**Exhibit 4: Transmission business snapshot**

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Transmission (Rs mn)</b>								
<b>Order Book</b>	<b>157,800</b>	<b>182,300</b>	<b>192,600</b>	<b>170,000</b>	<b>599,360</b>	<b>693,354</b>	<b>771,964</b>	<b>837,516</b>
<b>Order inflow</b>		<b>53,760</b>	<b>38,270</b>	<b>50,360</b>	<b>440,000</b>	<b>202,630</b>	<b>205,000</b>	<b>205,000</b>
Capitalisation		29,260	27,970	72,960	60,490	108,636	126,390	139,448
Capex		29,554	35,475	38,770	76,460	100,000	162,000	175,000
<b>Gross Block</b>	<b>168,380</b>	<b>197,640</b>	<b>225,610</b>	<b>298,570</b>	<b>344,690</b>	<b>453,326</b>	<b>579,716</b>	<b>719,164</b>
- PPE	156,190	186,100	214,700	282,230	309,290	394,306	421,056	440,646
- SCA	12,190	11,540	10,910	16,340	35,400	59,020	158,660	278,518
Regulated Equity + Equity	50,514	59,292	67,683	89,571	103,407	135,998	173,915	215,749
<i>Change yoy, %</i>		17%	14%	32%	15%	32%	28%	24%
<b>Revenue</b>								
Revenue	27,920	32,170	35,570	40,450	47,740	51,463	70,105	89,096
<i>Change yoy, %</i>	3%	15%	11%	14%	18%	8%	36%	27%
<b>Operational EBITDA</b>								
Operational EBITDA	25,740	29,680	32,430	36,880	43,660	47,065	64,113	81,482
<i>Change yoy, %</i>	4%	15%	9%	14%	18%	8%	36%	27%
<i>EBITDA Margin (%)</i>	92%	92%	91%	91%	91%	91%	91%	91%
<b>PAT</b>								
PAT	10,310	11,050	11,550	9,650	13,800	17,120	22,162	27,865
<i>Change yoy, %</i>	57%	7%	5%	-16%	43%	24%	29%	26%
<i>Core RoE %</i>	20%	20%	18%	12%	14%	14%	14%	14%

Source: Company, PL

## Smart meter installation in India picking up

ADANIENS entered the smart metering segment in FY24 and is rapidly scaling operations, with ~600 employees associated with the vertical. The company had installed 3.13mn meters as of Mar'25 and targets ~10mn installations by Mar'26. ADANIENS has an order book of 24.6mn meters (17% current market share with estimated EBITDA potential of Rs22bn, and targets 25%+ share in this fast-growing market by FY30. The company expects 100–110mn meter tenders from key states, including Tamil Nadu, Karnataka, Telangana, Andhra Pradesh, and Madhya Pradesh, and aims to capture 25-30% of upcoming bids.

Installation rates have risen to ~22,600 meters/day in 9MFY26 (vs. ~5,200 a year ago), with active projects in Maharashtra, Andhra Pradesh, Assam, Uttarakhand and Bihar. ADANIENS plans to reach a cumulative installed base of ~10mn meters by FY26, and ~24mn meters by early FY28.

## Financials & unit economics

The 24.6mn meter order book translates into Rs295bn in revenue over the next 7.5 years (~Rs38bn annually). Per-meter revenue is ~Rs12,000 over the 90 meter months, with annual EBITDA (margin at 85%) of ~Rs1,312 per meter after factoring in GST, installation, and system costs. Upfront cost per meter excluding GST is Rs4,900 (Rs4,000 hardware + Rs900 installation), implying a capex/EBITDA multiple of 4.4x, with a 10-year meter life, which could deliver equity IRR upwards of 20%+.

### Ecosystem partnerships & supply chain

- Connectivity: Airtel SIM integration
- Data services: Adani EdgeConneX cloud hosting (Eysasoft provides a comprehensive cloud infrastructure platform for smart metering systems)
- Workforce: Quess Corp for installation manpower
- Equipment suppliers: Genus (equipment + installation), Schneider, Secure, HBL Electric

### Sector outlook – Smart meter

- The Government of India launched the Revamped Distribution Sector Scheme (RDSS) in Jul'21 to enhance the quality and reliability of power supply by creating a financially sustainable and operationally efficient distribution sector. The scheme has sanctioned projects worth Rs1.5trn for loss-reduction infrastructure and Rs1.3trn for smart metering.
- Smart metering works under RDSS, with an approved outlay of Rs1.3trn, covers 19.79 crore consumers, 52.53 lakh distribution transformers, and 2.11 lakh feeders across 45 DISCOMs in 28 states/ UTs. Over 58% of the work has been awarded and is at various stages of execution. The scheme provides central funding of up to Rs900 per consumer meter (Rs1,350 for special-category states) and additional incentives of up to Rs450 (Rs675 for special-category states) for timely prepaid smart meter installations. Funds are disbursed post-installation, commissioning, and demonstration of at least one prepaid billing cycle.
- While execution is progressing, rollouts have faced delays due to the nascent nature of smart metering in India—leading to slower tender processes, establishment of direct debit mechanisms, consumer indexing data validation, and extended testing and approval cycles (including field installation, integration, and factory acceptance tests).

### Exhibit 5: All-India T&D stats

Description		FY 2022-23	FY 2023-24	FY 2024-25
Loss Reduction Works	Target	Award-80% of sanction cost	Award-85% of sanction cost	Physical completion-25%
	Achievement	64%	84%	Physical completion-25.3%
Smart Metering	Target	4 Crore	2 Crore (Revised)	5 Crore
	Achievement	0.57 Crore	1.04 Crore	2.08 Crore <i>(as on 10.02.2025)</i>

Source: MoP, PL

### Benefits of smart meter deployment for consumers

- Accurate billing – Eliminates manual reading errors and estimated bills by automatically recording consumption in near real time
- Transparent usage data – Allows consumers to track electricity usage patterns through mobile apps or portals, enabling better energy management

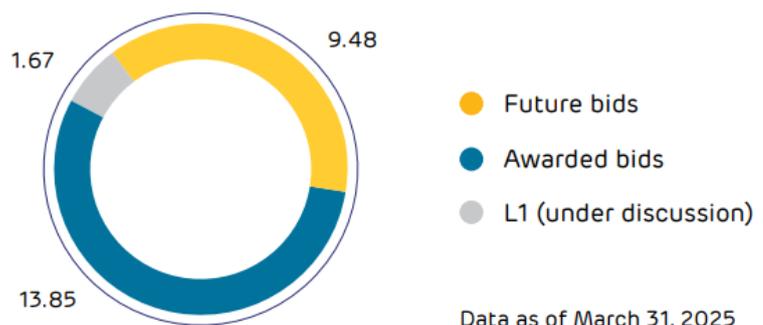
- Flexible tariffs – Support time-of-day or dynamic tariffs, letting consumers shift usage to cheaper periods
- Faster service restoration – Enables quick reconnection after payment of dues and remote outage detection

**Benefits of smart meter deployment for power utilities**

- Reduce AT&C losses – Smart meters help detect theft, bypassing, and meter tampering, which are major contributors to AT&C losses in India. As part of the RDSS, India targets to install ~250mn smart meters by 2030 to improve efficiency and reduce losses.
- Remote monitoring & control – Meters can be read, disconnected, or reconnected remotely, cutting operational costs and manual intervention.
- Load management – Real-time consumption data helps utilities balance demand and supply more efficiently, especially during peak hours.
- Better cash flow – Prepaid and pay-as-you-go models ensure timely revenue collection.
- In states like Uttar Pradesh, Bihar, and Assam, where pilot deployments happened, utilities saw AT&C loss reduction of 15%–20% and billing efficiency improve above 95%.
- Prepaid smart meters helped customers in low-income segments manage consumption better while ensuring utilities received timely payments.

**Exhibit 6: Summary of RDSS meters**

**Government Target (Meters in crore)**



Source: MoP, PL

**Exhibit 7: Winners of smart meter installation bids**

Company	No. of meters (mn)	Values (Rs bn)	Market share (%)
IntelliSmart	16.6	166.2	14
Genus	32.7	340.7	27
Apraava	7.5	64.8	6
Adani Energy	21.7	264.2	18
Techno Electric	2.2	23.1	2
Tata Power	1.9	17.4	2
GMR	7.6	67.9	6
Others	31.4	340.0	26

Source: MoP, Company, PL Note: In addition, ADANIENS has a non-RDSS contract of 2.9mn meters

**Exhibit 8: Smart meter – Snapshot**

Rs mn	FY25	FY26E	FY27E	FY28E
Annual Installed Meter mn	3.1	7.0	7.0	8.0
Cumulative meter mn	3.1	10.1	17.1	25.1
Avg meters mn	3.1	5.2	12.6	20.3
Revenue (Rs / meter / year)	1548	1548	1548	1548
GST		18%	18%	18%
Revenue ex GST (Rs / meter / year)		1312	1312	1312
<b>Total revenue</b>	<b>4,799</b>	<b>6,822</b>	<b>16,464</b>	<b>26,631</b>
<i>Change yoy, %</i>		42%	141%	62%
<b>EBITDA</b>	<b>4,079</b>	<b>5,798</b>	<b>13,994</b>	<b>22,636</b>
<i>Change yoy, %</i>		42%	141%	62%
<i>EBITDA Margin %</i>	85%	85%	85%	85%
Interest	1,070	1,538	3,712	6,005
<b>PBT</b>	<b>3,009</b>	<b>4,260</b>	<b>10,282</b>	<b>16,631</b>
Tax	752	1,065	2,571	4,158
Tax Rate	25%	25%	25%	25%
<b>PAT</b>	<b>2,257</b>	<b>3,195</b>	<b>7,712</b>	<b>12,474</b>
<i>Change yoy, %</i>		42%	141%	62%
<i>Margin %</i>	47%	47%	47%	47%

Source: ADANIENS, PL

**Power distribution: Eyeing new bids**

ADANIENS, through its subsidiaries Adani Electricity Mumbai Ltd (AEML) and MPSEZ Utilities Ltd (MUL), operates power distribution businesses in Mumbai and Mundra. AEML holds a 25-year distribution license granted by MERC in CY11 and currently serves 3.26mn customers in and around Mumbai, with industry-leading distribution losses of just 4.2% in FY25. Its distribution segment has shown sustained strong performance, with FY25 volume growing 6% in Mumbai (AEML) and 44% in Mundra (MUL). Losses further declined by ~50bps to 4.77% in FY25. The business is funded through a 70:30 debt-to-equity structure and currently generates an EBITDA of Rs19-20bn on its RAB. Significant capex is lined up in both markets—Mumbai being the primary focus area with annual investments of Rs15-16bn, driving regulated asset base (RAB) expansion of Rs10-12bn annually. While Mundra is expected to see Rs15–20bn of investment over 4-5 years, driving RAB expansion to Rs5–6bn. Despite healthy growth prospects, the share of distribution in overall EBITDA is projected to moderate from ~29% in FY26E to ~20% by FY28E, as other segments scale up faster. This translates into a combination of stability from a regulated, low-loss distribution franchise, and upside potential from diversification into adjacencies—positioning ADANIENS to deliver both earnings resilience and multi-segment growth.

- **AEML:** It holds the distribution license for Mumbai suburbs and Mira-Bhayandar. Acquired from Reliance Infrastructure in CY18 for Rs121bn (~3x regulated equity), the deal was funded through Rs85bn debt and Rs36bn equity. Since then, AEML's RAB has grown from Rs55.3bn in CY18 to Rs90bn

in FY25, supported by steady annual capex of Rs12–15bn. In CY20, ADANIENS monetized a 25% stake in AEML, bringing in Qatar Investment Authority for Rs32.2bn, with proceeds used to reduce debt and fund growth capex, strengthening the balance sheet and supporting sustainable expansion.

- **Regulated norms:** AEML operates under a regulated business framework that provides high earnings visibility, with a fixed 14% RoE on invested equity, reviewed every 5 years by the regulator. Additionally, strong operational performance can unlock upside, with incentives pushing returns to 15.5%–16% through efficiency gains such as lower AT&C losses and superior network reliability. The franchise is both cash generative and resilient, backed by Mumbai’s premium customer base and best-in-class operating efficiency, reflected in one of the lowest distribution loss levels in the country.
- **MUL:** It is responsible for power distribution in Mundra SEZ, India’s largest port-based industrial hub. It serves ~50MW of demand through a 254ckm network. With Adani Group’s planned large-scale developments, demand is expected to rise sharply to 3,000–5,000MW over the medium term, driving MUL’s RAB expansion from Rs500mn to Rs15–20bn. This positions Mundra as a high-growth regulated distribution platform with significant upside from rapid industrial expansion.

### Growth plans

- ADANIENS is actively pursuing expansion opportunities through parallel distribution licenses, which would allow entry into adjacent markets and significantly broaden its presence. The Navi Mumbai and Thane regions alone represent a major growth corridor, and is pending electricity connection applications, underscoring the strong underlying demand potential.
- To capture this opportunity, ADANIENS has applied for parallel licenses in Navi Mumbai, Thane, Gautam Buddha Nagar, and the Mundra sub-district—initiatives that could potentially expand its distribution footprint nearly 9-fold. That said, the approval process for parallel licensing is often protracted, with limited visibility on timelines or regulatory outcomes. As a result, we have not incorporated these potential opportunities into our base-case financial estimates. Nonetheless, successful execution could provide material upside to ADANIENS’s long-term growth trajectory.
- The Government of India has long advocated privatization of electricity distribution, with efforts dating back to the early 2000s. While progress has been gradual, key reforms such as the introduction of the franchisee model have helped infuse private-sector efficiency into the sector. Both private licensees and franchisees have demonstrated measurable success in curbing AT&C losses, validating the potential of private participation.
- That said, the broader rollout of privatization has faced headwinds. Setbacks in certain franchisee operations, coupled with resistance from state governments, pushback from employee unions, and concerns around tariff escalation, have slowed momentum. Despite these challenges, the structural case for private participation remains intact, supported by proven efficiency gains and the government’s continued emphasis on improving sectoral performance.

**Exhibit 9: Distribution business matrix (Rs mn)**

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
	69,150	75,470	79,780	85,354	95,980	112,230	129,980	149,230
- Mumbai	69,150	75,470	79,780	84,850	95,490	110,490	125,490	140,490
- Mundra	0	0	0	504	490	1,740	4,490	8,740
<b>Regulated Equity</b>	<b>40,360</b>	<b>43,700</b>	<b>46,260</b>	<b>49,827</b>	<b>50,430</b>	<b>55,305</b>	<b>60.630</b>	<b>66.405</b>
- Mumbai	40,360	43,700	46,260	49,550	50,140	54,640	59,140	63,640
- Mundra	0	0	0	277	290	665	1,490	2,765
<i>Change yoy, %</i>		8%	6%	8%	1%	10%	10%	10%
<b>Capex</b>								
Mumbai	12,430	16,190	14,500	14,450	17,820	15,000	15,000	15,000
- Equity @ 30%						4,500	4,500	4,500
- Debt @70%						10,500	10,500	10,500
Mundra						1,250	2,750	4,250
- Equity @ 30%						375	825	1,275
- Debt @70%						875	1,925	2,975
Borrowing Distribution-Regulated	28,790	31,770	33,520	35,527	45,550	56,925	69,350	82,825
Gross block	145,530	156,630	167,280	178,200	167,660	183,910	201,660	220,910
Revenue	60,480	69,660	85,920	101,730	122,340	133,351	145,352	158,434
<i>YoY Growth (%)</i>					8%	9%	9%	9%
EBITDA, no other income	16,590	16,920	20,980	20,070	21,750	23,708	25,841	28,167
<i>Margin %</i>	27%	24%	24%	20%	18%	18%	18%	18%
<i>YoY Growth (%)</i>	5%	2%	24%	-4%	8%	9%	9%	9%
PAT	2,590	1,310	1,260	2,310	9,790	3,172	4,058	5,081
<i>YoY Growth (%)</i>	418%	-49%	-4%	83%	324%	-68%	28%	25%
<i>Core RoE %</i>	7%	3%	3%	5%	20%	6%	7%	8%
EBITDA / RAB	24%	22%	26%	24%	23%	20%	20%	20%

Source: Company, PL

## Unlocking energy-efficient cooling infrastructure

ADANIENS is pioneering B2B district cooling solutions for commercial real estate, industrial parks, data centers, and airports under the pay-per-use CaaS model. The company's approach leverages centralized cooling plants that produce chilled water using eco-friendly refrigerants, distributed via underground insulated pipelines to end-users. Chilled water from the central plant circulates through fan coil units, where it absorbs heat from incoming air. The cooled air is then distributed within the building, creating a comfortable air-conditioned environment. This eliminates the need for individual air-conditioning investments, reduces maintenance burdens, and delivers ~20% higher energy efficiency through large-scale optimization.

Through its subsidiary Adani Cooling Solutions Ltd, ADANIENS has 52,700 TR of capacity under implementation, including India's largest district cooling plant at Mundra (45,000 TR) and a robust pipeline of ~2,50,000 TR. Strategic synergies with group businesses—airports, data centers, SEZs, and residential townships—offer substantial captive demand. ADANIENS is already engaged with leading developers in Navi Mumbai and Adani Realty in Ahmedabad.

## Market opportunity

- India's per capita cooling consumption is just 8%–9%, far below global levels of 90%+, highlighting massive, untapped demand.
- Aggregate cooling demand is expected to exceed 11mn TR by FY30, with ~1.6mn TR addressable in Tier 1 cities.
- ADANIENS's CaaS model offers affordable, scalable, and sustainable cooling infrastructure—critical for meeting the country's rapid urban and industrial growth.

## ADANIENS – C&I Power Solutions: Emerging high-growth vertical

- Business model – Offers customized, end-to-end energy solutions to C&I customers. The model goes beyond mere trading—it aggregates capacity and delivers tailored power mixes that optimizes cost, ensures high reliability, and help clients meet ESG targets.
- Scale – Serves 31 marquee customers with ~1,300MW aggregated load as of 9MFY26
- Growth ambition – Targeting ~7,000MW within 5 years; strong pipeline driven by rising corporate demand for sustainable power
- Differentiation – Not conventional back-to-back trading; capacity aggregation and bespoke solutions enable higher value capture vs. thin-margin models
- Revenue profile – Rs180mn in Q1FY26; contracts range from 13–14 months to 10 years, balancing flexibility with revenue visibility
- Strategic edge – ESG-focused, green + conventional optimal mix, customer stickiness, and scalable model is aligned with India's decarbonization trend

## Financials: Net debt/EBITDA to be range bound

Excluding the SCA segment, the company's core revenues are expected to maintain a healthy growth trajectory over FY26E–28E, supported by strong order execution and ramp-up across key business segments. Revenue (ex-SCA) is projected to increase from Rs2,06,641mn in FY26E to Rs2,90,705mn in FY28E, implying ~19% CAGR. Growth is likely to be driven by continued scale-up in transmission projects, expansion in distribution operations, and increasing contribution from the smart metering business, which together provide strong visibility for revenue expansion over the medium term.

The company's revenue mix is expected to gradually diversify over FY26E–28E, with the relative contribution from traditional distribution business declining while new growth segments scale up. Distribution, which historically accounted for the majority of revenues, is expected to moderate from 49% in FY26E to 35% by FY28E, reflecting faster growth in other segments. Transmission revenues are expected to remain relatively stable, contributing 18–19% of total revenues during FY26E–28E, supported by a steady pipeline of transmission projects. Meanwhile, the contribution from SCA projects is expected to rise significantly, increasing from 24% in FY26E to 36% by FY27E and FY28E, emerging as a key growth driver for the company. In addition, others (including smart metering and C&I projects) are expected to gradually scale up, with their share increasing from 2% in FY26E to 6% by FY28E, while trading (coal and power) is expected to continue to contribute to a relatively small portion of revenues at 4–5% over the forecast period.

In line with the improvement in revenues, EBITDA (ex-SCA) is expected to grow at a faster pace, rising from Rs76,571mn in FY26E to Rs1,32,285mn in FY28E, translating into ~31% CAGR during the same period. The stronger EBITDA growth relative to revenues reflects the benefits of operating leverage, improved project mix, and higher contribution from relatively stable and annuity-like businesses within the portfolio. As execution scales up across large projects and operating efficiencies improve, the company is expected to witness a steady expansion in earnings over the forecast period.

From an earnings perspective, transmission is expected to remain the largest contributor to EBITDA, accounting for 56–58% of total EBITDA during FY26E–28E, highlighting the relatively higher margin profile and stability of this segment. The distribution segment's EBITDA contribution is expected to decline from 29% in FY26E to 20% by FY28E, largely in line with its declining share in overall revenues. At the same time, newer businesses are expected to play an increasingly meaningful role in earnings generation. Others (smart metering and C&I) are projected to see a sharp rise in EBITDA contribution from 7% in FY26E to 16% by FY28E, reflecting the scaling up of the smart metering opportunity and improving profitability in these segments. Additionally, SCA projects are expected to contribute 6–9% of EBITDA over FY26E–28E, further strengthening the company's diversified earnings base. Overall, the evolving mix indicates a gradual shift toward higher-growth and annuity-like businesses, which should support earnings visibility and margin stability over the medium term.

On the balance sheet front, leverage metrics are expected to remain broadly stable despite the company's aggressive investment pipeline. Net debt-to-EBITDA is projected to remain largely range-bound, moving from ~5.1x in FY26E to ~5.2x in FY28E, indicating that incremental borrowings for growth are likely to be supported by a corresponding improvement in operating earnings. Meanwhile, net debt-to-equity ratio is expected to gradually increase from ~1.8x in FY26E to ~2.4x in FY28E, reflecting the funding requirements associated with the company's elevated capex program. Overall, the expected scale-up in EBITDA and strong revenue visibility should help maintain balance sheet stability while supporting the company's long-term growth strategy.

At the company level, PAT margin should increase led by contribution from transmission and smart meter. This will lead RoE and RoCE improving over the next 3 years.

**Exhibit 10: Contribution from each segment**

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenue Rs mn</b>								
Transmission	31,221	34,693	39,452	40,450	47,740	51,463	70,105	89,096
Distribution	60,476	69,663	85,919	101,730	122,340	133,351	145,352	158,434
Trading (coal, power)	7,566	8,219	7,557	10,874	14,291	15,006	15,756	16,544
Smart Meter	0	0	0	4,440	2,660	6,822	16,464	26,631
SCA	0	0	0	8,580	50,640	66,753	140,240	166,258
<b>Total</b>	<b>99,263</b>	<b>112,575</b>	<b>132,927</b>	<b>166,074</b>	<b>237,671</b>	<b>273,394</b>	<b>387,917</b>	<b>456,963</b>

<b>Revenue Contribution %</b>								
Transmission	31%	31%	30%	24%	20%	19%	18%	19%
Distribution	61%	62%	65%	61%	51%	49%	37%	35%
Trading (coal, power)	8%	7%	6%	7%	6%	5%	4%	4%
Smart Meter	-	-	-	3%	1%	2%	4%	6%
SCA	-	-	-	5%	21%	24%	36%	36%
<b>Total</b>	<b>100%</b>							

<b>EBITDA Rs mn</b>								
Transmission	25,740	29,680	32,430	36,880	43,660	47,065	64,113	81,482
Distribution	16,590	16,920	20,980	20,070	21,750	23,708	25,841	28,167
Trading (coal, power)	757	822	756	1,087	1,429	1,501	1,576	1,654
Smart Meter	-	-	-	-	300	5,798	13,994	22,636
SCA	-	-	-	158	3,243	4,673	9,817	11,638

<b>EBITDA Contribution %</b>								
Transmission	56%	60%	58%	64%	61%	57%	56%	56%
Distribution	36%	34%	37%	35%	30%	29%	22%	19%
Trading (coal, power)	8%	6%	5%	1%	4%	2%	1%	1%
Smart Meter	-	-	-	-	0%	7%	12%	16%
SCA	-	-	-	0.00	5%	6%	9%	8%
<b>Total</b>	<b>100%</b>							

Source: Company, PL

**Exhibit 11: Financial snapshot (Rs mn)**

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Transmission</b>								
- Order book	157,800	182,300	192,600	170,000	599,360	693,354	771,964	837,516
- Order Inflow		53,760	38,270	50,360	440,000	202,630	205,000	205,000
- Capitalisation		29,260	27,970	72,960	46,120	108,636	126,390	139,448
- Capex	40,035	45,744	49,975	56,130	114,430	146,000	251,660	196,000
- Regulated Equity+Equity	50,514	59,292	67,683	89,571	103,407	135,998	173,915	215,749
- Change yoy, %		17%	14%	32%	15%	32%	28%	24%
- PAT	10,310	11,050	11,550	9,650	13,800	17,120	22,162	27,865
- Change yoy, %		7%	5%	-16%	43%	24%	29%	26%
- RoE %	20%	20%	18%	12%	14%	14%	14%	14%
<b>Distribution</b>								
- Capex	12,430	16,190	14,500	14,450	17,820	16,000	16,000	16,000
- Regulated Equity	40,360	43,700	46,260	49,827	50,430	55,305	60,630	66,405
- Change yoy, %		8%	6%	8%	1%	10%	10%	10%
- PAT	2,590	1,310	1,260	2,310	9,790	3,172	4,058	5,081
- Change yoy, %		-49%	-4%	83%	324%	-68%	28%	25%
- RoE %	7%	3%	3%	5%	20%	6%	7%	8%
<b>Smart Meter</b>								
- Annual Installation					3.1	7.0	7.0	8.0
- Cumulative meter					3.1	10.1	17.1	25.1
- Revenues					4,799	6,822	16,464	26,631
- Change yoy, %						42%	141%	62%
- EBITDA					4,079	5,798	13,994	22,636
- Change yoy, %						42%	141%	62%
- EBITDA Margin %					85%	85%	85%	85%
- PAT					2,257	3,195	7,712	12,474
- Change yoy, %						42%	141%	62%
- PAT Margin %					47%	47%	47%	47%
<b>Consolidation</b>								
- Revenues	99,263	112,575	132,927	166,074	237,671	273,394	387,917	456,963
- Change yoy, %		13%	18%	25%	43%	15%	42%	18%
- Revenues, Ex SCA	99,263	112,575	132,927	157,494	187,031	206,641	247,677	290,705
- Change yoy, %		13%	18%	18%	19%	10%	20%	17%
- EBITDA	45,332	48,886	55,532	57,112	70,665	81,308	114,075	144,017
- Change yoy, %		8%	14%	3%	24%	15%	40%	26%
- EBITDA Margin %	45.7%	43.4%	41.8%	34.4%	29.7%	29.7%	29.4%	31.5%
- EBITDA, ex SCA	45,332	48,886	55,532	57,587	68,479	78,071	105,524	133,939
- Change yoy, %	6%	8%	13%	2%	19%	14%	35%	27%
- EBITDA Margin %	45.7%	43.4%	41.8%	36.6%	36.6%	37.8%	42.6%	46.1%
- PAT	45,332	48,886	55,532	57,587	68,479	78,071	105,524	133,939
- PAT	12,896	12,358	12,806	11,995	8,959	24,309	37,503	47,783
- Change yoy, %		-4%	4%	-6%	-25%	171%	54%	27%
- PAT Margin %	13%	11%	10%	7%	4%	9%	10%	10%
- Capex	40,035	45,744	49,975	56,130	114,430	146,000	251,660	196,000
- Net Debt	241,550	270,700	302,780	328,260	320,760	405,757	606,567	735,600
- Net DER	2.9	2.9	2.8	2.8	1.7	1.8	2.3	2.3
- Net debt /EBITDA	5.3	5.5	5.5	5.7	4.5	5.0	5.3	5.1
- ROE	11.7	10.9	9.9	9.8	10.4	10.1	13.9	15.3

Source: Company, PL

## Outlook & Valuations

We initiate coverage on ADANIENS with 'Accumulate' rating and SoTP-based TP of Rs1,090. The implied multiples at our TP stand at 30x FY28E P/E, 4.2x P/BV and 15x EV/EBITDA. We prefer SoTP-based valuation as the company has several segments with different set of variables, risk profiles, and growth trajectories.

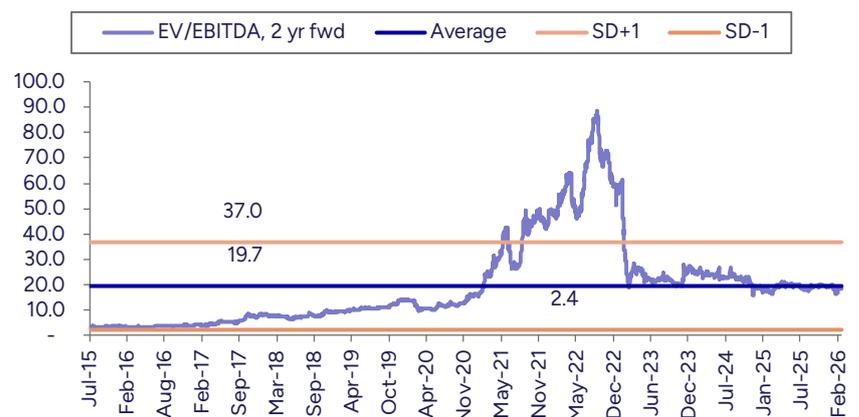
- The Transmission business is valued at 15x EV/EBITDA on FY28E EBITDA and contributing ~66% to the overall valuation, resulting in EBITDA CAGR of 28% over FY26–28E for 14%–15% RoE.
- The Distribution segment is valued at 4x P/BV, i.e., ~20% of the total value, resulting in EPS CAGR of 9%–10% over FY26–28E for 15% RoE.
- The Smart Metering business is valued at 10x EV/EBITDA and accounting for ~14% of the valuation, given annual addition of 7mn meters, resulting in EBITDA CAGR of 98%.

**Exhibit 12: SOTP-based TP implies 15x FY28E EV/EBITDA**

	EBITDA FY28 Rs mn	Valuation	Multiple	Equity Value		As %
				Rs mn	Rs /sh	
Transmission	81,482	EV/EBITDA	15.0	860,639	716	66%
Distribution	66,405	P/BV	4.0	265,620	221	20%
Smart Meters	22,636	EV/EBITDA	10.0	182,688	152	14%
Mcap / TP				1,308,947	1,090	
Upside						14%
<b>Implied TP</b>						
- PBV						4.1
- EV/EBITDA						15

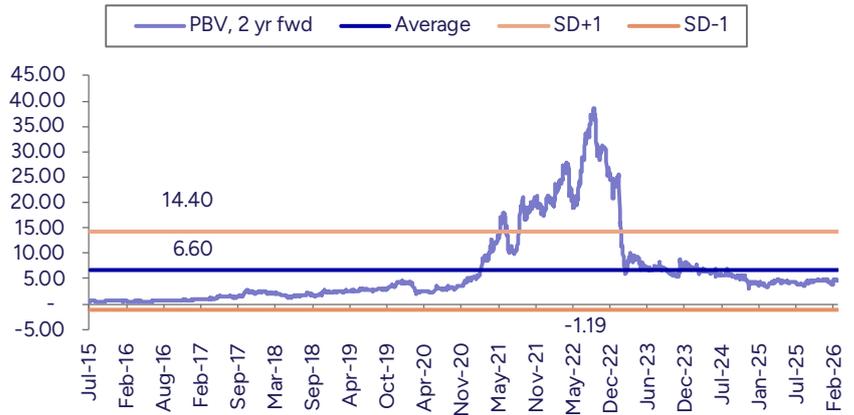
Source: Company, PL

**Exhibit 13: Trading at 13x FY28E EV/EBITDA**



Source: Company, PL

**Exhibit 14: Trading at 4x FY28E BV**



Source: Company, PL

**Exhibit 15: Peer group valuation**

Stock	Market Cap INR bn	CMP	TP	Upside %	PAT CAGR		P/B			EV/EBITDA			P/E			ROE		
					FY26-28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
CESC	203	152	204	34%	7%	1.6	1.4	1.3	8	8	8	13	12	11	13	13	13	
COAL	2,682	435	436	2%	3%	2.3	2.1	1.8	6	5	5	8	8	8	30	27	25	
IEX	106	119	135	14%	12%	8.3	7.3	6.3	18	16	13	22	20	18	40	39	38	
NTPC (S)	3,547	365.8	423	16%	8%	2.1	1.9	1.8	11	11	10	19	18	16	11	11	12	
PWGR	2,715	292	324	11%	8%	2.7	2.5	2.4	9	9	8	17	16	15	16	16	16	
TPWR	1,169	366	390	7%	9%	2.9	2.7	2.5	12	12	11	20	21	17	15	14	15	
AESL	1,154	961	1,090	13%	40%	4.8	4.2	3.6	20	16	14	52	34	26	10	13	15	

Source: Company, PL

## Key risks

- Execution risk: Timely execution of power transmission, smart metering, and distribution expansion projects is critical to meeting growth targets.
- Regulatory risk: Distribution tariffs are regulated; any adverse policy changes could impact profitability.
- Sector risk: Lower-than-expected project awards and rising competition for T&D assets may exert pressure on returns.
- Counterparty risk: ADANIENS's smart meter business is exposed to counterparty risk due to poor credit profiles of state utilities and uncertain payment track records.
- Leverage: High capex may lead to increased leverage, which could weigh on returns if not managed prudently.
- Group-level risk: Reputational or financial risks at the Adani Group level may have spillover effects.

## Annexure

### Capital raising in last 5 years and current share holding

- **Apr'22:** ADANIENS raised Rs38bn through a [primary equity] at Rs2,455 per share, resulting in an equity dilution of 1.1%. This was done to Green Transmission Investment Holding RSC Ltd, whose principal shareholder is IHC Capital Holding LLC, Abu Dhabi, UAE. The transaction was approved by shareholders in a meeting held on 3rd May'20.
- **Jul'24:** ADANIENS completed India's largest QIP in the power sector, raising Rs83bn at Rs976 per share, resulting in a 7.7% equity dilution. The base deal size was Rs58.6bn, with a greenshoe option that scaled the issue up to Rs84bn. The QIP received overwhelming demand, approximately 6 times the base size, from a diverse set of investors including global long-only funds, domestic mutual funds, sovereign wealth funds, and US utility-focused investors entering the Indian market. A total of 85.7mn shares were allotted. The capital raised is earmarked for expanding transmission and smart metering businesses, repaying debt, and supporting general corporate purposes.
- **May'25:** The Board authorized fundraising through equity issuance, QIP, or preferential allotment totaling up to Rs43bn, subject to shareholder approval, to support capex and growth plans. This is an enabling resolution, the company doesn't have any near-term dilution plans, as it can fund the growth through internal accruals.

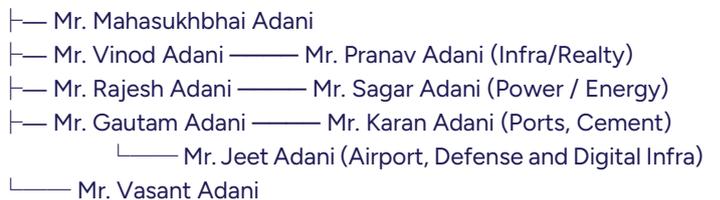
**Shareholding:** Promoters held 71.19% of ADANIENS's shares as of Dec'25, up from 69.94% in Mar'25. Increase is led by open market purchase. Of total promoter shareholding, 0.55% were pledged. FIs/ FPIs held 13.47%, mutual funds held 6.44%, and institutions (SBI, LIC, GQG, QIA) held 1%+.

## Management team led by industry veterans

- **Mr. Sagar Adani, Executive Director:** Son of Mr. Rajesh Adani and nephew of Mr. Gautam Adani, he is Executive Director in other power/ energy business verticals also. He is responsible for strategic development and building the group's energy platform.
- **Mr. Anil Sardana, MD:** He has 40+ years of leadership experience spanning power generation, transmission, distribution, and telecom infrastructure, including roles at NTPC (14 years) and Tata Group (over 16 years), before he joined the Adani Group as MD of ADANIENS since 1<sup>st</sup> May'18. He has got additional responsibility of Adani Power w.e.f. Jul'20. He has a bachelor's degree in electrical engineering (Delhi College of Engineering, 1980), and cost accountancy (ICWAI), and PG Diploma in Management (All India Management Association), and completed executive training from IIM Ahmedabad and EPRI (USA) programs.
- **Mr. Kandarp Patel, CEO & Whole-time Director:** He is the CEO & Whole-time Director of ADANIENS and CEO & MD of AEML since 1<sup>st</sup> Nov'22. He joined the Adani Group in 2004 under the Adani Enterprises' power trading vertical. In 2009, he spearheaded business development for Adani Power. He began his career at Gujarat Electricity Board as Controller of Accounts, later managing commercial and legal regulatory matters. He holds a bachelor's degree in electrical engineering (Birla Vishvakarma Mahavidyalaya, 1994) and an MBA in finance.
- **Mr. Kunjal Mehta, CFO:** He is the CFO of ADANIENS and AEML since 1<sup>st</sup> Apr'24. He is a qualified CA and cost accountant with over 24 years of experience across power, ports & logistics, steel, and technology. He has held finance leadership roles at Adani Electricity, Adani Ports & SEZ, and Essar Steel. He oversees financial planning & analysis, resource mobilization, working capital, budgetary control, compliance, and enterprise-level risk management.

- **Adani family tree**

Mr. Shantilal Adani (father)



## ESG: Rating has improved over the years

Exhibit 16: ESG rating

	2021	2022	2023	2024	2025	World Avg
MSCI			BBB	BB	BB	
S&P CSA		59/100	62/100	73/100	81/100	41/100
FTSE	3.3/5	3.5/5	4/5	4.4/5	4.4/5	2.9/5

Source: Company, PL

Exhibit 17: Environmental framework – Target and achievement

Key performance indicators	Actual (9MFY26)	Short-to-medium-term Targets
<b>Energy mix &amp; emission intensity</b>		
-- RE share in power procurement	Reached 38.78% in Q3FY26	60% by FY27, 70% by FY30
-- GHG emission intensity reduction	GHG emission intensity at 95.69% (97.08 tCO <sub>2</sub> e/EBITDA) in H1FY26	40% by FY25, 60% by FY29
<b>Waste reduction</b>		
-- Zero waste to landfill (ZWL)	All sites covered diversion rate exceeding 99%	To maintain ZWL certification for ADANIENS
-- Single-use plastic (SuP)-free sites	Attained SUP-free status from CII-ITC CESD & BVCI	To maintain SUP certification for ADANIENS
-- India Business Biodiversity Initiative (IBBI) & ensure no net loss to biodiversity	Compensatory afforestation over 1,198 hectares till FY25	Achieve Zero Net-Loss to Biodiversity. Achieve Net Positive Gain (NPG) in accordance with IBBI principles
-- Water neutrality (water conservation)	Achieved 'net water positive' status for all operational sites	To maintain 'net water positive' status
<b>Energy efficiency and management</b>		
-- Auxiliary consumption through renewable	42.33% auxiliary consumption from renewable	100% aux consumption from renewable by 2030

Source: Company, PL

Exhibit 18: Social framework target and achievement

Category	Actual (9MFY26)	Target (FY26)
<b>Health &amp; Safety</b>		
-Number of fatalities	2	Zero
-Work-related injuries per million man-hours	0.27	Zero
-Training provided on health and safety/ person	10.03 hours/person	To further improve
<b>Diversity and Inclusion</b>		
-Women as a percentage of new hires and total workforce (%)	New hires: 9%	New hires by FY30: 30%
-Mapping & disclosure of regional & ethnic diversity	Total workforce: 100%	Total workforce: 100%
<b>Human Rights</b>		
-Employees trained in human rights (%)		
-Security personnel trained in human rights (%)	100% new employees, 100% security personnel trained in human rights	100%
-Due diligence of business & value chain		
<b>Skills for the future</b>		
-Training & Development expenditure for employees (Rs)	Rs4.99cr	Rs4.69cr
<b>Responsible procurement</b>		
- Spend on local suppliers against total budget (%)		
-Due diligence of supply chain	98% spent on local supplier ESG	>95%
-Suppliers screened on ESG criteria (%)	100% new suppliers screened on ESG criteria	100% (critical all suppliers)

Source: Company, PL

**Exhibit 19: Governance framework – Target and achievement**

Category	Baseline	Actions Taken and Goals
<b>Board gender diversity</b>		
- Men and women directors	16.6% - women directors on board as of FY21	25% of women directors in board (2 of 8 board members)
<b>Board independence</b>		
-Improved board strength and independence	6 directors as of FY21	Board consists of: 4 (50%) non-executive & independent, 2 (25%) non-executive & non-independent, and 2 (25%) executive directors
-Enhanced disclosures in board & committee meetings		Committees chaired by independent directors (Audit, NRC, STC)
<b>Code of Conduct</b>		
-Number of corruption and bribery cases, and associated risks		Adopted ABAC Policy
-Adoption of Anti-Bribery and Anti-Corruption (ABAC) Policy	Zero corruption cases	Zero corruption and bribery case
-% of Governance body members and employees trained on anti-corruption policy		Yearly DD for CoC for board, employees, suppliers & ABAC Policy, identification and assessment of risks
<b>Anti-competitive practices</b>		
-Fines or settlements paid related to anti-competitive business practices (Rs)	Zero as of FY21	-Zero in FY25 and beyond -Yearly ABAC due diligence
<b>Customer Orientation and satisfaction</b>		
-Affordable tariffs	-Distribution loss reduction	- Competitive tariff through RE power
-Service reliability	- CSAT surveys	- Option to switch to green power tariff
-Sustainable power	-Reliability metrics	- Advanced metering implementation for 20 Mn consumers
<b>Corporate governance standing</b>		
-Improvement in ratings through improved disclosures and adoption of best practices	-CSA: 59/100 (2022) -FTSE: 3.3/5 (2022)	Achieved: -CSA = 81/100 (Achieved 90.24/100 w/o MSA) - FTSE = 4.4/5 (Achieved in Jun'25)

Source: Company, PL

## US legal cases

### Exhibit 20: Timeline of US legal cases pertaining to a group company – Adani Green Ltd

Date	Event / Development
Nov'24	US Department of Justice indicts Gautam Adani, Sagar Adani, and others on FCPA, securities fraud, wire fraud, and obstruction charges
Nov'24	US SEC files a <b>civil case</b> alleging securities law violations tied to a bond offering
Nov'24	SEC issues summons to Gautam Adani & others; notes difficulty in serving foreign defendants under Hague Service Convention
Dec'24	US District Court for Eastern District of New York consolidates <b>criminal and civil cases</b> under Judge Nicholas G Garaufis
Jan'25	First procedural hearings; defense contests jurisdiction and validity of service
Apr'25	Adani Green's independent review concludes; <b>"no irregularities"</b> found, MD Vneet Jaain reappointed
	SEC informs court of <b>delays in serving legal documents</b> to defendants via Indian authorities
Jan'26	Adani group has intimated exchanges "Allegations made by the US Department of Justice and the US Securities and Exchange Commission against directors of Adani Green are baseless and denied. Adani Group has always upheld and is steadfastly committed to maintaining the highest standards of governance, transparency and regulatory compliance across all jurisdictions of its operations. We assure our stakeholders, partners and employees that we are a law-abiding organisation, fully compliant with all laws."
Ongoing (2026)	Case remains active; service and jurisdictional issues unresolved; no trial date set yet

Source: PL

### Related party transactions

- ADANIENS has availed services from Adani Infra (India) Ltd, a wholly owned subsidiary of Adani Properties Pvt Ltd
- Adani Infra (India) serves as the conglomerate's EPC and PMC arm for infra assets
- As of FY25, loan given to Adani Infra (India) was nil.

### SCA accounting

The smart metering and transmission projects awarded under BOOT agreement are being accounted under SCA (Service Concession Arrangements) as per Ind AS 115. It is usually applicable to PPP models, wherein a private enterprise builds/operates and transfers infrastructure (e.g., toll road, metro line, power transmission line, smart meter, etc.) for a government authority. EBIT under the SCA model and normal accounting is equal over the asset life; however, EBIT is initially higher under the former and lower under the latter.

### Exhibit 21: Old Indian GAAP vs SCA

Parameter	Old Indian GAAP	Ind AS 115
Asset Recognition in Balance Sheet (during construction)	Capex is recognized as CWIP	Capex is recognized as contract asset during under construction phase
Asset Recognition in Balance Sheet (once asset is commissioned)	Once project is commissioned, it is capitalized as a gross block and is depreciated over the life of the asset using straight line method	Once the asset is commissioned, the financial asset is created in the balance sheet, which gets amortized using an effective interest rate
Revenue Recognition in P/L (during construction)	No revenue is recognized	Construction revenue with a small % of EPC mark-up on construction expenses (i.e., actual capex) in P/L
Revenue Recognition in P/L (once asset is commissioned)		
- Depreciation	Gross block is depreciated over the concession period	No depreciation in P/L
- Impact in P/L	EBIT is initially lower vs. SCA mode of accounting	EBIT is higher in initial years under SCA model

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>2,37,671</b>	<b>2,73,394</b>	<b>3,87,917</b>	<b>4,56,963</b>
YoY gr. (%)	43.1	15.0	41.9	17.8
Cost of Goods Sold	13,657	15,023	16,525	17,021
Gross Profit	2,24,014	2,58,371	3,71,391	4,39,942
Margin (%)	94.3	94.5	95.7	96.3
Employee Cost	10,329	11,156	12,048	13,133
Other Expenses	80,942	98,243	1,69,544	1,97,084
<b>EBITDA</b>	<b>70,665</b>	<b>81,308</b>	<b>1,14,075</b>	<b>1,44,017</b>
YoY gr. (%)	23.7	15.1	40.3	26.2
Margin (%)	29.7	29.7	29.4	31.5
Depreciation and Amortization	19,060	20,307	23,075	24,583
<b>EBIT</b>	<b>51,606</b>	<b>61,001</b>	<b>91,000</b>	<b>1,19,435</b>
Margin (%)	21.7	22.3	23.5	26.1
Net Interest	32,592	37,600	50,262	64,763
Other Income	6,795	9,012	9,266	9,039
<b>Profit Before Tax</b>	<b>10,749</b>	<b>32,412</b>	<b>50,004</b>	<b>63,711</b>
Margin (%)	4.5	11.9	12.9	13.9
Total Tax	1,790	8,103	12,501	15,928
Effective tax rate (%)	16.7	25.0	25.0	25.0
<b>Profit after tax</b>	<b>8,959</b>	<b>24,309</b>	<b>37,503</b>	<b>47,783</b>
Minority interest	(258)	796	1,018	1,275
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>18,100</b>	<b>23,513</b>	<b>36,484</b>	<b>46,508</b>
YoY gr. (%)	51.3	29.9	55.2	27.5
Margin (%)	7.6	8.6	9.4	10.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>9,217</b>	<b>23,513</b>	<b>36,484</b>	<b>46,508</b>
YoY gr. (%)	(19.2)	155.1	55.2	27.5
Margin (%)	3.9	8.6	9.4	10.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9,217	23,513	36,484	46,508
<b>Equity Shares O/s (m)</b>	<b>1,201</b>	<b>1,201</b>	<b>1,201</b>	<b>1,201</b>
<b>EPS (Rs)</b>	<b>15.1</b>	<b>19.6</b>	<b>30.4</b>	<b>38.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>4,96,091</b>	<b>5,97,108</b>	<b>6,39,858</b>	<b>6,75,448</b>
Tangibles	4,84,910	5,85,927	6,28,677	6,64,267
Intangibles	11,181	11,181	11,181	11,181
<b>Acc: Dep / Amortization</b>	<b>1,06,458</b>	<b>1,26,765</b>	<b>1,49,840</b>	<b>1,74,422</b>
Tangibles	1,06,458	1,26,765	1,49,840	1,74,422
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>3,89,633</b>	<b>4,70,344</b>	<b>4,90,019</b>	<b>5,01,026</b>
Tangibles	3,78,452	4,59,162	4,78,838	4,89,845
Intangibles	11,181	11,181	11,181	11,181
Capital Work In Progress	56,954	37,598	37,598	37,598
Goodwill	5,983	5,983	5,983	5,983
Non-Current Investments	54,493	1,21,246	2,61,486	4,27,744
Net Deferred tax assets	(16,959)	(16,959)	(16,959)	(16,959)
Other Non-Current Assets	64,156	45,050	1,13,720	1,07,872
<b>Current Assets</b>				
Investments	22,897	22,897	22,897	22,897
Inventories	6,252	6,826	7,616	8,481
Trade receivables	42,179	26,216	37,197	43,818
Cash & Bank Balance	36,187	59,883	44,725	52,282
Other Current Assets	57,596	57,596	57,596	57,596
<b>Total Assets</b>	<b>7,39,601</b>	<b>8,56,989</b>	<b>10,82,269</b>	<b>12,68,813</b>
<b>Equity</b>				
Equity Share Capital	12,013	12,013	12,013	12,013
Other Equity	2,08,669	2,32,182	2,68,666	3,15,174
<b>Total Networth</b>	<b>2,20,682</b>	<b>2,44,195</b>	<b>2,80,679</b>	<b>3,27,187</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	3,69,923	4,65,640	6,51,292	7,87,882
Provisions	5,536	5,536	5,536	5,536
Other non current liabilities	5,228	5,228	5,228	5,228
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	32,138	32,138	32,138	32,138
Trade payables	29,556	27,714	30,858	34,304
Other current liabilities	38,470	38,470	38,470	38,470
<b>Total Equity &amp; Liabilities</b>	<b>7,39,601</b>	<b>8,56,989</b>	<b>10,82,269</b>	<b>12,68,813</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	10,749	32,412	50,004	63,711
Add. Depreciation	19,060	20,307	23,075	24,583
Add. Interest	32,592	37,600	50,262	64,763
Less Financial Other Income	6,795	9,012	9,266	9,039
Add. Other	8,376	-	-	-
Op. profit before WC changes	70,776	90,319	1,23,340	1,53,057
Net Changes-WC	18,463	13,468	(8,709)	(4,124)
Direct tax	(2,287)	(8,103)	(12,501)	(15,928)
<b>Net cash from Op. activities</b>	<b>86,952</b>	<b>95,685</b>	<b>1,02,131</b>	<b>1,33,005</b>
Capital expenditures	(1,19,598)	(1,09,002)	(2,28,585)	(1,71,417)
Interest / Dividend Income	5,497	-	-	-
Others	(38,175)	(20,307)	(23,075)	(24,583)
<b>Net Cash from Invt. activities</b>	<b>(1,52,276)</b>	<b>(1,29,309)</b>	<b>(2,51,660)</b>	<b>(1,96,000)</b>
Issue of share cap. / premium	83,731	-	-	-
Debt changes	25,134	95,717	1,85,652	1,36,590
Dividend paid	-	-	-	-
Interest paid	(29,766)	(37,600)	(50,262)	(64,763)
Others	652	(796)	(1,018)	(1,275)
<b>Net cash from Fin. activities</b>	<b>79,752</b>	<b>57,321</b>	<b>1,34,372</b>	<b>70,552</b>
<b>Net change in cash</b>	<b>14,429</b>	<b>23,696</b>	<b>(15,158)</b>	<b>7,556</b>
Free Cash Flow	(6,829)	(13,317)	(1,26,455)	(38,413)

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	15.1	19.6	30.4	38.7
CEPS	30.9	36.5	49.6	59.2
BVPS	183.7	203.3	233.7	272.4
FCF	(5.7)	(11.1)	(105.3)	(32.0)
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	9.2	8.9	10.7	11.3
ROIC	8.6	7.6	8.7	9.1
RoE	10.4	10.1	13.9	15.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	1.6	1.7	2.2	2.3
Net Working Capital (Days)	29	7	13	14
<b>Valuation(x)</b>				
PER	63.7	49.1	31.6	24.8
P/B	5.2	4.7	4.1	3.5
P/CEPS	31.1	26.3	19.4	16.2
EV/EBITDA	21.2	19.3	15.5	13.2
EV/Sales	6.3	5.7	4.6	4.2
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>63,746</b>	<b>68,193</b>	<b>65,958</b>	<b>67,297</b>
YoY gr. (%)	35.4	26.8	6.7	15.4
Raw Material Expenses	3,659	1,920	1,895	2,307
Gross Profit	60,087	66,272	64,064	64,990
Margin (%)	94.3	97.2	97.1	96.6
<b>EBITDA</b>	<b>22,508</b>	<b>40,565</b>	<b>39,138</b>	<b>39,813</b>
YoY gr. (%)	43.8	80.7	27.3	20.2
Margin (%)	35.3	59.5	59.3	59.2
Depreciation / Depletion	4,617	4,648	5,094	4,962
<b>EBIT</b>	<b>17,892</b>	<b>35,916</b>	<b>34,044</b>	<b>34,851</b>
Margin (%)	28.1	52.7	51.6	51.8
Net Interest	8,262	8,940	8,717	9,130
Other Income	2,218	2,062	1,713	2,148
<b>Profit before Tax</b>	<b>9,740</b>	<b>23,999</b>	<b>23,704</b>	<b>24,466</b>
Margin (%)	15.3	35.2	35.9	36.4
Total Tax	2,874	1,171	1,874	2,262
Effective tax rate (%)	29.5	4.9	7.9	9.2
<b>Profit after Tax</b>	<b>6,865</b>	<b>22,828</b>	<b>21,830</b>	<b>22,204</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>6,865</b>	<b>22,828</b>	<b>21,830</b>	<b>22,204</b>
YoY gr. (%)	79.1	(291.7)	6.0	22.6
Margin (%)	10.8	33.5	33.1	33.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>6,865</b>	<b>22,828</b>	<b>21,830</b>	<b>22,204</b>
YoY gr. (%)	79.1	(291.7)	6.0	22.6
Margin (%)	10.8	33.5	33.1	33.0
<b>Other Comprehensive Income</b>	-	-	-	-
<b>Total Comprehensive Income</b>	<b>6,865</b>	<b>22,828</b>	<b>21,830</b>	<b>22,204</b>
<b>Avg. Shares O/s (m)</b>	-	-	-	-
<b>EPS (Rs)</b>	-	-	-	-

Source: Company Data, PL Research

## Notes

## Notes

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
-----	------	--------	----------	-------------------

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashoka Buildcon	BUY	183	153
2	CESC	BUY	204	154
3	Coal India	Hold	436	419
4	Dilip Buildcon	Accumulate	514	454
5	H.G. Infra Engineering	Accumulate	724	666
6	Indian Energy Exchange	Hold	135	127
7	IRCON International	Hold	153	153
8	KNR Constructions	Hold	148	152
9	NCC	BUY	200	156
10	NTPC	BUY	423	356
11	PNC Infratech	BUY	291	232
12	Power Grid Corporation of India	BUY	324	270
13	PSP Projects	BUY	1,028	750
14	Rail Vikas Nigam	Sell	183	314
15	RITES	BUY	276	223
16	Tata Power Company	Hold	359	366

PL's Recommendation Nomenclature

- Buy** : >15%
- Accumulate** : 5% to 15%
- Hold** : +5% to -5%
- Reduce** : -5% to -15%
- Sell** : < -15%
- Not Rated (NR)** : No specific call on the stock
- Under Review (UR)** : Rating likely to change shortly

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Vishal Periwal- MBA Finance, Ms. Disha Mudda- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Vishal Periwal- MBA Finance, Ms. Disha Mudda- CA Research Analysts of this report have not received any compensation from the companies mentioned in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

**[www.plindia.com](http://www.plindia.com)**