Management Discussion & Analysis

Global Economic Overview

The global economy stood resilient in 2024 after a prolonged period of unprecedented shocks. However, this recovery faces renewed headwinds from rising trade tensions, policy shifts, and heightened uncertainty. As per the International Monetary Fund (IMF) estimates, global GDP growth stood at 3.3% in 2024. However, growth remained uneven across regions, with advanced economies recording a modest 1.8% increase, while emerging markets and developing economies (EMDEs) grew at a stronger pace of 4.3%, underscoring regional economic disparities.

Inflationary pressures showed signs of easing, with global headline inflation projected to decline to 4.3% in 2025 and further to 3.6% in 2026. The monetary tightening measures adopted by major central banks have been instrumental in curbing inflation, although sustained fiscal discipline remains essential for long-term economic stability.

Advanced economies are expected to return to their inflation targets more rapidly than emerging markets and developing economies. Good prices have largely stabilised; however, services price inflation remains elevated in many regions.

Heightened volatility in energy and commodity markets, coupled with a prolonged high-interest rate environment, has added to the economic headwinds. This scenario has particularly affected developing nations dependent on energy imports, while energy-exporting economies have benefited from sustained demand and price adjustments.

Oil prices grew modestly by 0.9% in 2024, averaging around USD 81 per barrel, driven by production cuts from the Organisation of the Petroleum Exporting Countries (OPEC), robust global oil demand growth, and ongoing geopolitical tensions in the Middle East, which counteract strong supply growth from non-OPEC+ producers.

Global trade saw a measured recovery in 2024, with merchandise trade volumes expanding by 2.4%, constrained by persistent geopolitical tensions and rising protectionist policies. Export-driven economies, particularly in the Asia-Pacific region, demonstrated resilience, supported by strong demand for technology and consumer goods. Yet, ongoing conflicts and supply chain disruptions have dampened overall trade momentum, posing challenges to sustained global economic expansion.

Region-wise growth (%)

Region	CY 2024	CY 2025 (P)	CY 2026 (P)
Global Economy	3.3	2.8	3.0
Advanced Economies (AEs)	1.8	1.4	1.5
Emerging Markets and Developing Economies (EMDEs)	4.4	3.7	3.9

P: Projections

(Source: IMF World Economic Outlook April 2025)

Performance of major economies

United States

In the United States, policy uncertainty, trade tensions, and a softer demand outlook pose challenges. Tariffs are expected to weigh on growth in 2025, which is projected at 1.7%, down from 2.8% in 2024 amid moderate private consumption.

China

China's GDP growth is expected to decline to 4% in 2025 from 5% in 2024 due to prolonged trade policy uncertainty and impending tariffs which offsets the stronger carryover from 2024 and fiscal expansion in the budget.

United Kingdom

Growth in the United Kingdom is expected to remain moderate at 1.1% in 2025. This reflects a smaller carryover from 2024, the impact of recent tariff announcements, an increase in gilt yields, and weaker private consumption amid higher inflation as a result of regulated prices and energy costs.

Japan

For Japan, the growth projection for 2025 is 0.6%, marking an increase from 0.1% in 2025. Growth will be supported by stronger private consumption with above-inflation wage growth boosting household disposable incomes.

Germany

Persistent weakness in manufacturing continues to weigh on the growth of Germany, with its economy expected to contract by 0.2% in 2024. However, growth is expected to improve in 2025 owing to stronger consumption on the back of rising real wages and a projected fiscal easing.

Outlook

Global economic growth is expected to moderate from 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. The combined effects of new trade restrictions, their spillover through global trade linkages, and rising uncertainty may dampen business sentiment and pace of economic recovery. Financial market volatility has raised concerns about extreme vulnerabilities, particularly in countries grappling with persistent inflation and signs of economic slowdown.

Policymakers worldwide face the challenge of balancing economic growth with financial stability. While advanced economies navigate the lingering effects of elevated inflation and restrictive monetary policies, emerging markets stand to benefit from economic diversification and demographic advantages.

While there are emerging signs of stabilisation, the global economy's trajectory remains fragile, heavily dependent on effective fiscal policies, geopolitical de-escalation, and coordinated efforts to mitigate inflationary and trade-related pressures and ensure a stable and sustainable economic trajectory.

Indian Economic Overview

India has emerged as a bright spot in a global environment marked by economic challenges and geopolitical uncertainties. The nation is on track to become the world's third-largest economy, with a projected GDP of USD 5 trillion by FY 2027-28. Robust infrastructure development, efforts to accelerate manufacturing, favourable policy reforms, and strong consumer and business sentiments, will be the fundamental drivers of growth, positioning India as a key player in the global economy.

Indian economic growth (%)

FY 2022-23	7.0
FY 2023-24	8.2
FY 2024-25 (Estimates)	6.5

India is expected to grow at 6.5% in FY 2024-25, lower than 8.2% growth in FY 2023-24, as per IMF. This moderation is attributed to subdued external demand, manufacturing and services sector slowdowns, and inflationary pressures. The manufacturing sector's growth is expected to decline to 5.3% from 9.9% in the previous fiscal, primarily due to global supply chain disruptions and rising input costs. The services sector is anticipated to grow at 5.8%, down from 6.4% in FY 2023-24.

On the contrary, the agriculture and allied sector demonstrated significant resilience, with growth estimated at 3.8% in FY 2024-25, an increase from the previous year's 1.4%. The construction sector is expected to grow at 8.6% in FY 2024-25, underscoring the government's focus on infrastructure development.

Private Final Consumption Expenditure (PFCE) at constant prices is expected to witness a growth of 7.3% compared to 4% growth in the previous financial year. The Real GDP or GDP at Constant Prices is estimated to reach ₹ 184.88 lakh crore in FY 2024-25, against the Provisional Estimate of GDP of ₹ 173.82 lakh crore for FY 2023-24.

India's retail inflation, as measured by the Consumer Price Index (CPI), eased to 4.6% in FY 2024-25. In a further positive development, retail nflation for March 2025 declined to 3.34%. The sustained moderation in inflation reflects the effectiveness of policy measures in containing price pressures.

Infrastructure development remains a key focus area, with government capital expenditure reaching a record ₹ 11.1 lakh crore. Goods and Services Tax (GST) collections hit record highs, consistently exceeding ₹ 1.5 lakh crore monthly, reflecting strong consumption and improved tax compliance.

Outlook

The Indian economy is projected to grow at 6.2% in FY 2025-26 and 6.3% in FY 2026-27 amid escalating trade tensions and global uncertainties, as per IMF estimates. Sustained investments in green energy, digital transformation, and infrastructure development will be crucial in boosting the growth. The government's emphasis on self-reliance, through continued support under the PLI scheme, is expected to boost domestic production and export capabilities. Favourable monsoon rains are likely to enhance summer-sowing areas for all major crops, improving agricultural output and rural consumption.

Inflation is seen moderating, due to government and Reserve Bank of India (RBI) interventions,

with core inflation reaching its lowest in a decade. However, challenges persist with food inflation, driven by supply chain disruptions and adverse weather conditions affecting key items.

India's demographic advantage and continued investments in economic expansion offer a strong foundation for growth. Initiatives like the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), PM Gati Shakti, and Atmanirbhar Bharat, among others, are set to transform India's infrastructure landscape with a focus on railways, road transport, ports, and digital connectivity. Railways have seen the introduction of Vande Bharat trains and the expansion of Dedicated Freight Corridors. Road transport has benefited from the National Industrial Corridor Development Programme and the Bharatmala Pariyojana that incorporate sustainable construction practices and advanced traffic management systems. The UDAN scheme has improved regional connectivity and airport infrastructure. These efforts solidify India's position in the global economic landscape, enabling the country to navigate uncertainties and capitalise on emerging opportunities.

Union Budget 2025-26 Highlights

The Union Budget 2025-26 is built on four key pillars – Agriculture, MSMEs, Investment, and Exports – with reforms as the catalyst and inclusivity as the core principle. It prioritises financial sector reforms, tax relief for the middle class, and infrastructure expansion, shaping the Viksit Bharat@2047 vision. Major highlights include ₹ 11.2 lakh crore in capital expenditure (3.1% of GDP) for FY 2025-26, with allocations such as ₹ 500 crore for an AI Centre of Excellence, ₹ 1.5 lakh crore in interest-free loans for state infrastructure, and increased funding for the Jal Jeevan Mission.

The government has demonstrated its commitment to infrastructure with an allocation of ₹ 11.21 lakh crore, building on the previous year's ₹ 11.11 lakh crore. aiming to propel "Make in India" initiatives. Key focus areas include enhancing road networks, developing regional airports, building smart cities, and strengthening rural infrastructure, including dedicated funding for the Bharatmala and the Atal Mission for Urban Transformation (AMRUT) schemes. The budget emphasises greater private sector participation through PPP models and offers incentives for infrastructure reforms across states. Focus has also been laid on defence modernisation and indigenous manufacturing, with an increased allocation of ₹ 6.81 lakh crore for the defence sector, marking a 9.5% increase over the previous fiscal year. For aviation and logistics, the modified UDAN scheme will enhance regional connectivity, while a greenfield airport is planned in Bihar. The Jal Jeevan Mission has been extended until 2028, with a strong focus on quality infrastructure and rural piped water supply. To drive urban development, an Urban Challenge Fund of ₹ 1 lakh crore has been introduced, emphasising initiatives such as 'Cities as Growth Hubs', 'Creative Redevelopment of Cities', and 'Water and Sanitation',

The government aims to boost clean tech manufacturing by prioritising solar PV cells, EV batteries, motors and controllers, electrolysers, wind turbines, ultra-high voltage transmission equipment, and grid-scale batteries. An ambitious target of 100 GW capacity has been set for the nuclear energy sector by 2047, with increased private sector participation. Additionally, ₹ 20,000 crore has been allocated for a Nuclear Energy Mission to drive research and development of Small Modular Reactors (SMRs). To further strengthen the electric vehicle (EV) industry, the government has exempted customs duties on 35 additional capital goods, including scrap and waste of lithium-ion batteries, to support domestic manufacturing and supply chain development. Overall, the budget aims to accelerate growth, boost exports, and strengthen social welfare, laying the foundation for India's sustainable development and economic resilience.

(Source: Union Budget 2025-26 Highlights)

Company Overview

Adani Enterprises Limited (AEL) is the flagship company of Adani Portfolio of Companies and one of India's largest and diversified business conglomerates. Your Company has consistently focussed on developing emerging infrastructure businesses that contribute to nation-building. Over the years, AEL has successfully established scalable ventures, including Adani Ports & SEZ, Adani Energy Solutions, Adani Power, Adani Green Energy, Adani Total Gas, and Adani Wilmar playing a vital role in fostering India's self-reliance. AEL's next phase of strategic business investments is centred on high-growth sectors such as the green hydrogen ecosystem, airport management, data centers, roads, and key primary industries like copper and PVC. These areas present opportunities for value creation and long-term sustainable growth.

Performance Overview

Financial Highlights

The Company's revenue grew by 2% and EBITDA by 26% in FY 2024-25, driven by the strong performance from incubating businesses. Despite increased debt for capex in these businesses, net external debt to EBITDA remained stable at 2.9x, reflecting prudent financial management and sustained growth momentum.

Particulars	Unit	FY 2023-24	FY 2024-25	Increase (%)
Income	₹ crore	98,282	1,00,365	2%
EBITDA	₹ crore	13,237	16,722	26%
PBT	₹ crore	5,640	6,533	16%

Particulars	Unit	FY 2023-24	FY 2024-25	Increase (%)
Gross Debt	₹ crore	50,124	76,236	52%
Net External Debt	₹ crore	30,966	49,306	59%
Capex	₹ crore	84,392	1,12,568	33%
Debt Service Coverage Ratio	times	2.5	2.6	-
Net External Debt/EBITDA	times	2.3	2.9	-

Movement in the Key Financial Ratios

Pursuant to the amendment made in Schedule V to the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) including explanations therefor are given below:

Particulars	FY ended March 31, 2025	FY ended March 31, 2024	Changes between Current FY & Previous FY	Explanation
Debtors Turnover	11.37	9.75	17%	
Inventory Turnover	12.15	9.97	22%	
Interest Coverage Ratio	4.61	8.77	(47%)	Due to lower EBITDA in line with revenue and due to increase in borrowing costs
Current Ratio	1.73	1.15	50%	Mainly due to reduction in outstanding trade payables during the year, which is in line with business volume
Debt Equity Ratio	0.47	0.34	38%	Due to increase in long-term and short-term borrowing during the year to support incubating businesses
Operating Profit Margin	6.83%	6.57%	4%	
Net Profit Margin	15.24%	6.19%	146%	Increased on account of exceptional gain from share in profit from LLP due to stake sale in AWL Agri Business Limited (formerly known as Adani Wilmar Limited)
Return on Net Worth	22.62%	17.09%	32%	Increased on account of exceptional gain from share in profit from LLP due to stake sale in AWL Agri Business Limited (formerly known as Adani Wilmar Limited)

Key Business Segments

Green Hydrogen Ecosystem

Adani Green Hydrogen Ecosystem, represented by Adani New Industries Limited (ANIL), a wholly-owned subsidiary of the Company, was established to create an integrated platform to generate green hydrogen and related products at the lowest cost possible. This initiative encompasses the entire supply and value chain. ANIL serves as the parent company overseeing the entire supply chain of its green hydrogen ecosystem, addressing India's energy security needs.

Industry Overview

Hydrogen is seen as a versatile energy carrier and a key element in reducing greenhouse gas emissions. Demand for hydrogen is increasing globally due to its potential to support the transition to a low-carbon economy. As per International Energy Agency (IEA), global hydrogen demand is projected to reach 150 million metric tonnes by 2030.

Hydrogen is becoming increasingly vital for achieving decarbonisation, particularly in hard-to-abate sectors such as steel, fertilisers, refining, and shipping. This has led to robust growth in deploying clean hydrogen-based projects. Moreover, the surge in commodity price volatility, particularly in the past three years due to the Covid-19 pandemic and geopolitical tensions worldwide, has heightened the urgency for major economies to reduce fossil fuel dependence, prompting governments to incentivise hydrogen adoption. Over 40 countries have established or are in the process of establishing national strategies for hydrogen adoption.

In India, demand for hydrogen is growing rapidly, driven by the nation's commitment to achieving decarbonisation and energy security. India holds a significant competitive edge in green hydrogen production due to its remarkable strides in renewable energy over recent years. The Indian government's focus on green hydrogen, produced through renewable energy, aims to reduce reliance on fossil fuels while significantly cutting greenhouse gas emissions. Coupled with abundant capital, land resources, and an extensive grid infrastructure, India is well-positioned to lead a rapid transition to green hydrogen. Notably, Gujarat and Rajasthan, with their exceptional solar radiation levels, hold the promise of becoming some of the most cost-efficient regions for green hydrogen production.

India's bold and ambitious renewable energy targets are driving focus on establishing a robust hydrogen economy, supported by significant investments in infrastructure, research, and development for hydrogen production, storage, and distribution. This growing emphasis is set to transform the energy landscape, contributing to a sustainable and resilient future. Currently, India's hydrogen demand stands at 6.5 million tonnes per annum (MTPA), primarily driven by captive consumption in refineries (3.1 MTPA) and the fertiliser and ammonia sectors (2.1 MTPA), with the majority of demand concentrated in the western region.

India's green hydrogen sector is witnessing significant momentum with substantial investments, strategic collaborations, and favourable reforms, expected to position India as a global leader in green hydrogen production and contribute to a sustainable energy future. The country is making remarkable strides toward establishing a robust green hydrogen ecosystem through key initiatives launched by the Ministry of New and Renewable Energy (MNRE). The National Green Hydrogen Mission, approved in January 2023, aims to position India as a global hub for the production, use, and export of green hydrogen and its derivatives. With an initial outlay of ₹ 19.74 lakh crore, the mission targets an annual production of 5 MMT by 2030, facilitating India's net-zero goals. It is projected to attract ₹ 8 lakh crore in investments and avert 50 MMT of CO_2 emissions annually by 2030. The Mission will also support pilot projects in emerging end-use sectors and production pathways. Regions capable of supporting large-scale production and/or utilisation of hydrogen will be identified and developed as Green Hydrogen Hubs.

In addition, the MNRE has introduced the Strategic Interventions for Green Hydrogen Transition (SIGHT) programme as part of the National Green Hydrogen Mission. With a budgetary allocation of ₹ 17,490 crore, the programme aims to support the domestic manufacturing of electrolysers and augment green hydrogen production. By offering financial incentives, the programme seeks to reduce production costs and accelerate the sector's growth.

India's demand for green hydrogen is projected to reach 2 MMTPA by 2030, requiring investments of up to USD 60 billion. A key factor influencing green hydrogen production is the cost of power, which constitutes a major portion of production expenses. India has made substantial progress in generating green power, particularly through large-scale solar and wind projects. Currently, renewable energy in India is available

at competitive rates of approximately ₹ 2.50–₹ 2.80 per kWh, bolstering the economic feasibility of green hydrogen production.

With a record annual capacity addition of 29.52 GW, the total installed renewable energy (RE) capacity in India has reached 220.10 GW as of March 31, 2025. The National Institute of Solar Energy (NISE) reports that India's installed capacity for solar PV module manufacturing is approximately 50 GW. Progressive policy enhancements addressing auction participation, financing, and distributed solar PV challenges are driving rapid growth in renewable energy capacity, positioning India for substantial expansion in the sector through 2028. The growing focus on renewable energy targets is also accelerating the demand for wind energy, leading to expanded deployment of wind turbines and growth in the wind power industry. India has in place a strong ecosystem, project operation capabilities, and a domestic manufacturing base with an annual capacity of approximately 10,000 MW. Wind power contributes 10% of India's total installed capacity and accounts for 25% of its total renewable energy capacity, positioning the country as the fourth-largest in the world for installed wind capacity. India boasts a significant wind potential of 302 GW at 100 metres and 695 GW at 120 metres, concentrated in seven key states of Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu. To achieve its ambitious target of 500 GW of renewable energy capacity by 2030, the government plans to allocate about 10 GW of wind projects annually.

Business Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2024-25	Growth (%)
Income	8,741	14,236	63%
EBITDA	2,296	4,776	108%
PBT	1,884	3,958	110%

ANIL and its ecosystem entities demonstrated strong operational and financial performance during the year, contributing 14% to the Total Consolidated Income and 29% to the Total EBITDA. The Company witnessed significant growth in its module sales, which increased by 59% to 4,263 MW, achieving a run rate of 1 GW per quarter. Domestic module sales grew by 152% to 2,540 MW, driven by increasing domestic demand, while exports grew by 3% to 1,723 MW in line with export delivery schedule.

The solar manufacturing division started FY 2024-25 with 4 GW cell and module line production. This backward integration supply chain has not only resulted in substantial savings on import duties on solar cells but also ensured continuous production of modules. As at end of March 2025, the module export order book stands at 1.9 GW, reflecting sustained demand.

In the WTG manufacturing division, ANIL supplied 164 WTG sets during the year. The WTG manufacturing division started FY 2024-25 with 5.2 MW WTG model. During the year the product portfolio has further expanded to four WTG models, including two 5.2 MW models along with 3.0 MW and 3.3 MW models, all of which are listed with RLMM. The R&D centre in Germany is fully operational.

Outlook

ANIL aims to establish Green Hydrogen production capacity of 1 MMTPA (Million Metric Tonnes Per Annum). In the solar manufacturing business, the Company has plans to develop a 10 GW fully automated solar manufacturing ecosystem at Mundra by 2028. Your Company's focus on driving vertical integration, supply chain optimisation, and technological innovation will continue to envisage cost competency to further improve the operating margins and offer a competitive advantage. On the other hand, the WTG manufacturing division is set to accelerate with its offering of four WTG manufacturing models to explore new domestic and international regions to expand the reach of your Company's wind turbine solutions.

Data Centers

The Data Center business, represented by AdaniConneX (ACX), a 50:50 joint venture between AEL (Adani Group) and EdgeConneX, envisions building an environmentally and socially conscious 1 GW data center infrastructure platform by 2030. Globally awarded for demonstrating excellence, including the coveted Frost and Sullivan Company of 2023 in South Asian data center operation and infrastructure category, ACX is earning the trust of customers worldwide through its comprehensive build-to-suit data center solutions along with one of its kind energy-as-a-solution offerings. With this unique combination of product offerings, ACX delivered an unparalleled advantage to hyperscale customers with faster time to market and full stack control on digital-energy value chain.

Industry Overview

India's digital transformation journey is being driven by significant technological advancements and proactive government initiatives. India's digital economy is growing at 2.8% per annum and is expected to reach USD 1 trillion by 2027-28. The pandemic has further accentuated the demand for cloud services globally, pushing industries to embrace digital transformation at an unprecedented pace. This shift has led to the rapid construction of hyper-scale data centers, with global spending projected to exceed USD 200 billion annually by 2025.

India, with its expanding digital infrastructure, growing technology adoption, and favourable regulatory environment, has become a preferred destination for data center investments, reinforcing its position as a leader in the digital economy. The rapid surge in digitalisation, driven by the growth of online commerce, financial technology platforms, internet-based video streaming, and gaming services, is expected to significantly increase the number of internet users in India. Internet penetration is projected to rise to an impressive 87% by FY 2028-29, reflecting the expanding reach and accessibility of digital services across the country. Further, technologies such as cloud computing, 5G rollout, Internet of Things (IoT), Artificial Intelligence (AI), and Big Data Analytics are revolutionising the industry, driving the demand for advanced solutions to address the evolving needs of businesses.

The Digital India initiative, aimed at transforming India into a digitally empowered society and knowledge economy, has led to the creation of large-scale data centers and cloud infrastructure. Additionally, the government's focus on data localisation and data protection policies requires businesses to store and process specific data within the country's borders, supporting the establishment of data centers in India. In India, data centers are thriving in key cities such as Mumbai, Chennai, Bengaluru, Hyderabad, Pune, and Delhi. Investments in data centers in India are estimated to reach USD 5 billion by 2025, growing at a CAGR of 5% between 2019-2025, which is 2x faster than the global average.

Business Performance

ACX has a cumulative order book of 210+ MW from 4 data centers. During the year, ACX has completed and handed over 19.6 MW data centers to customers. These facilities are powered with renewable energy and offerings to hyperscale customers with sustainable energy choices. The remaining data centers are progressing as per the scheduled timeline. The Chennai, Hyderabad and Noida data center consistently maintained a remarkable 100% uptime throughout the year. Execution started for the remaining MEP works at Noida data center. The Core & Shell work is finished and MEP works is half-way for Phase II of Hyderabad Data Center.

Outlook

ACX aims to develop 1 GW of renewable-powered data center capacity by 2030 to meet the surging demand for data center infrastructure and solutions. With the Chennai 1 facility setting benchmarks in efficiency and reliability, we are expanding with hyperscale campuses in Pune, Noida, and Hyderabad to serve global technology leaders.

Water

The water business is represented by Adani Water Limited (AWL) (a wholly-owned subsidiary of AEL), which focusses primarily on PPP projects and large & complex EPC projects. AWL provides solutions in the areas of wastewater treatment, irrigation infrastructure development, river interlinking projects, large water supply & water distribution projects, and desalination projects.

Industry Overview

India's water treatment sector encompasses critical activities such as providing clean water for residential and commercial use and managing industrial wastewater. The country is expected to generate 0.90 lakh megalitres of wastewater per day ("MLD") by 2030. According to Niti Aayog, population growth could increase wastewater generation by 75-80% over the next 25 years, resulting in volumes of 50,000-55,000 MLD by 2025 and a total estimated wastewater generation of 1.3 lakh MLD by 2030.

With the growing population, the demand for water and effective water management continues to rise, making water availability a critical concern for the future. The Indian government has introduced multiple schemes to improve water supply and sewage infrastructure, including Jal Jeevan Mission (JJM), Jal Shakti, and Atal Bhujal Yojana, launched over the past seven years. Additionally, sectoral initiatives such as the Swachh Bharat Mission, AMRUT, and Smart Cities Mission have been launched to improve both sewered and unsewered sanitation infrastructure across the country. Under these programmes, grants and subsidies are provided to state governments, municipalities, and

private sector entities to facilitate the construction of sewage treatment plants and water treatment facilities, fostering a more sustainable water ecosystem.

Business Performance

Despite increase in public gatherings during Maha Kumbh Mela, AWL has successfully maintained the KPI & SLA of Prayagraj plants. AWL is converting disposable waste into a valuable source of energy by using the Biogas Energy Generation technology at the STP, exemplifying its commitment to environment conservation and responsible business practice. Additionally, AWL is expanding its solar generation capabilities to gradually increase the low carbon emissions model for its operations.

Outlook

AWL is exploring opportunities in various domains including wastewater treatment, irrigation infrastructure development, river interlinking projects, large-scale water supply and distribution initiatives, and desalination projects.

Airports

The airports business, represented by Adani Airport Holdings Limited (AAHL) (a wholly-owned subsidiary of AEL), commenced operations in FY 2021-22. AAHL is responsible for the development, operation, and management of airports, aiming to develop world-class airport infrastructure and associated city-side developments, incorporating modern facilities and technologies to enhance passenger experience and operational efficiency across all airports. AAHL has emerged as the largest private operator of airports. The airports are city airports located adjacent to and well connected with large cities with easy access by bus, taxi, automobile, and other public transportation modes. This has contributed to traffic at our airports being relatively resilient to the effects of seasonality and economic cycles affecting specific regions and tourism traffic. AAHL caters to a diverse and growing traveler base and building a future-ready integrated infrastructure that unites passenger and non-passenger services into one cohesive, frictionless ecosystem – setting new benchmarks for what airports can be.

Industry Overview

India's airport sector has experienced remarkable growth and transformation in recent years, driven by rising passenger traffic, increased private sector participation, technological advancements, and the government's focus on enhancing airport infrastructure. India has emerged as the third-largest domestic aviation market globally, underscoring the sector's critical role in nation's economic development. Notable developments include the construction of major greenfield airports, privatisation of airports, the launch of new airlines, and the introduction of a comprehensive drone policy. The entry of private players has also reshaped the industry with concepts like Airport Retailing, while the Regional Connectivity Scheme (RCS UDAN) has significantly boosted air traffic by enhancing access to underserved regions. Technology and digitisation have become pertinent to the sector, with airports across the nation adopting innovative solutions to streamline operations.

India's passenger traffic has witnessed a significant uptick in recent years, led by rising disposable incomes, increasing affordability of air travel, the expanding middle class, the rise of low-cost airlines, and government initiatives like the UDAN scheme for regional connectivity. While the COVID-19 pandemic caused a sharp decline in FY 2020-21 and FY 2021-22, the aviation industry rebounded strongly in FY 2022-23, recording a 73% increase in passenger traffic, with a 62% growth in domestic passengers and a 158% rise in international passengers. This recovery was fuelled by the easing of restrictions, widespread vaccination efforts, and the global economic revival. In FY 2024-25, the industry recorded a 7.8% growth in domestic air passenger traffic, reaching 165.7 million travellers. Passenger traffic in India is expected to grow at a CAGR of 8–10% between FY 2023-24 and FY 2027-28, with domestic traffic projected to grow faster than international traffic. Increased airport infrastructure, improved connectivity, travel demand, and private investments are expected to sustain this growth momentum. The government actively promotes airport infrastructure development through initiatives like the Regional Connectivity Scheme (RCS-UDAN) and the National Aviation Policy 2016, which offer subsidies, incentives, and streamlined regulations to attract investments. Launched in 2016, the UDAN scheme enhances regional connectivity by developing unserved and underserved airports, with over 500 routes operational as of December 2023. It focusses on stimulating regional connectivity by developing 100 airports by 2024. The National Monetisation Pipeline (NMP) has identified 25 airports for privatisation through Public-Private Partnership (PPPs) to attract

private investment and expand infrastructure. Plans on the anvil also include reviving 50 aircraft landing sites, including airports, helicopter pads, water aerodromes, and advanced landing grounds, aiming to enhance regional air connectivity. Further, liberalised FDI rules will encourage investment, supporting the sector's modernisation and growth. The Digi Yatra (DY) Foundation was established to spearhead the Digi Yatra programme, an initiative by the Ministry of Civil Aviation to transform air travel in India. It aims to provide passengers with a seamless, paperless journey experience through advanced identity management and facial recognition technology. The programme is part of a broader digital transformation effort, which focusses not only on adopting new technologies but also on optimising processes and services to improve safety, security, and the overall passenger experience at airports.

Business Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2024-25	Growth (%)
Income	8,062	10,224	27%
EBITDA	2,437	3,480	43%
PBT	(68)	(5)	-

During the year, the airport business demonstrated strong resilience and growth across both aero and non-aero activities, contributing 10% to the Total Consolidated Income and 21% to the Total EBITDA. Passenger movements increased by 7% to 94.4 million, while air traffic movements grew by 5% to 623.8 ('000). Cargo volumes also saw an upward trend, rising by 8% to 10.9 lakhs-MT. AAHL expanded connectivity by adding 40 new routes, 16 airlines, and 43 flights, further strengthening its network.

The business continued to outperform standard KPI benchmarks. Tariff orders are in place for six SPV airports – Ahmedabad, Jaipur, Lucknow, Mangaluru, Guwahati and Thiruvananthapuram, with the financial results already reflecting these revisions from their respective effective dates. Additionally, for Mumbai airport, the tariff order is recently issued on May 7, 2025 with effective date of May 16, 2025. FY 2025-26 is slated to reflect the full year impact of these revisions.

Digital transformation remains a key enabler, with initiatives such as Pranaam services, passenger self-service solutions, a centralised airport control centre, and customer relationship management systems enhancing operational efficiency and customer experience.

Outlook

The tariff orders received during FY 2024-25 and in May 2025 for the airports will reflect full-year tariff order revision impact in FY 2025-26. The greenfield Navi Mumbai airport Phase-I is set to commence operations with a capacity to handle 20 million pax per annum. AAHL is envisaging significant growth in non-aero revenue, expecting it be a major contributor to airport revenue and EBITDA. Parallel to this, the construction activities for CSD have commenced alongside Mumbai and Ahmedabad airports which shall be completed in phased manner. With the diversification of revenue streams coupled with untapped growth potential in organic growth and economies of scale, the airports segment continues to be a strong contributor to the growth story of AEL.

Roads

The Roads business, represented by Adani Road Transport Limited (ARTL) (a wholly-owned subsidiary of AEL), forayed into roads and highways construction in 2018 and has rapidly expanded its presence in the sector. Leveraging its entrenched businesses across diverse states in India, your Company aims to harness its local presence and project management proficiencies for creating world-class infrastructure by developing national highways and expressways.

Industry Overview

India boasts the second-largest road network globally. This network encompasses national highways, expressways, state highways, major district roads, other district roads, and village roads. While the development of national highways has been a key focus to accelerate the country's growth, state highways, district roads, and rural roads continue to form a significant portion of the overall road infrastructure, ensuring connectivity across urban and rural areas. The road transport sector accounts for nearly 87% of passenger movement and 60% of freight movement within India. Factors such as convenient accessibility, flexibility to meet individual needs, and cost-effectiveness make it a vital component of the nation's transportation infrastructure. The National Highway Development Programme (NHDP) has played a crucial role in expanding India's highway

infrastructure. By linking major cities and establishing key corridors, it contributes to the economic development of the country. The integration of NHDP into the Bharatmala project reflects a cohesive approach to nationwide infrastructure development. Launched in 2017, the Bharatmala Pariyojana, is one of India's largest infrastructure programmes, aimed at developing 34,800 km of National Highway corridors to connect over 580 districts nationwide. It marks a shift to a corridor-based approach, reimagining the road network through scientific studies, such as Origin-Destination freight movement analyses across 600 districts and crow-flight alignments to optimise routes and reduce transit time. The programme has introduced technology-driven highway development, incorporating automatic traffic surveys and satellite mapping to identify corridor upgrades. Projects under Bharatmala are implemented using a mix of models: 60% Hybrid Annuity Mode (HAM), 10% BOT (Toll) Mode, and 30% EPC (Engineering, Procurement, Construction) Mode. As of March 2024, Bharatmala Pariyojana Phase-1 has achieved significant progress, awarding contracts for construction of 26,425 km of roads and completing 17,411 km, with a total expenditure of ₹ 4.59 lakh crore. The National Highways Authority of India (NHAI), in FY 2024-25, constructed 5,614 km of national highways against the target of 5,150 km for the year. Looking ahead, project execution is expected to gain momentum, supported by government initiatives like Gati Shakti, Bharatmala Pariyojana, the National Infrastructure Pipeline, and updates to the Model Concession Agreement (MCA) for the Hybrid Annuity Model (HAM) of road project implementation. These efforts aim to sustain progress in India's highway development and infrastructure growth. According to CareEdge research, nearly ₹ 18 lakh crore is expected to be invested in national highways during FY 2024-28, with this segment anticipated to grow at a higher CAGR of 17% over the same period.

Business Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2024-25	Growth (%)
Income	7,595	10,086	33%
EBITDA	1,231	1,769	44%
PBT	852	1,043	22%

During the year, ARTL and road entities received commercial operation date for 1 HAM project and 1 BOT project, taking the total number of operational projects to 6. ARTL constructed 2,410.1 lane-km, marking an increase of 368% compared to the previous year. Construction on the Ganga Expressway is progressing as planned and is expected to be delivered as per schedule. ARTL contributed 10% to the Total Consolidated Income and 11% to the Total EBITDA. ARTL optimised costs and enhanced efficiency in toll operations and maintenance, ensuring clean and green highways. Additionally, ARTL effectively managed O&M services, achieving a significant milestone of zero damages or penalties from customers throughout the year.

Outlook

ARTL has rapidly expanded in the roads and highways sector over the past seven years, leveraging HAM, BOT, and TOT models for large-scale infrastructure development. Beyond roads, ARTL is also focussing on metro and rail projects, reinforcing its commitment to India's infrastructure growth.

Natural Resources

Integrated Resources Management (IRM)

The IRM business has established long-standing relations with its suppliers, reinforcing its position as one of India's largest natural resource suppliers of imported natural resources from Indonesia, South Africa, Australia & USA for catering to the customised requirements of both private and public sector enterprises in India. Your Company's door-to-door delivery model encompasses sourcing from suppliers, managing sea-borne logistics, providing intermediate holding facility at discharge ports and inland transportation to provide delivery tailored for each customer. This unique and dynamic approach has enabled the business to create satisfied customers across various industries such as power, cement, steel, and iron amongst others.

Industry Overview

Coal is the backbone of India's energy production, serving as the primary fossil fuel and meeting over 70% of the country's electricity demand. Consumption of coal has been rising steadily, driven by the growing energy demands of industrialisation, urbanisation, and infrastructure development. By FY 2026-27, domestic coal consumption is projected to reach 1,350 MT. While the power generation sector is anticipated to drive this growth in the near term, consumption

growth is likely to moderate from FY 2025 to FY 2027 as the share of renewable energy in India's power mix increases. Despite abundant reserves, domestic coal production has faced challenges in the past, including delays in environmental and forest approvals, land acquisition hurdles, and infrastructure bottlenecks. These issues have resulted in significant dependence on coal imports to meet the increasing domestic demand. The government has introduced several measures to boost indigenous coal production and reduce imports, as a result of which domestic coal production has grown at a CAGR of 6.4% from FY 2019 to FY 2024. However, rising demand from the power and industrial sectors continues to outpace domestic supply, leading to an increase in imports of both coking and non-coking coal. In FY 2024-25, non-coking coal import was at 167.10 MT while coking coal import stood at 54.08 MT. India is the fourth-largest iron ore producer globally. In FY 2024-25, iron ore production reached a record 289 million metric tonnes (MMT), reflecting a 4.3% growth from 277 MMT in FY 2023-24. Growth in iron ore production reflects strong demand from key end-user industries such as steel and cement. The major iron ore mines in India are concentrated in Odisha, Chhattisgarh, Karnataka, and Jharkhand.

Business Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2024-25	Growth (%)
Income	62,359	40,989	(34%)
EBITDA	5,173	3,585	(31%)
PBT	4,787	3,277	(32%)

The income, EBITDA and PBT impacted due to lower volumes which reduced by 31% to 56.5 MMT during the year. Leveraging its flagship e-portal, the "Adani IRM Portal", the business successfully entered the retail segment, expanding its presence across local markets in multiple geographies.

Outlook

The IRM business is focussed on enhancing its capabilities and reach by building a multi-commodity portfolio which will be expanded to other products like LPG and Rock Phosphate also. The business actively seeks partnerships with miners, ensuring timely and cost-effective resource delivery. Leveraging our expertise in end-to-end natural resource delivery, we aim to drive long-term sustainable growth, establishing ourselves as a global leader in trading.

Natural Resources - Mining Services

Mining Development and Operation (MDO)

AEL has pioneered the Mine Developer and Operator concept in India with an integrated business model that spans across developing mines as well as the entire upstream and downstream activities. It provides the full-service range – right from seeking various approvals, land acquisition, rehabilitation and resettlement, developing required infrastructure, mining, beneficiation (onsite) and transportation to designated consumption points. Our success is underpinned by a commitment to excellent risk management and sustainable mining practices.

Business Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2024-25	Growth (%)
Income	2,361	3,787	60%
EBITDA	830	1,688	103%
PBT	664	1,554	134%

Production volume increased by 45% to 47.2 MMT, while despatch volume grew by 40% to 43.3 MMT. During the year, 5 mining contracts were operated at an average capacity utilisation of 80%. Additionally, MDO agreements were signed for 4 mines. Also, during the year Parsa coal block was opened and it became operational. Income and EBITDA growth remained aligned with the rise in despatch volumes as per customer schedules.

Outlook

As India's largest MDO with currently serving portfolio of 11 coal blocks and 2 iron ore blocks, AEL aims to increase coal production by over 25%, reaching 60 MMTPA over next 18 months. Growth will be driven by full-scale digitalisation of operations to enhance efficiency, sustainability, and innovation. With a strategic focus on expanding its natural resources business, AEL is set to strengthen its leadership in this service sector.

Copper

AEL, through its subsidiary Kutch Copper Ltd. (KCL), is developing a greenfield custom copper smelting and refining complex. With an annual capacity of 0.5 million tonnes, scalable up to 1 million tonnes, it will be the world's largest single-location custom smelter. The facility will produce copper cathodes, rods, gold, silver, selenium, and sulphuric acid, supporting India's self-reliance in copper production.

Industry Overview

Copper is a versatile metal widely used across key sectors such as building and construction, infrastructure, consumer durables, electricals, and telecommunications. It also finds application in emerging areas like e-mobility (electric vehicles, metros), renewable energy, and engineering goods. Globally, the per capita consumption of copper stood at around 3.3 kg in 2022. India's per capita consumption is significantly lower at around 0.6 kg but is expected to increase to 1 kg in the medium term, driven by growth in infrastructure, technology, and renewable energy sectors.

Refined copper production saw a robust growth of 12.6%, increasing from 5.09 LT in FY 2023-24 to 5.73 LT in FY 2024-25, fuelled by strong growth in the infrastructure and automobile sectors. The expansion of the power sector, particularly in renewable energy capacity additions, also contributed to this growth. The growing focus on e-mobility, including electric cars and metro systems, and renewable power projects such as solar and wind energy, has further driven copper consumption. Additionally, railway electrification projects and renewable energy expansions are key drivers of copper demand. The increasing need for technological infrastructure, particularly for telecom wiring, and the broader energy transition toward renewables will continue to support copper consumption in India.

Business Performance

The smelter has successfully obtained BIS certification for cathodes and continuous cast rods, and its lab is NABL-certified for gold and silver products. KCL has implemented an Integrated Management System (IMS) for cathodes reinforcing its commitment to operational excellence, environmental stewardship, and workplace safety.

Outlook

KCL is set to play a key role in India's copper sector, leveraging Adani Group's strong infrastructure and expertise in resource trading and energy. With its strategic location, KCL benefits from seamless connectivity via sea, road, and rail, ensuring an efficient supply chain. KCL is expanding its portfolio with the establishment of Kutch Copper Tubes Limited (KCTL) to manufacture copper tubes for air conditioning and refrigeration applications. Meanwhile, KCL has begun operations, scaling up cathode and rod sales across sectors, with full commissioning of the complex expected by end of FY 2025-26.

Petrochemicals

Mundra Petrochemicals Limited (MPL), the step-down subsidiary of AEL, has initiated to implement a PVC project with a capacity of 1 MMT per annum with flexibility to expand up to 2 MMT per annum, to be executed in phases. The first phase, with a capacity of 1 MMT per annum, is slated for commissioning by FY 2027-28.

Industry Overview

PVC is the third most produced synthetic plastic polymer after polyethylene and polypropylene. It is primarily produced through the suspension polymerisation of vinyl chloride monomer and is used in industries like pipes, automotive, sanitary fittings, wires, cables, bottles, transparent films, and flexible hoses. With increasing domestic demand and limited production capacity, Indian players are reliant on imports for as much as half of their consumption requirements. In fiscal year 2023, India's demand for PVC grew by 8% and is projected to grow at a CAGR of 8–10% from FY 2022-23 to FY 2025-26. Growth is likely to be driven by increased infrastructure spending and government initiatives, with key demand coming from sectors like agriculture, infrastructure, housing, and pharmaceuticals and packaging.

Outlook

This project would be a major step towards reducing the nation's import dependency, aligned with India's vision to become self-reliant. MPL has selected the carbide

acetylene route for its proposed 1 MMTPA PVC project. The calcium carbide–based technology uses low-cost equipment and produces high yield. Further, this project will be a green PVC project as it is being designed with a low carbon emission process which will help reduce carbon emissions and capturing the carbon emitted. Your Company has already demonstrated its execution capabilities in delivering ultra-mega projects. The proposed PVC project will leverage Adani Group's expertise in both construction and operational excellence, benefiting from strategic synergies. Mundra's advantageous location, Adani Group's longstanding presence in thermal power generation, and a strong feedstock sourcing advantage will serve as key enablers for the project's success.

Defence

Adani Defence & Aerospace is a pioneer in defence design, development and manufacturing. The products portfolio and services range from small arms, ammunition, unmanned aerial vehicles, counter-drone systems, missiles and aircraft services. These offerings are further enhanced by the transformative potential of our AI/ML-driven digital technologies. AEL's defence portfolio prioritises intelligence, surveillance and reconnaissance across land, air and naval borders that warrant building capabilities in the next-generation technologies in the unmanned, cyber and satellite space.

Industry Overview

India is the third-largest country in the world in terms of defence expenditure, following the US and China. The aerospace and defence industry encompasses the manufacturing and supply of aircraft, helicopters, missiles, radars, satellites, and other defence equipment or components. In line with the government's 'Atmanirbhar Bharat' initiative, India has made it mandatory to procure 75% of its annual defence requirements domestically in FY 2023-24, up from 68% in FY 2021-22. The government's focus on modernising the armed forces and boosting indigenous defence manufacturing through initiatives like Make in India and the Defence Procurement Procedure (DPP) is further accelerating the sector's growth. These measures aim to reduce reliance on imports, promote self-reliance, and drive innovation and technological advancement in India's defence capabilities. In the Union Budget 2025-26, the government has allocated ₹ 6.81 lakh crore for defence sector, an increase of 9.53% over previous year's allocation. The Indian government has set an ambitious target to achieve ₹ 1,75,000 crore in defence production by 2025, including ₹ 35,000 crore in exports, aimed at bolstering domestic manufacturing.

Business Performance

During the year, the state-of-the-art counter-drone system was supplied and installed for the Border Security Force. Adani Defence & Aerospace has delivered the first Made-In-India surface-to-air missiles to Indian Navy and Indian Air Force. and successfully conducted trials in collaboration with DRDO, of vehicle-mounted counter-drone system equipped with both soft-kill and hard-kill laser capabilities, for the Indian Army.

Outlook

The acquisition of Air Works India Private Limited, the largest private-sector Maintenance, Repair, and Overhaul (MRO) company in India shall enable synergy benefits across the business. There exists an opportunity for significant growth, driven by increased government spending, strategic policy reforms and geopolitical dynamics.

Risk Management

Your Company has a comprehensive risk management framework in place that outlines a structured process for identifying, assessing, monitoring, and mitigating key business risks. Risk Management Committee has been formed to ensure risk oversight and assessment. The outcomes of these assessments are thereafter reported to the Audit Committee and the Board of Directors quarterly, ensuring informed decision-making and accountability.

Refer to pages 66-75 of this report for more information
Risk Management

Internal Control Systems

Your Company has implemented robust internal control systems and processes commensurate with its size and scale of operations. These systems ensure operational efficiency, governance, and compliance with industry standards. Key features of the internal control framework include:

- Clearly defined policies and procedures for all major activities, ensuring smooth business operations with strong governance
- Well-defined power delegation with authority limits for approving both revenue and capital expenditures at various organisational levels facilitates efficient decision-making and long-term business planning
- Financial management is supported through an annual budgeting process, with monthly reviews conducted for all operating and service functions to ensure alignment with business goals
- A state-of-the-art ERP system to record data for accounting, consolidation, and management information purposes, seamlessly connecting multiple locations for efficient information exchange
- Continuous efforts are made to align processes and controls with global standards, including the implementation of an online compliance management system that integrates technology with applicable laws. This system provides real-time compliance updates across all business units via a management dashboard
- A multidisciplinary team of qualified accountants, engineers, and SAP experts conducts Management Audit & Assurance Services (MA&AS) and extensive audits throughout the year across all functions. Reports are submitted to Management and the Audit Committee, addressing compliance with internal controls, operational efficiency, and process risks
- The MA&AS follows an annual risk-based internal audit plan, reviewed and approved by the Audit Committee. The process is managed through a web-enabled Audit Management System (AMS) to ensure seamless operations
- Internal audits are conducted in line with recognised standards to review the effectiveness of internal control systems, risk management procedures, and compliance with relevant policies. Recommendations for process improvements are also provided
- The Audit Committee regularly reviews the execution of audit plans, the adequacy of internal audit systems, and the implementation of recommendations to strengthen risk management policies and systems

Your Company has formed independent committees to review the efficiency and effectiveness of internal controls, ensuring oversight and accountability in all operational aspects. This comprehensive framework reflects its commitment to operational excellence and continuous improvement.

Human Resources

Your Company emphasises creating an inclusive work environment for its sustainable growth and success. Its workforce management strategy is built on regular employee engagement, effective dispute resolution mechanisms, and initiatives that encourage employee participation. By equipping employees with relevant skills and a progressive mindset, your Company ensures its workforce is prepared to meet future challenges. Collaborative efforts with labour unions and industry bodies ensure fair treatment and uphold employee well-being through comprehensive human rights policies. Your Company is also focussed on advancing women's leadership, inclusive employment practices, and policies that promote non-discrimination and equality.

Refer to pages 182-197 of this report for more information

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and others may constitute "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied. Several factors that could significantly impact the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic and overseas markets, changes in Government regulations, tax laws and other statutes, climatic conditions and such incidental factors over which the Company does not have any direct control. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.