

COMPLIANCE CERTIFICATE
(March 31, 2020)

Adani Transmission Limited
Obligor Group



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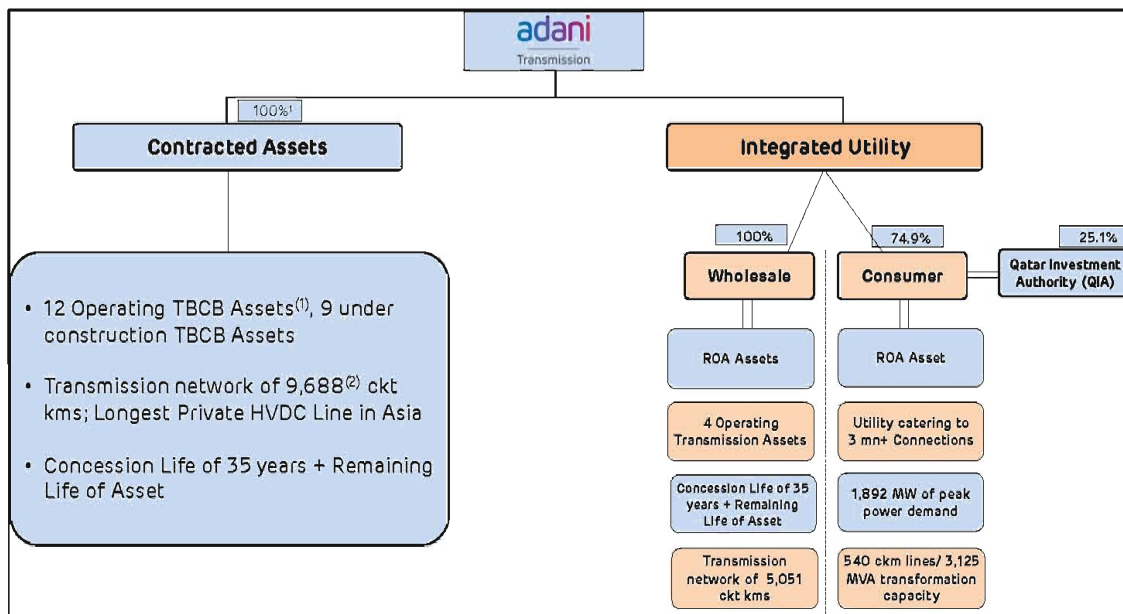
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Executive Summary

Evolution of Adani Transmission Limited (“ATL”)

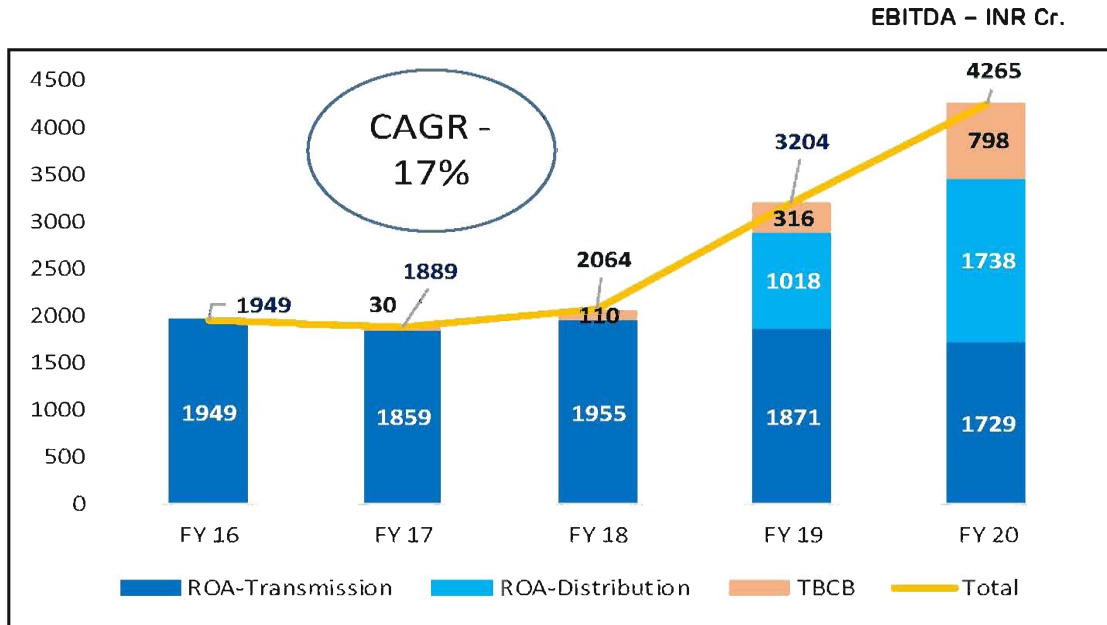
Over a period of past few years, Adani Transmission has evolved from a high growth developing company to a mature asset operator with limited Greenfield risk. ATL has expanded its Pan India Presence from ~ 5,051 CKT Km in 2016 to currently ~ 14,740 CKT Km across nine states. ATL also marks its footprint in power distribution business with acquisition of Adani Electricity Mumbai Limited in FY19. Currently AEML caters to the electricity needs of over 3 million customers in Mumbai suburbs. This acquisition makes ATL the largest private Transmission and Distribution Company in the country.

ATL business model:



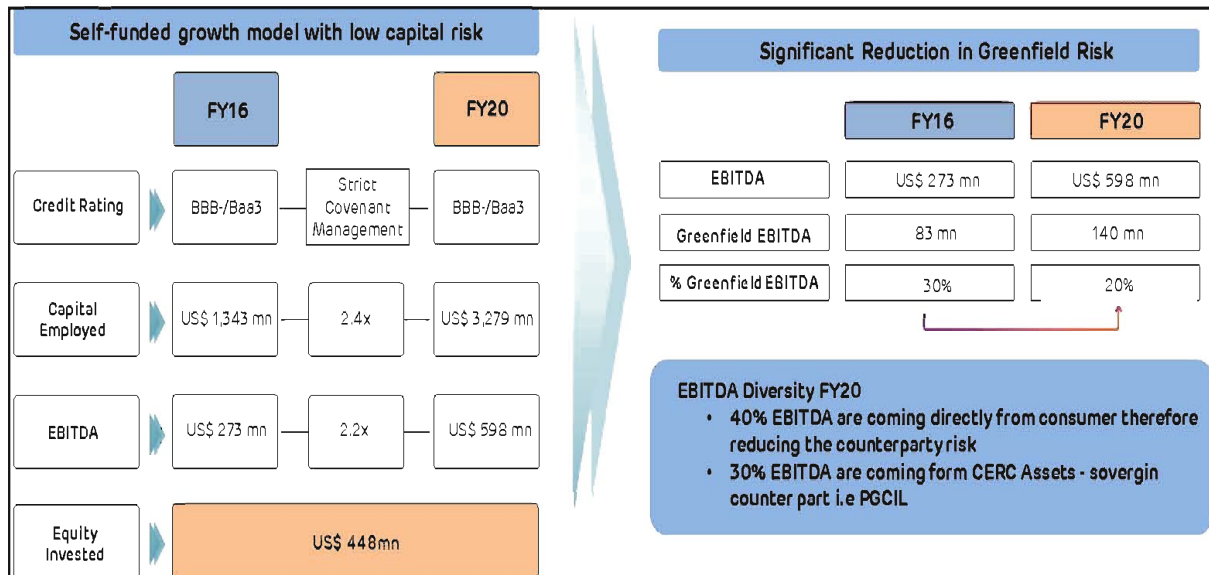
Notes: 1) % denotes shareholding; 2) Network includes operational, under construction as of 31st March, 2020

ATL, from its inception stage has been maintaining a high EBITDA performance with more than 90% margin in Transmission Business and more than 22% margin in Distribution business. ATL has grown @ CAGR of ~ 17% in the last 5 years.



Notes: #The Mumbai Distribution business, AEML (Adani Electricity Mumbai Ltd.), was acquired on 29th Aug 2018.
The above figures are excluding one-time income /(Reversal) of Rs.872.5 Cr. in FY17-18, Rs.(89.57) Cr. in FY 18-19 & Rs. 254 Cr. in FY 19-20. [Rs.110 Cr in Transmission and Rs.144 Cr in Distribution in FY 19-20.]

In-spite of the high growth over past few years, ATL has managed to reduce the Development and Capex risk with High Credit Discipline and no Equity Dilution

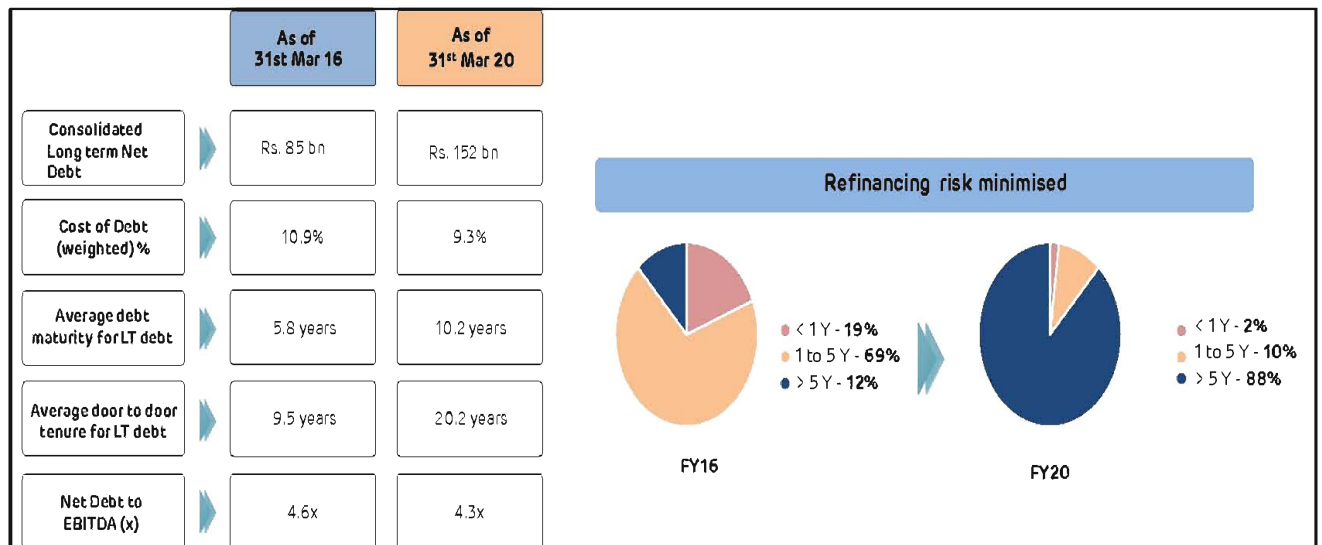


Recent Developments:

- ATL has recently raised \$ 500 million bond in OG structure to be amortised fully over 16.5 years to eliminate short-term refinance risk. Now ATL OG group has maturity profile in line with tariff profile.
- ATL also completed the first ever US Dollar bond issuance of \$ 1 Billion by a private integrated utility (AEML) from India in February 2020. This was the largest single tranche issuance by any Adani Group Company with an over-subscription of 5.9x.
- **USPP** - ATL through its 6 SPVs issued the maiden US Private Placement (USPP) of \$ 400 Million 30-year paper, the first of its kind in the transmission space. We are the first Indian company in over a decade to carry out such a transaction.
 - Average cash distribution from USPP Assets will be ~ INR 180 Cr., each year.

- **Strategic partnership** – As a part of capital management plan, during the year Qatar Investment Authority – Sovereign wealth fund of the State of Qatar has acquired 25.1% stake in AEML. In future ATL will follow the same strategy for the additional cash generation by bringing in strategic partner at various SPVs level. QIA participation will help AEML to adopt global best practices through shared learnings. Also it helps AEML to benchmark its performance with world’s best utilities and help to deliver world class infrastructure to its consumer.

ATL’s Capital Management Program brings diversity and elongated maturity to firm’s debt profile



ESG

- Appointed External Agency for ESG Audit
- 12x growth in renewable power procurement (from 3% of total power mix to 30%) at Mumbai retail distribution business – 700 MW PPA has been signed

Adani Transmission Obligor Group:

ATL along-with its 2 wholly owned subsidiaries Adani Transmission (India) Limited (“ATIL”) and Maharashtra Eastern Grid Power Transmission Company Limited (“MEGPTCL”) formed an Obligor Group (“OG”). ATL OG group owned 4 ROA Assets as follows:

Sr no	Asset Name	Regulator	License End Date#
1	Mundra-Mohindergarh (HVDC Line)	CERC	Jul-38
2	Mundra-Sami-Dehgam Line	CERC	Jul-38
3	Tiroda-Warora Line	MERC	Jul-34
4	Tiroda-Aurangabad Line	MERC	Sep-35

All the assets are eligible for 10 years extension in license life

ATL OG has issued 2 international market 144A/RegS issuance as follows:

1. \$ 500 Mn issued in Aug-2016 having bullet maturity of 10 years maturing in Aug-26
2. \$ 500 Mn issued in Nov-2019 to be amortised fully over 16.5 years with weighted average maturity of 10.14 years.

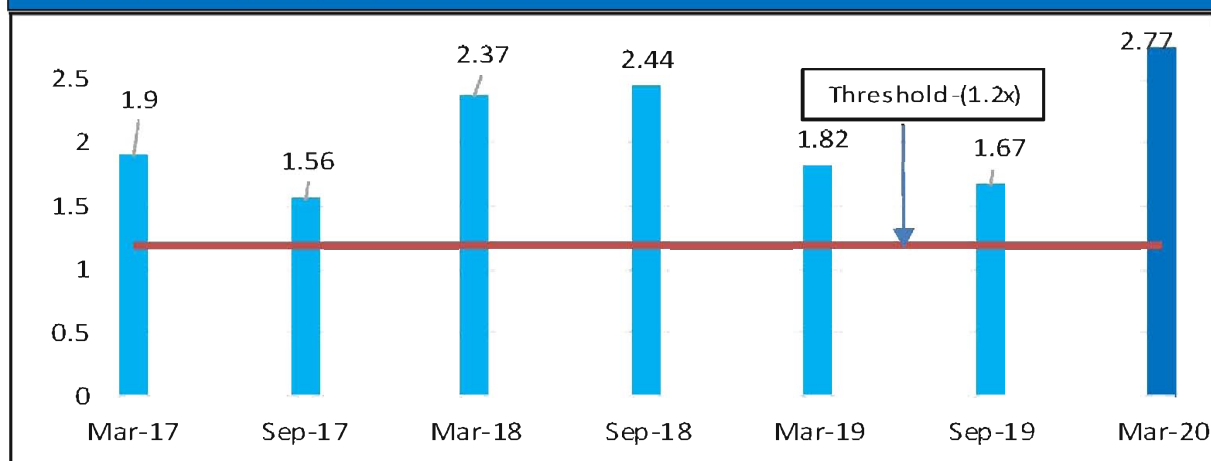
Now ATL OG group has no short term refinance risk and near term liquidity event.

Performance History:

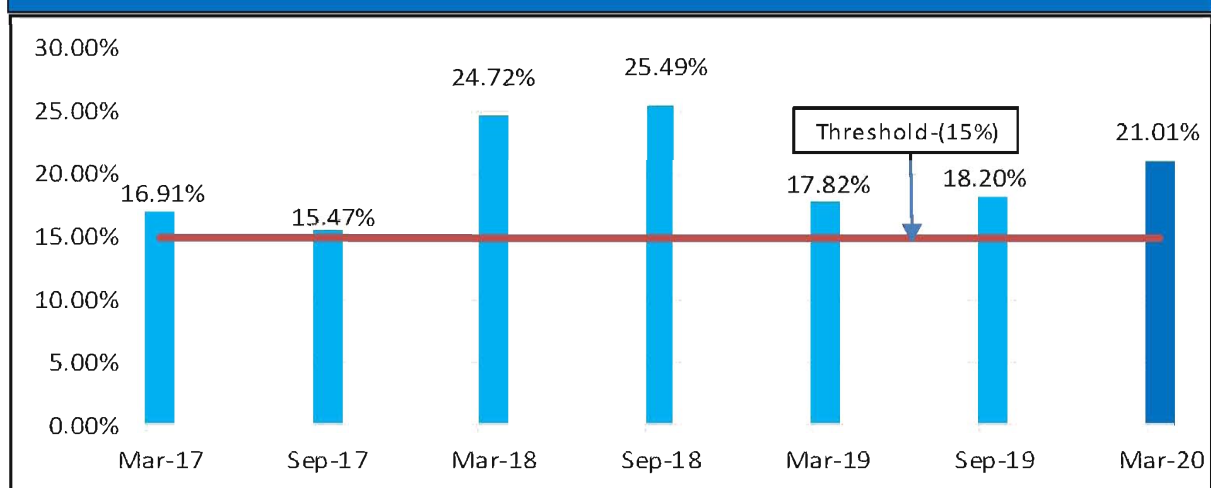
The Obligor Group (as "OG") on aggregate basis has constantly achieved performance over threshold limits:

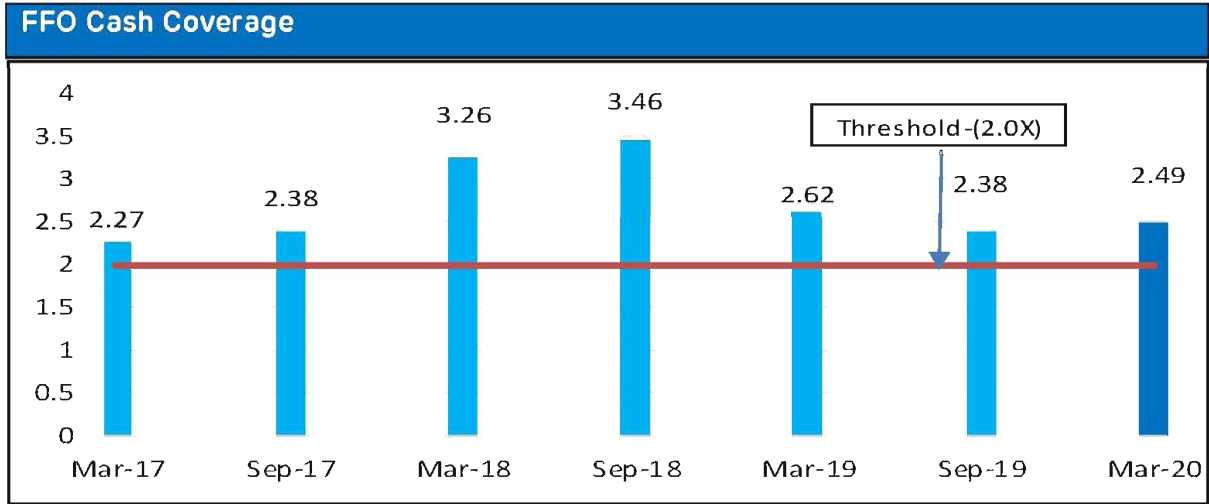
Summary of the covenant							
Particulars	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19	Mar-20
Debt Service Coverage Ration (DSCR) (Refer Annx-1)	1.90	1.56	2.37	2.44	1.82	1.67	2.77
FFO / Net Debt (Refer Annx-2)	16.91%	15.47%	24.72%	25.49%	17.82%	18.20%	21.01%
FFO Cash Interest (Refer Annx - 2)	2.27	2.38	3.26	3.46	2.62	2.38	2.49

Debt Service Coverage Ratio (DSCR)



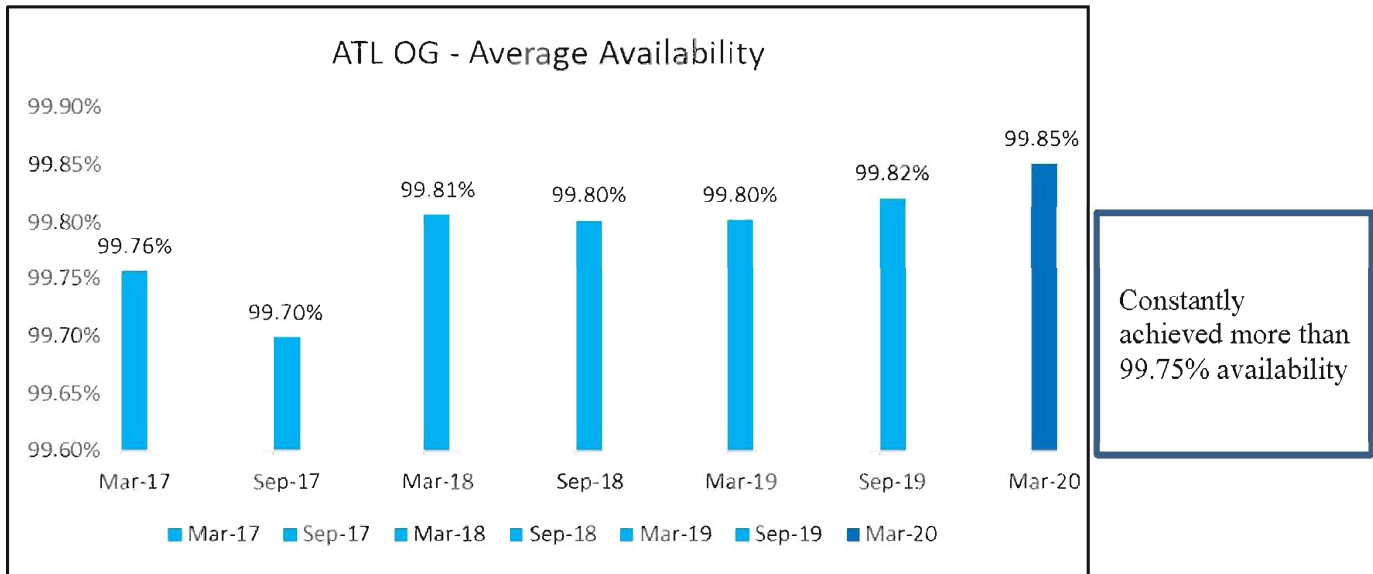
FFO to Net debt





Operational Update:

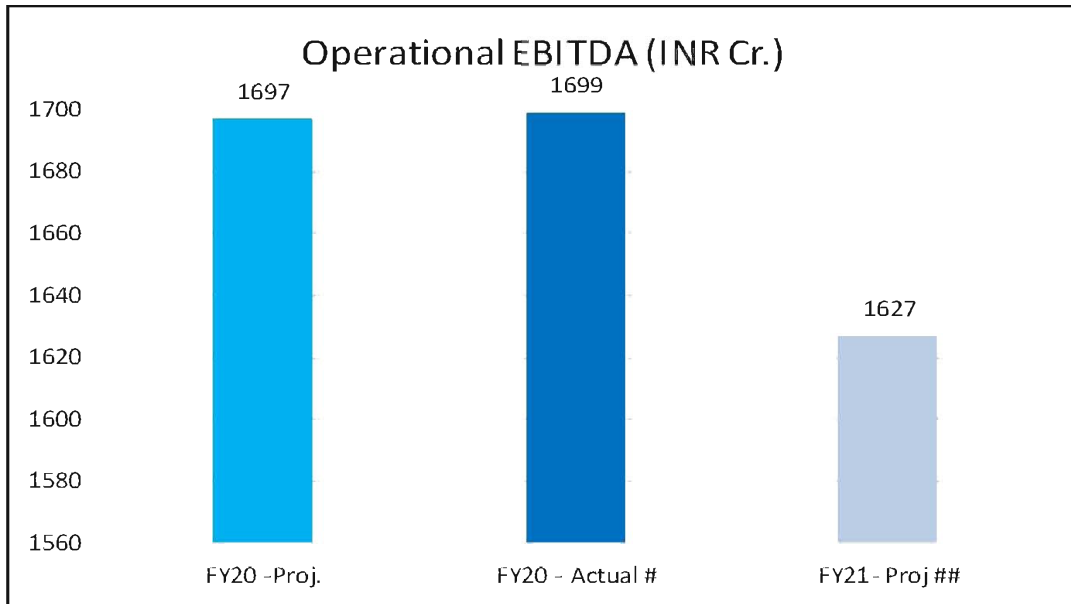
Operational performance of OG entities on aggregated basis is as follows:



Financial Performance:

Financial performance of OG entities on aggregated basis is as follows:

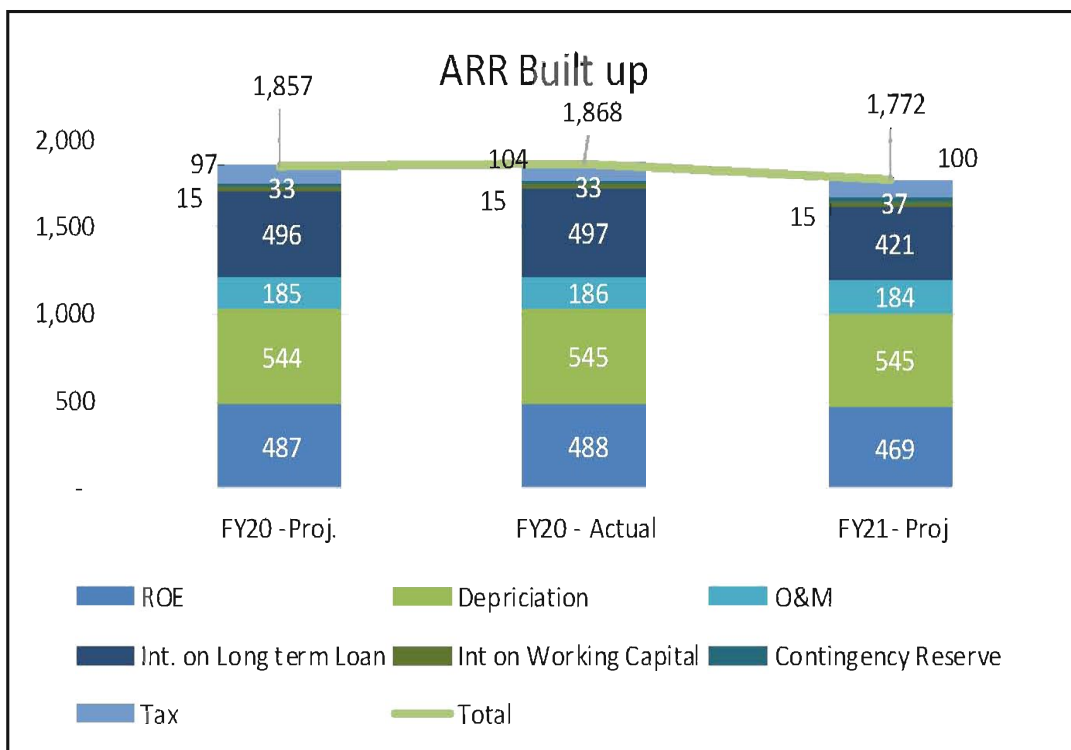
1) EBITDA Performance



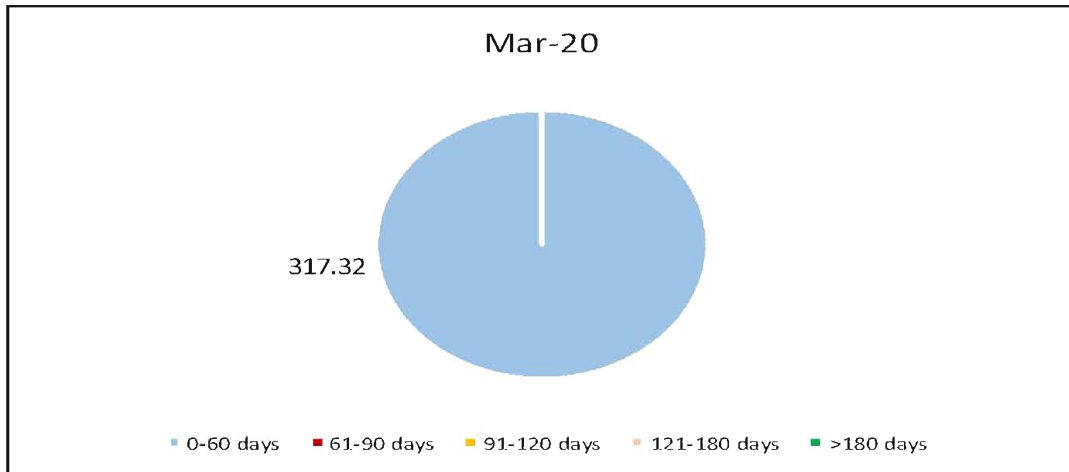
FY20 excludes one time income of INR 72 Cr. (net off one time exp)

Decrease in FY21 projection due to normal tariff decrease in Regulated Asset

2) ARR Built Up:



3) Receivable Ageing



						INR Cr.
ATL OG	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Mar-20	317.32	-	-	-	-	317.32
Sep-19	368.34	-	-	-	-	368.34
Mar-19	350.44	-	-	-	-	350.44
Sep-18	311.39	-	-	-	-	311.39

Receivables includes one month of normal unbilled revenue which will be billed on 1st day of next month.

Information on Compliance Certificate and Its Workings

To:

IDBI Trusteeship Services Limited (the "Security Trustee")

Madison Pacific Trust Limited (the "Note Trustee")

Note Holders for U.S. \$ 500,000,000 Senior Secured Notes Due 2026 and U.S. \$ 500,000,000 Senior Secured Notes Due 2036

From:

Adani Transmission Limited

Adani Transmission (India) Limited and

Maharashtra Eastern Grid Power Transmission Limited (as Obligor)

Dated: 06th June, 2020

Dear Sirs

ADANI TRANSMISSION LIMITED – Common Terms Deed dated 29th July, 2016 (the "Common Terms Deed")

We refer to the Common Terms Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring on 31st March 2020. Terms used in the Common Terms Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

1. Financial Audited Accounts of Obligor Group for 12 months period ended on March 31, 2020
2. The Cash Flow Waterfall Mechanism as detailed in the Project Account Deed

We hereby make the Operating Account Waterfall and distributable amount Calculation.

Computation of Operating Account Waterfall as per Note Trust Deed

Operating Account Waterfall for the Calculation period	
Particulars	Amount (INR in Cr.)
Total Cash Inflow (Refer Reconciliation Statement below)	2209
Less:	
O&M & Statutory Dues (Refer P&L enclosed herewith)	315
Debt Service	
Interest Service	780
Debt Service	178
Balance in Debt Service Reserve Account (Refer Cash Balance Table below)	80
Cash Available for LRA and Distribution Account	856

Reconciliation with Financial Statement

Total Cash Flow	Amt Rs.
Total Revenue as per P&L	3112
Less:	
Trading Revenue	858
Sub total	2254
Add:	
Change in Working Capital	-46
Total	2209

Details of Cash Balance in Project Accounts as per Clause 1(C)(iii) of Schedule 3 (Undertakings) of Common Terms Deed

Details of Cash Balance in Various Projects Accounts	
Project Account Name	Amount (INR in Cr.)
Debt Service Reserve Account	80
Liquidity Reserve Account	700
Cash and Bank Balance (including market investment of INR 765 Cr.)	1,214
Total Balance	1,994

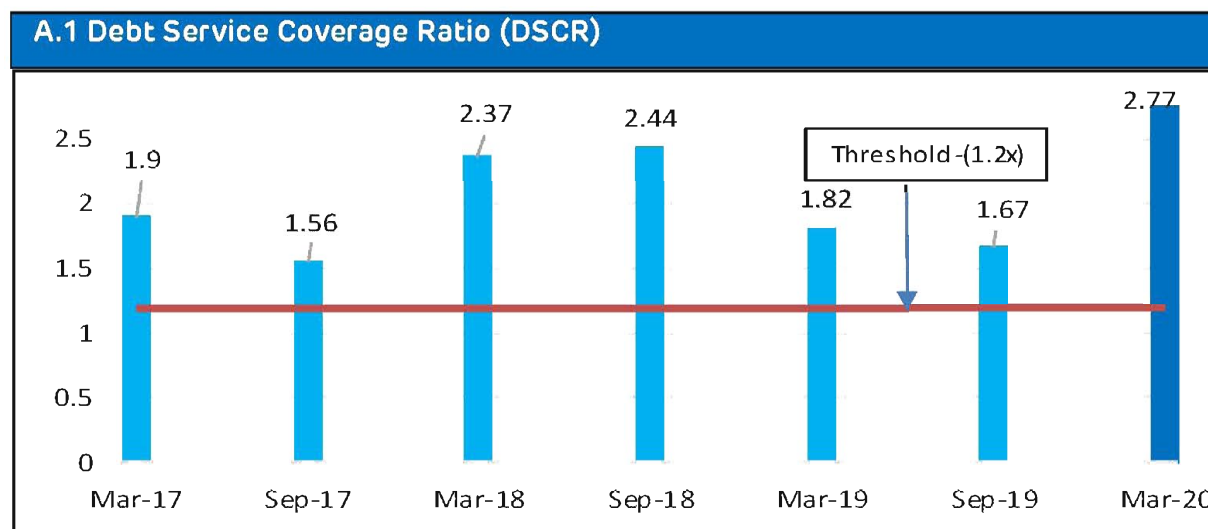
We confirm that:

- (a) In accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ended on the relevant Calculation Date was 2.77:1.
- (b) Copies of the Issuers audited Aggregated Accounts in respect of the Calculation Period is attached.
- (c) As at the Calculation Date, the aggregate amount for transfer to our Distributions Account in accordance with the Operating Account Waterfall is Nil.
- (d) To the best of our knowledge having made due enquiry, no Default subsists.

Summary of the Covenant

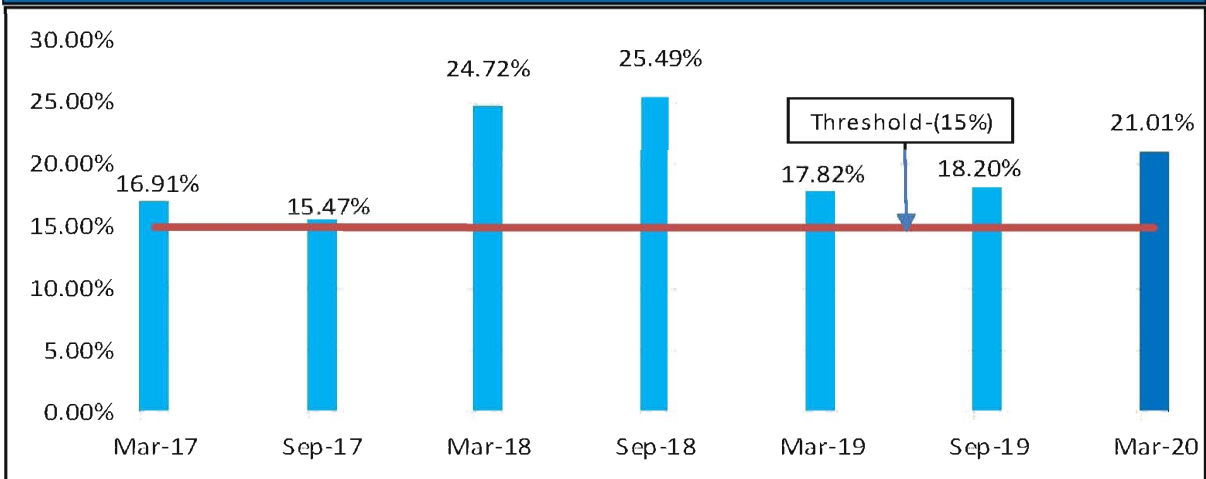
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FFO Cash Interest (Refer Annx - 2)	2.27	2.38	3.26	3.46	2.62	2.38	2.49

A. Financial Matrix



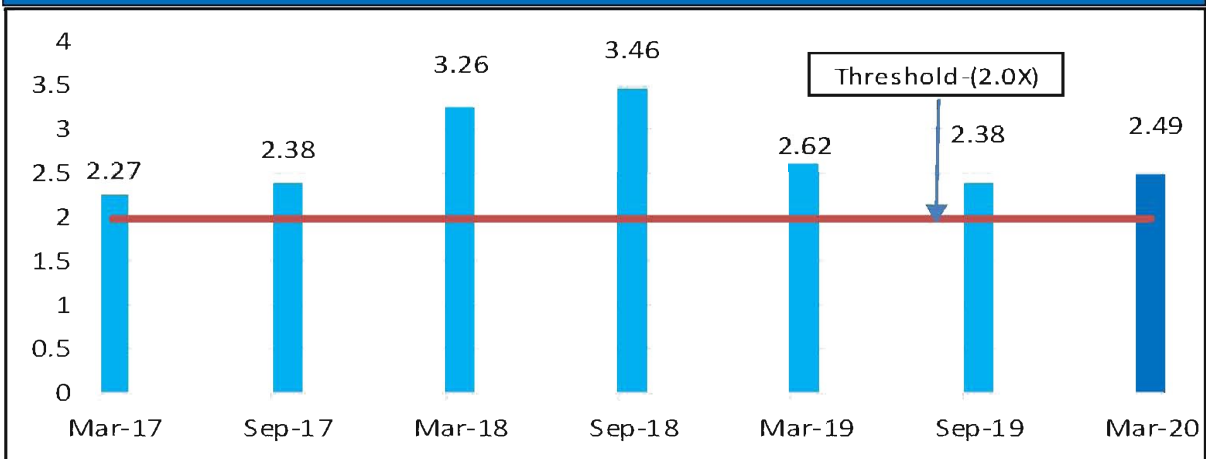
increase in DSCR coverage in March-20 is because of reduction in amortisation due to refinancing of Rupee Debt by USD Bonds

A.2 FFO to Net debt

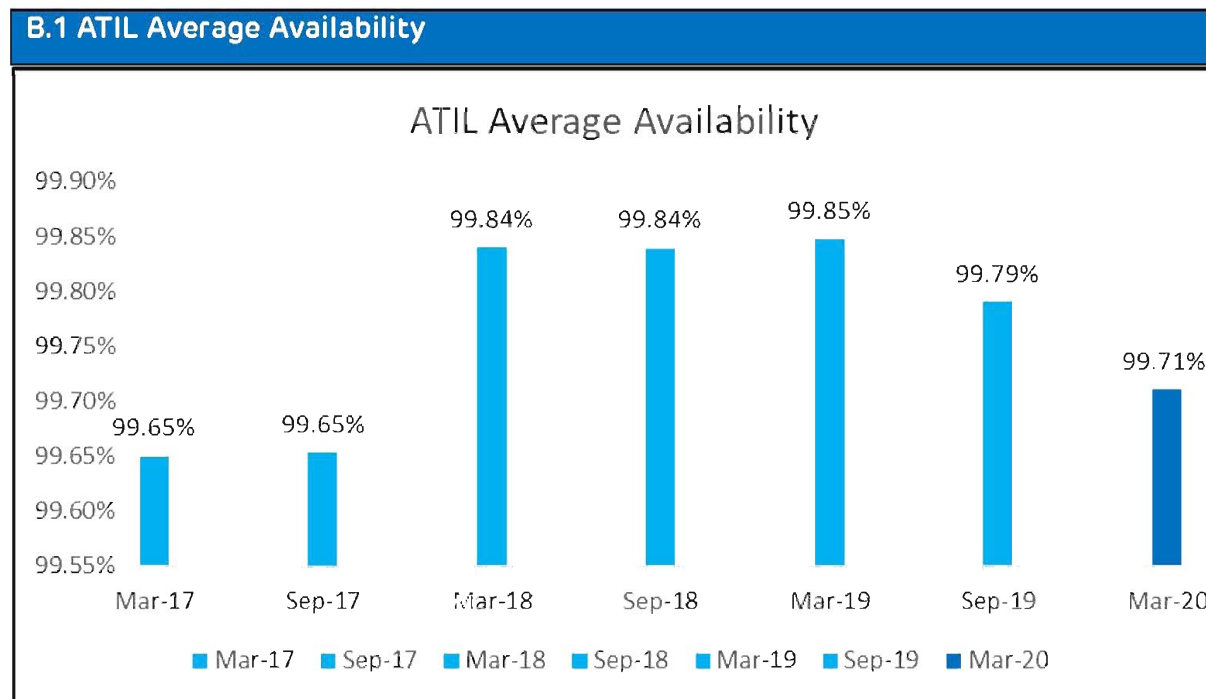


Increase in FFO to Net Debt level in March-20 is because of higher cash reserve

A.3 FFO Cash Coverage



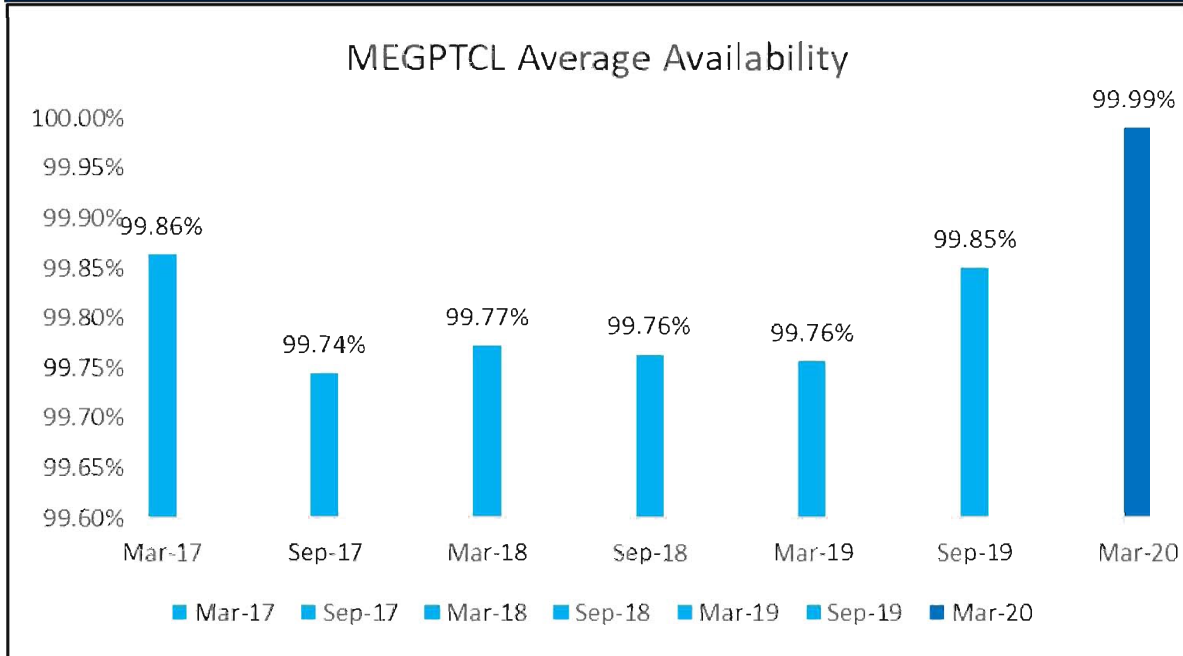
B. Operational Performance (Availability):



Note : ATIL consists of three lines – Mundra-Mohindargharh (HVDC), Mundra Dehgam (HVAC) and Tiroda-Warora (AC). Above table depicts average combined availability. Below are average availability of individual lines.

Period	HVDC (M-M)		HVAC (MSD)		AC (T-W)	
	Average	Normative	Average	Normative	Average	Normative
Mar-17	99.38%	96.00%	99.91%	98.00%	99.93%	98.00%
Sep-17	99.41%	96.00%	99.91%	98.00%	99.89%	98.00%
Mar-18	99.87%	96.00%	99.79%	98.00%	99.83%	98.00%
Sep-18	99.89%	96.00%	99.71%	98.00%	99.87%	98.50%
Mar-19	99.84%	96.00%	99.79%	98.00%	99.92%	98.50%
Sep-19	99.90%	96.00%	99.54%	98.50%	99.94%	99.00%
Mar-20	99.14%	96.00%	99.98%	98.50%	100.00%	99.00%

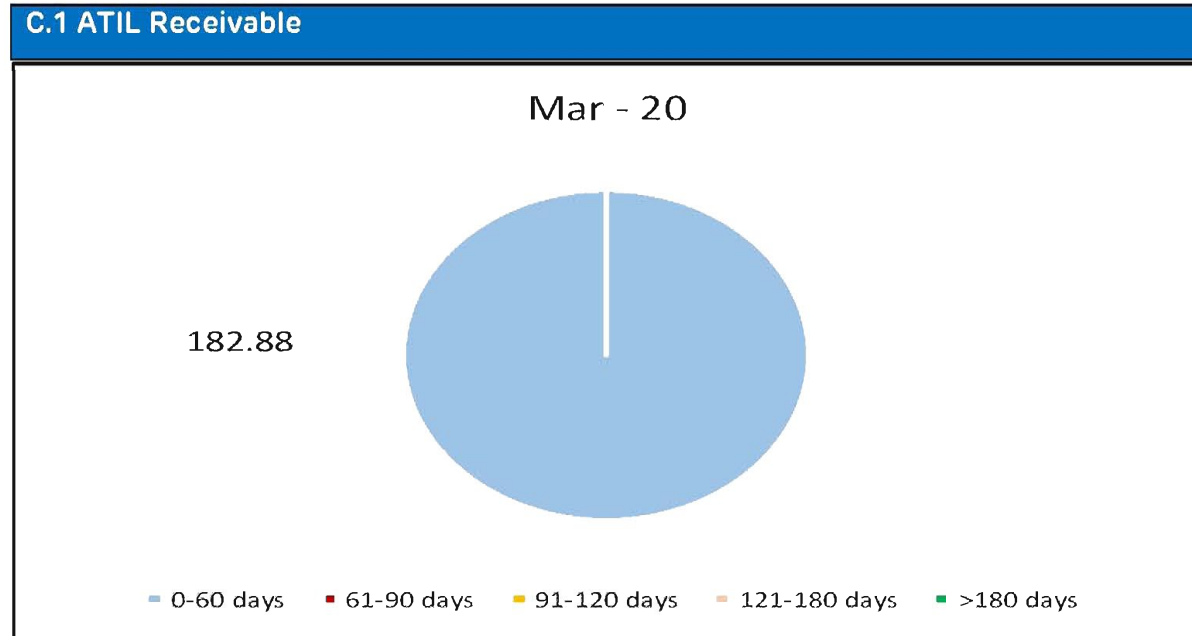
B.2 MEGPTCL Availability



MEGPTCL (T-A)		
Period	Average	Normative
Mar-17	99.86%	98.00%
Sep-17	99.74%	98.00%
Mar-18	99.77%	98.00%
Sep-18	99.76%	98.50%
Mar-19	99.76%	98.50%
Sep-19	99.85%	99.00%
Mar-20	99.99%	99.00%

Entitled to receive the Incentive Over and above Normative Availability in each line.

C. Receivable Ageing:



						INR Cr.
ATIL	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Mar-20	182.88	-	-	-	-	182.88
Sep-19	197.3	-	-	-	-	197.3
Mar-19	190.86	-	-	-	-	190.86
Sep-18	209.43	-	-	-	-	209.43

C.2 MEGPTCL Receivable



						INR Cr.
MEGPTCL	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Mar-20	134.44	-	-	-	-	134.44
Sep-19	171.04	-	-	-	-	171.04
Mar-19	159.58	-	-	-	-	159.58
Sep-18	101.96	-	-	-	-	101.96

Signed:

For Adani Transmission Limited

Authorised Signatory

Encl:

- 1) Computation of Debt Service Reserve Account
- 2) Covenant Calculations
- 3) Back-Stop Calculation
- 4) Obligor's Aggregated Accounts

Annexure:1

Computation of Debt Service Cover Ratio as per Clause 1(C)(ii) of Schedule 3 (Undertakings) of Common Terms Deed

Debt Service Cover Ratio Calculation as on 31-Mar-2020	
Calculation Period : 1-April-2019 to 31-Mar-2020	
Particulars	Amount (INR in Cr.)
i) Cash Flow Availbale for Debt Service	2,650
Combined EBITDA (Refer Reconciliation Table below)	2,601
Less: Tax Paid	115
Less: RCF Interest	-
Add: Opening Cash Balance *	164
ii) Total Debt Service	958
Cash Interest	780
Net Principle Repayment	178
Principle Repayment	178
Less: Opening Cash Senior Debt Redemption Account	-
Less: Opening Cash Surplus Holding Accounts	-
DSCR (i/ii)	2.77
* Unencumbered Opening cash balance as on 01-04-2019	

Annexure: 2

Covenant Calculation

Amt in Crs.	
<i>Particulars</i>	31/03/2020
FFO	
EBITDA (A)	2,054
Interest (Bank) (B)	780
Tax Reported (C)	115
FFO (D=A-B-C)	1,159

<i>ATL Ratio</i>	For the Calculation Period
FFO/Net Debt	
FFO (A)	1,159
Debt	7,684
Less: Cash and Cash Equivalents	2,165
Net Debt (B)	5,519
FFO/Net Debt (A/B) (15%)	21.01%
FFO Cash Interest	
Cash Interest	780
FFO Cash Interest (2x-2.3x)	2.49

Annexure: 3

Backstop Calculation

Backstop Calculation as on 31-03-2020	
Particulars	
Weighted Average Life (WALL)	
Σ (EBIDTA * Weighted Average Life) (A)	29753
Σ EBIDTA (B)	1674
Weighted Average Life (WALL) (A/B)	Dec-36
Sweep Covenant	
Backstop Date (1 year Prior to the WALL)	Dec-35
Backstop Period Start Date (10 year prior to the Backstop Date)	Dec-25
Sweep Covenant i.e Senior Debt Redemption Amount (Applicable or Not Applicable)	Not Applicable