Adani Enterprises Limited

Q3 FY '24 Earnings Conference Call

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MODERATOR: **MR. ROHIT NATARAJAN – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day and welcome to Q3 FY24 Earnings Call of Adani Enterprises Limited hosted by Antique Stock Broking. 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. Rohit Natarajan from Antique Stock Broking. Thank you and over to you, sir.

Rohit Natarajan: Thank you, Tushar. Good evening, everyone. On behalf of Antique Stock Broking, I welcome you all to the Q3 FY24 earnings call for Adani Enterprises.

We have with us from the management team Mr. Vinay Prakash, Director Adani Enterprises and CEO of Natural Resources, Mr. Robbie Singh, CFO, Mr. Saurabh Shah, Finance Controller and Mr. Manan Vakharia from the Investor Relations. We will start with the brief opening remarks from the management followed by the question and answer session. Thank you and over to you.

Robbie Singh: Hi, this is Robbie. I'm the CFO of Adani Enterprises. Ladies and gentlemen, I appreciate your presence today as we discuss Adani Enterprises Q3 and nine months results for the Financial Year 24.

So that you can navigate through the results easily, AEL is the flagship incubator company of Adani Portfolio. It's business can primarily be divided into two types of segments - the new and emerging businesses under the incubation portfolio, along with the established businesses in mining and metal space.

AEL's incubation portfolio includes three major emerging and scalable core intra-businesses - green hydrogen, airports and roads under our fully owned subsidiaries, Adani New Industries, Adani Airports and Adani Roads respectively, while the established businesses comprising of mining services, commercial mining, IRM and almost ready copper business.

We are delighted to share that in the past nine months, our three emerging businesses demonstrated significant growth contributing 22% to total income and 45% to overall EBITDA. Total income of these three businesses increased sharply by over 92% to INR 17,067 crores. Total EBITDA increased by 105% to INR 4,339 crores. And total profit before tax increased to INR 1,875 crores.

Higher contribution of the emerging businesses also boosted overall profits. The nine month EBITDA of AEL increased by 58% to INR 9,592 crores, while profit before tax rose by 107% to INR 4,318 crores. Consolidated income stood at INR 77,702 crores.

Next, update on our major businesses. In Adani New Industries' green hydrogen ecosystem, our target of 10 GW of green hydrogen integrated manufacturing ecosystem is progressing well.

We are now ready to commission India's first ingot and wafer line of 2 GW, which will go into the solar manufacturing businesses of AEL's- already established 4 GW module capacity. Just to repeat, the ingot and wafer line will primarily be for the existing 4 GW of solar module line.

We are also ramping up our recently commissioned wind manufacturing. We produced 15 sets and have an order book of 142 sets. ANIL has received the letter of award from Solar Energy Corporation of India for setting up annual electrolyser manufacturing capacity of 198.5 MW.

In Airports portfolio, during the quarter, 19 new routes, 9 new airlines and 5 new flights added across all 7 operational airports. The passenger movement at our airports increased 23% to 65.7 million, and now tracking an annual number of over 85 million. Greenfield-Navi Mumbai project is on track for completion in December this year. Phase 1 of the city-side development is commencing across 98 acres of land at 5 airports.

Finally, in our road portfolio, 4 out of the 10 projects are now more than 60% complete and in line with the target schedule.

Last but not the least, ESG is integral to our core plan and is embedded in our decision making. I'm glad to share that airports have been honoured with Environmental Excellence Awards in 2023 for their strong commitment to sustainability and outstanding practices in ESG.

With this, I hand over to my colleague, Vinay, to take you through the highlights of the primary industry portfolio. Vinay.

Vinay Prakash: Thanks, Robbie. As far as mining services is concerned, Adani Enterprises Limited is the pioneer of MDO concept in India with an integrated business model that spans across developing mine as well as the entire upstream and downstream activities. It provides a full service range, right from seeking various approvals, land acquisition, R&R, developing required infrastructure, mining, beneficiation, and transportation to designated consumption points.

The company is MDO for eight coal blocks and one iron ore block. These projects are located in the states of Chhattisgarh, Madhya Pradesh and Odisha. The company has serviced its contracts and the quantities delivered during the quarter were as per the schedule. In the nine months, the revenue from mining services was up by 5% to INR 1,611 crores and EBITDA was up by 4% to INR 633 crores.

In integrated resource management i.e. IRM business, we have continued to develop business relationship with diversified customers across various end user industries. We remain number one player in India and endeavour to maintain this leadership position going forward.

The volume during Q3 FY24 increased by 31% to 20.8 MMT. EBITDA for nine months increased by 21% to INR 3,526 crores on account of improved relation on YoY basis.

Under the commercial mining, we have Carmichael mine in Australia, where production increased by 46% to 8.3 MMT and the shipment increased by 62% to 8.1 MMT during nine months of FY24. The company is also having seven domestic commercial mine blocks. These projects are in the states of Maharashtra, Chhattisgarh, MP, Jharkhand and Odisha.

In terms of our primary industry incubation, the physical progress of copper project is more than 75% and it is expected to achieve commercial production in March 2024.

Robbie Singh: We'll be open for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Prateek from Jefferies. Please go ahead, sir.

Prateek: Hi. Good evening, sir, and congrats for a great set of results. My question is on airport business. So how have we seen, I mean, last quarter was particularly benefiting from various events, including World Cup and some of the other events which happened also in Gujarat, business events?

So how is that like benefiting the airports in respective cities and particularly both on aero side in terms of passenger and non-aero side also in terms of spend per passenger? Is there any uptick which is seen on these respective airports?

Robbie Singh: Hi, Prateek. Thank you for your question. We do not account for any events as a special number. Neither do we track those things because we don't believe fundamentally that's the correct way to look at our business. It's a consumer business. And therefore, our objective always remains on the long-term cost and rate of both the pax and the non-pax.

And I think it would not be correct to specifically look at events. Events can have an impact on a quarter, but over a period of our forecast horizon, they do not contribute to the fundamental analytics other than meeting the operational requirements of heavy traffic over that two or three day period.

Prateek: Sure. Okay. Also, the traffic growth, how do you see like traffic growth for the next year? Like passenger traffic growth, like domestic numbers have seen some moderation, what is reported by DGCA. How do you see the traffic growth going forward and the business for the next year? And how do we see the commissioning of Navi Mumbai Airport? As you said, it's on time and December '24. So how do you see the combined growth for Navi Mumbai and Mumbai Airport over coming two to three years?

Robbie Singh: So, see, we don't, again, we don't look at traffic numbers aside from, you know, obviously listing and reporting requirements on a yearly basis. Maybe underlying is that you don't look at traffic per se. What underlying we look at is the per capita journeys by the aggregate Indian population.

So currently per capita journey by Indian aggregate is 0.1 per capita, which is, on aggregate basis, one journey every 10 years. We believe that that number will rise to at least 0.6 or higher by 2032-33 and the next 10 year period. It can vary. But overall, that signifies a 6x jump in the overall passenger traffic of India over this period.

We also track underlying movement of what are in terms of orders. So fleet orders indicate that 700 planes that are in the Indian civil aviation fleet will rise to 3,000 by 2030. So even the fleet are forecasting a 4x rise on the current numbers by 2030. And so therefore, because a capex cycle of airports, be it on the land side, be it on the terminal side, be it on the air side, is a two to five year plan. So our planning always is based on how we see the airports end up in 2033-35 rather than next year, because that's how the capex cycle depends.

So we believe that India is poised for a 6x, somewhere between 4x to 6x rise in the airport based on the two indicative factors. And therefore, quarterly or six monthly or yearly moderation in numbers do not change the investment planning in airports over the next 10 years. And any specific variations that might occur due to weather events, due to any short term economic events do not and are not reflective of the underlying trend in the Indian aviation.

Prateek: Thank you. And this is the last question on airports. So there was this recent favourable order win from AAI regarding post-major event during COVID at our Mumbai airport. What is the compensation do we expect as a reimbursement? And when do we expect this payment with us, like, related to this order?

Robbie Singh: So effectively speaking, what we had already provided for, other than that number, we will receive INR 1,238 crores. And in terms of that, that's recoverable. And we, in terms of the recovery period, etc, we will go through later once that is clear.

Prateek: Sure. I'll get back to the queue.

Moderator: The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead, sir.

Mohit Kumar: Good evening, sir. So first on the coal trading, the numbers are very, very high in this particular quarter. Can you please comment on this? And because the EBITDA per ton, I think it's around INR 700 per ton compared to what we achieved in the last few, I think, last 10-12 quarters, numbers are below INR 500 per ton. Is there something extraordinary there?

Vinay Prakash: In fact, it had happened because of our some decisions which went well over and above our service in this industry. We have a very high market share in India. And considering we are there in the complete supply chain, and the market did corrected in last 6-8 months, which is visible in the revenue part. Since market was correcting and we were holding the orders, we got benefited because of our low sourcing cost, i.e purchase cost, which is getting reflected in the results.

Mohit Kumar: Understood. My second question on Carmichael mines. Is it possible to spell the – let us know the revenue and EBITDA for this present quarter? Of course, I have the PBIT number, which is INR 274 crores. If you can just report the EBITDA number, it will be helpful?

Vinay Prakash: I'm not having that number handy with me.

Mohit Kumar: Sure, sir.

Vinay Prakash: Manan, do you have the number handy with you?

Saurabh Shah: About INR 1,020 crores is the number.

Mohit Kumar: For the nine month or for the quarter?

Saurabh Shah: For nine months. That's right, nine months.

Mohit Kumar: Understood that. On the coal mining front, I think we're targeting 40 million tons a few years back. And I think we're still struggling at 28 million tons. Is there any issue with the ramping of the coal mining? And what is the expected run rate, which you can achieve in FY '25?

Vinay Prakash: So, we are on our target of achieving 40 million tons in FY'25. I don't say we are struggling. We were expecting some approvals to come in time. When we speak about the mining in India, it's a very lengthy and a complicated process through which you have to go and get all the permission before starting a mine.

So, we were expecting some permissions in FY'24, which got a little delayed. But now we have all the permission, and I'm confident that the target of 40 million in FY'25 is going to be likely there.

Mohit Kumar: Just on the solar manufacturing, I think we're already at 4 GW if I'm not wrong. And our production has been –last year produced over 1.2 GW. And this year, we may end up 2.4 GW. Can you see the pyramid going to 4 GW, 100% capacity utilization in FY'25? And can you comment something on the markets? Are we exporting – how much is export in this 638 MW, which is sold in this particular quarter?

Robbie Singh: Yes, we expect to broadly achieve production run rate reflective of the 4 GW capacity. And the exports in terms of the module sales are now out of 1,882 MW, exports are 1,232 MW.

Mohit Kumar: Understood, sir. Thank you, and all the best, sir. Thank you.

Moderator: The next question is from the line of Brett from Cantor Fitzgera. Please go ahead, sir.

Brett: Hi. Thank you so much for taking my question, and congrats on the results. I guess my first question was really on some of the established business profit margins. I think if you're looking at those kind of profits before tax margins, especially in IRM, it remained very strong for another quarter. Can you maybe help us understand the reasons for that improvement relative to history, where it's always kind of been like a 2% to 3% margin business?

Robbie Singh: Vinay, can we please address the margin uptick you addressed before. But can you address for Cantor again, please? Thank you.

Vinay Prakash: Yes. So let us discuss about this IRM business. In IRM business, you're basically importing coal from various countries, mainly Australia, Indonesia, U.S. and South Africa and you're selling in Indian market. The international market, which has gone up to $400 on Newcastle, which is a standard product, has come down drastically in the last one year to now at $120 level.

We were holding certain orders in hand, and seeing that the market is getting corrected, we hold our purchase back and we delayed the purchases, basis which we got extra margin over the normal margin, which normally we get being in the service industry.

Brett: Perfect. Thank you for that. And then maybe on – more on the incubating side, and forgive me if I missed a few, I've already discussed this, but on the solar manufacturing and wind manufacturing capacity, I guess how quickly do you expect to ramp up the solar manufacturing capacity over the next year or two here? And for the electrolyser, am I right in thinking that that would be commercialized, I guess, within fiscal year 2026?

Robbie Singh: I think on the solar modules, we are pretty much on track for the full capacity of 4 GW over the next 12 months. And on electrolysers, yes, you're correct. It's 2026. And the Wind tech is continuing, and we are pretty much on the 1.5 GW, and it's producing at that level already.

Brett: Perfect. Thank you so much for your time.

Robbie Singh: Thank you.

Moderator: Thank you. And the next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead, sir.

Dhananjay Mishra: Yes, thanks for the opportunity, and congratulation on a very good set of numbers. Sir, what is the overall capex plan for this year or what will be the next year across the segment?

Robbie Singh: Yes, I think for this year, the total capex plan across AEL's ecosystem will be approximately INR 33,600 crores, and we expect next year for it to jump to approximately INR 92,000 crores. The jump in this INR 60,000 crores is driven by a INR 50-odd-thousand-crores jump in Adani New Industries and a INR 10,000 crores jump in airports. Everything else will be pretty much at the run rate level.

Dhananjay Mishra: So Adani New Industries largely will be in solar segment or it will be in other segments?

Robbie Singh: It is across its segments. Green hydrogen will be about 6,000. Downstream will be about 6,000. Solar and wind power generation will take the maximum, about 30-odd-thousand. And the various elements, ingot-wafer, 600, the module and cell lines, 3,000. Wind tech, about 1,000. So it's across the board.

Dhananjay Mishra: In terms of electrolyser capability, how are we placed in terms of doing some tie-up or some whatever technological thing we are expecting? So where are we placed right now?

Robbie Singh: I think with all technology developments, we are pretty much set already. There's no further new tie-up. Other ongoing work continues on various matters. But the Wind tech, the ingot, wafer, the electrolyser, all the fundamental tie-ups are complete in technology. We're not anticipating anything new in that area.

Dhananjay Mishra: Okay. Thank you.

Moderator: Thank you. And the next question is from the line of Bharat Shah from Ask Investment Managers Limited. Please go ahead, sir.

Bharat Shah: Yes. Hi Robbie, just one thing on the airport business. While Indian air traffic may grow 4x to 6x, it's quite conceivable given all the fundamental strategic changes which are happening in the activity and the way government is kind of building a strong ecosystem around the air traffic activity.

But given the kind of airports that we have got and then adding, of course, a significant addition from Navi Mumbai Airport, it's not easy to understand how our airport portfolio can achieve that 5x or 6x kind of growth in the decade which is upcoming?

Robbie Singh: See, our own airport capex plan, as we've outlined before, it says we'll take our capacity to 250 million. So straight off, with 3x growth will happen in the existing airports themselves. And then as the further privatization takes place across the airport portfolio, that will add to this growth.

So as far as we look at the investment plan across the airports, we are solidly of the opinion that we will be, in fact, comfortably be breaching and growing faster than India in our airport portfolio. Like we have done in our ports business, which has grown consistently above the Indian cargo despite its market share.

We have a very, very – we have a definitive plan. We have a unique business model in the context of India. And therefore, we believe that not only is the passenger growth we will capture, we will also capture the gross spend rate of the non-pax also. So it is not 100% on the air side where there's a direct income impact of the passenger movement, air movement, it will be less than 35% of the total Adani airports EBITDA. 65% will come from non-pax and non-aircraft movements and non-air side. Therefore, the bigger focus remains on the servicing of the non-pax and / or passengers prior to their entering the airport. And that number we anticipate will be at least two to three times the passenger number anyways. So there are two parts to your question. One is– on the air side.

Are we prepared? Yes. We are already prepared. Our capex plan already takes care of the 240 million capacity. Secondly, are we prepared for future growth in relation to building our airport platform further with participation in the privatization? Answer to that is yes. We are prepared and it's part of our investment plan already. And third, are we prepared to access, which is a bigger thing, which is in EBITDA terms-65% of EBITDA comes from gross spend rate outside of the terminals, outside of the air side, landing fees, etcetera, regulatory income. Are we prepared to do that? Yes. As we have outlined in my opening commentary, our main focus is on the city side developments. And that capex actually is accelerated and we will complete first phase by FY 26-27.

Bharat Shah: So essentially, Robbie, what you are saying is that we are viewing that airport and aviation activity really from a larger perspective of non-pax revenue. And it is not the pax movement or traffic growth, but overall revenue growth to be derived from the aviation activity, which is where we will score well above where the industry would be. And in that journey, almost two-thirds would come from non-pax or relatively less capital intensive activity.

And only a third of that revenue would be more like from the pax. So essentially, the character of our aviation efforts would be less capital intensive and non-pax driven activity. The total growth rate, without even counting acquisition that we make it on the way, overall will outgrow the industry revenue growth.

Robbie Singh: Correct. And I think I'll just clarify so there's no misunderstanding. The air movement growth is reflected in the airside charges. And so we anticipate that whilst we will benefit from air movement and therefore airside charges, but the objective always remains to provide the best experience to anybody who interacts with the airport space. Now, whether that is city dwellers who actually are not the passengers or people who are non-pax but are related to pax, either they are bringing the passengers in, it could be service providers like Uber, Ola, taxis, excetera, or family members coming with the person to the airport, and the person's experience within the airport.

And also, airport has a large permanent staff also. The amenities for the staff, their ability to be able to exercise some of their consumer spend within the precinct. So it goes into what we call the rental-retail mix models that you run for the type of consumer you have at the airport. So the passenger movement helps in relation to the ability, in relation to the passengers and people who bring the passengers or come with the passenger to the airport, whereas the city side and all development are actually independent of this number.

They are actually reflective of the overall general growth in the spend capacity of the Indian consumer, which itself is rising very fast. So you are benefiting not just from the air movement, you are also benefiting from the overall capacity of the Indian consumer to spend. So there are two things moving. So the question always becomes, are you able to capture the two things? And this is what the business strategy of the airport is for us, to be able to capture two different things. So I would add to your question that the reason why the revenue growth and EBITDA growth will be faster is because we'll capture the non-pax movement in the spending pattern of the Indian consumer also.

Bharat Shah: Right, which is exactly what I was trying to convey. But on that, if I had to put a little critical note, you see across the entire portfolio of Adani airports, I've been traveling one or the other place constantly. Almost in a month, I would be taking several flights, including the Adani portfolio of the airports.

I'm also familiar with the fact that non-pax overall customer volatility to the experience and services and additionality will mean less capital intensive way of extracting more profits from that traveller. But in actual experience, while, for example, I recently went to Mangalore airport, and I definitely believe that it is materially improved compared to what it used to be earlier. I mean, there is no comparison between the two, what it was then and now.

But in many other airports, I've actually experienced a very real, material difference compared to the earlier service package. While there is improvement, without any doubt, whether it is really quantum jump, I would like to put a question mark on that.

Robbie Singh: I think I'll take that as a comment, and I'll convey that to the airport leadership team that a particular comment of that nature comes. But I think what we do need to, which I will want to say, what we do need to understand is that this is a 50-year business which had to be set for achieving what it needs to achieve in 2033-2035 period. It is not being set to achieve what we can achieve today.

So if you are wanting to do something for today, yes, it can be done very quickly. But the aim becomes that if you look at the parts that we would want to check because of passengers and safety, because it's safety first. So if you look at the benchmarks in relation to security check and queues, then virtually, whether you look at Tiruvannamalai, Guwahati, Jaipur, whether you look at Mumbai, whether you look at Ahmedabad, Lucknow Airport, we are all – we are much, much, much ahead of where the benchmark is.

Then it comes from immigration point of view. That also we track very carefully. And broadly, all airports are way ahead of the benchmark. The other part is a lot of people do travel by car to the airport. And what is the car parking experience? And then finally, the check-in, so in these areas, these four critical areas of passenger experience, which relate to one, to security and therefore safety and all.

Second, to integrative work environment, which is immigration, is not in our control. Check-in is – the security queue is – the integrative working, be it with the CISF, be it with the immigration officials, all of that is working well. So we check this, and then everything else is designed for the longer-term experience in terms of where we believe - what it will look like when our capacities are set up for 240 million pax. And that is actually a gestation issue.

And as we go through this, you will start noticing from – the non-passengers will start noticing from 26-27 onwards the change because their interactions will change. And the passenger and people accompanying the passengers, they will certainly start noticing from about 2026 onwards the material marked changes in experience.

Now, what you refer to is you are also a business passenger. And the specific experience related to business passengers and how they move and what their movement pattern are at the airport, that will also go a marked change as all the other services are brought into line with global standards over the next three to five years. That's why we will wait for the demerger of this business until it achieves all these benchmarks. That's why we flag that event between three to five years from now.

Bharat Shah: Sure. Thanks. One last thing, Robbie. On our IRM business which is critically dependent upon feeding India's growing energy needs. And therefore sourcing efficient, collating and distributing that commodity, but increasingly the picture that you get from policy perspective is that coal remains one of the important items in the import bill of India.

And like all the import items of India receiving critical attention to how to minimize or reduce or in fact substitute them by export rather than import, the policy thrust appears to be that at some stage imported coal may look to be a thing of the past or materially a thing of the past. How does it affect our IRM business if this were to transpire?

Vinay Prakash: Robbie, shall I take it?

Robbie Singh: Please, Vinay.

Vinay Prakash: Yes, so when we speak about the IRM business, I think first of all we need to understand that we are in this business for the last 25 years. And in the last 25 years, we have actually created a sort of specialization in moving coal from mine to shipping to port to handling rigs and everything. So it is not going to be only the imported coal you import from other countries and give it to the Indian customer. It is also going to remain a service function for us where we are doing a lot of RSR movements also. Now as far as import is concerned, in India, even though the target had been set to make import zero long back, but on an actual basis, on a practical basis, it is not going to be zero any time in the future also for two reasons.

One, the first reason is that considering that the Indian coal is having a high ash, you need to import coal of low ash to blend and run your power plants which are designed at a lower ash.

Secondly, there are a lot of coastal-based power plant which are actually designed for low ash only. You talk about Tata, you talk about many plants of NTPC, many plants of private sector, they are designed for low ash.

And number third, for the power plants which are actually very near to the coastal belt, it is always going to be a difference between the rail freight or road freight which they are going to have from the hinterland of country to their place getting compared with the ocean freight and handling from Indonesia or Chile and South Africa.

And if your prices are good in international market, right in international market, you will always find that imported coal are going to be competitive. So, if you ask us, we are very clear that even next 5 years, 10 years, 15 years down the line, the imported coal market will remain in excess of 150 million or 160 million tons.

Bharat Shah: Thank you. That's very helpful. One more question, but I'll wait in the queue.

Moderator: Thank you. And the next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead, sir.

Mohit Kumar: Yes, sir. Thank you. Thanks for the opportunity once again. Sir, my only one question on clarification. We're talking about INR 50,000 crores in New Industries and clean hydrogen is a significant part. And is it fair to say that we are looking at targeting 0.3 million to 0.4 million tons per annum capacity? Is it possible to also tell us that are we looking to export green ammonia? Is that a fair assessment?

Robbie Singh: I think overall, we'll come with a much more detailed outlook on this towards September of this year. But the aim of our first phase itself is 1 million tons. It will happen in a modular way. But we do not have a sub-scale plan with 1 million tons and then going up to 3 million tons is what we've always announced. And it remains that way. We will detail out some of the planning in regards to downstream products, whether we stop at ammonia or it will go further to fertilizers, etcetera.

Mohit Kumar: Understood, sir. Thank you and all the best. Thank you.

Robbie Singh: Thank you.

Moderator: Thank you. And the next question is from the line of Prateek from Jefferies. Please go ahead, sir.

Prateek: Yes, thanks for the opportunity again, sir. You gave this overall capex going from INR 34,000 crores to INR 92,000 crores. Can you give like business-wise capex for these two years for the company? You told about INR 50,000 crores for ANIL for next year. But what is the business-wise capex, let's say, for may be top five segments in FY'24 and '25?

Robbie Singh: Our main capex is in green hydrogen and airports, which of the INR 90,000 crores, which is practically nearly 80% of that just goes into these two segments, airports and green hydrogen. And we have -- the roads will have sort of the same capex around this year, which is about INR 10,000 crores. Everything else is about INR 6,000 crores. So three big segments are infra incubating assets.

Prateek: Okay. And on your solar module segment, do we have like -- what do we see FY'25 end capacity for solar modules and windtech segment? I know electrolyser is expected in FY'26 only, but what would be the year-end capacity of FY'25 for solar module and windtech?

Robbie Singh: 4.5 GW and 1.5 GW, respectively.

Prateek: Okay. So the 10 GW will be scaled to only in FY'26, even for solar?

Robbie Singh: Yes.

Prateek: And your margins in solar segment has remained very strong this quarter, maybe stronger than past quarters. So there have been recent sharp decline in module prices over past one-two-three months. Is this start to reflect in your business contracts or your customers are totally different and not getting impacted? Because you also have like 70% export and 30% domestic just in this quarter.

Robbie Singh: I think, Prateek, one thing, we are infra. So our solar is Adani New Industries ecosystem. We have absolutely nothing we can say or share what happens in one month, two months, three months, six months, prices changing, going up and down, because nobody builds infra on two-to three-month basis.

So it's not that our customers are indifferent. The customers on the other side are infra companies. They are supplying either renewable power or they might be in India or overseas. So they are looking at their renewable green electron cost over the next 5 years, 20 years, 25 years. So if they start timing and building based on timing, nothing will happen only. So what people look at is their reliability.

So this is not a manufacturing business. This is an input business into energy extraction. And the target of the customers and our own target is the minimization of the energy extraction cost on a long-run basis. And so neither do we track these up and down movements on a daily basis nor on a monthly basis or a quarterly basis. What we are targeting is how can we extract the cheapest green electron over the longer term to remain within the first quartile cost of extraction of the green electron. And that, I suspect, is the -- also the view of the majority of our client base also within that business.

Prateek: Sir, these were my questions. Thank you.

Moderator: Thank you. And the next question is from the line of Brett from Cantor Fitzgera. Please go ahead, sir.

Brett: Thanks for taking another one of my questions. On the wind turbine generator manufacturing, I know, kind of, became commercial last quarter. I was just curious if there was any income from that part of the new energy ecosystem in the quarter. If so, how much? If not, I guess, when would you expect that to begin to ramp up to materially start contributing to financials? Thank you.

Robbie Singh: If I understand the question correctly, Brett, the question was that when would the energy element of the new energy business contribute to financials?

Brett: Yes, the wind turbine part of that.

Robbie Singh: So we expect the Windtech is -- in the context of ANIL, the numbers will start showing in the next financial year to March '25. Not in this quarter, but over the next 12 months, the numbers will be visible of the Windtech.

Brett: Thank you.

Moderator: Thank you. And the next question is from the line of Bharat Shah from ASK Investment Managers. Please go ahead, sir.

Bharat Shah: That was pertaining to ANIL and subsequently what you answered, I heard what I wanted to. So, thank you.

Moderator: As there are no further questions, I would now like to hand the conference over to management for closing comments.

Robbie Singh: We thank all those who asked the question and all those who joined. Thank you so much. And we also take the opportunity to thank Rohit and the Antique team for organizing the call. If there are any further questions, you can always feel free to reach out to Manan and team, and they will answer in writing. Thank you so much.

Moderator: On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.