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# Adani Transmission Limited

## Equity Presentation

**May 2021**

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Adani Group

# **Adani**: A world class infrastructure & utility portfolio

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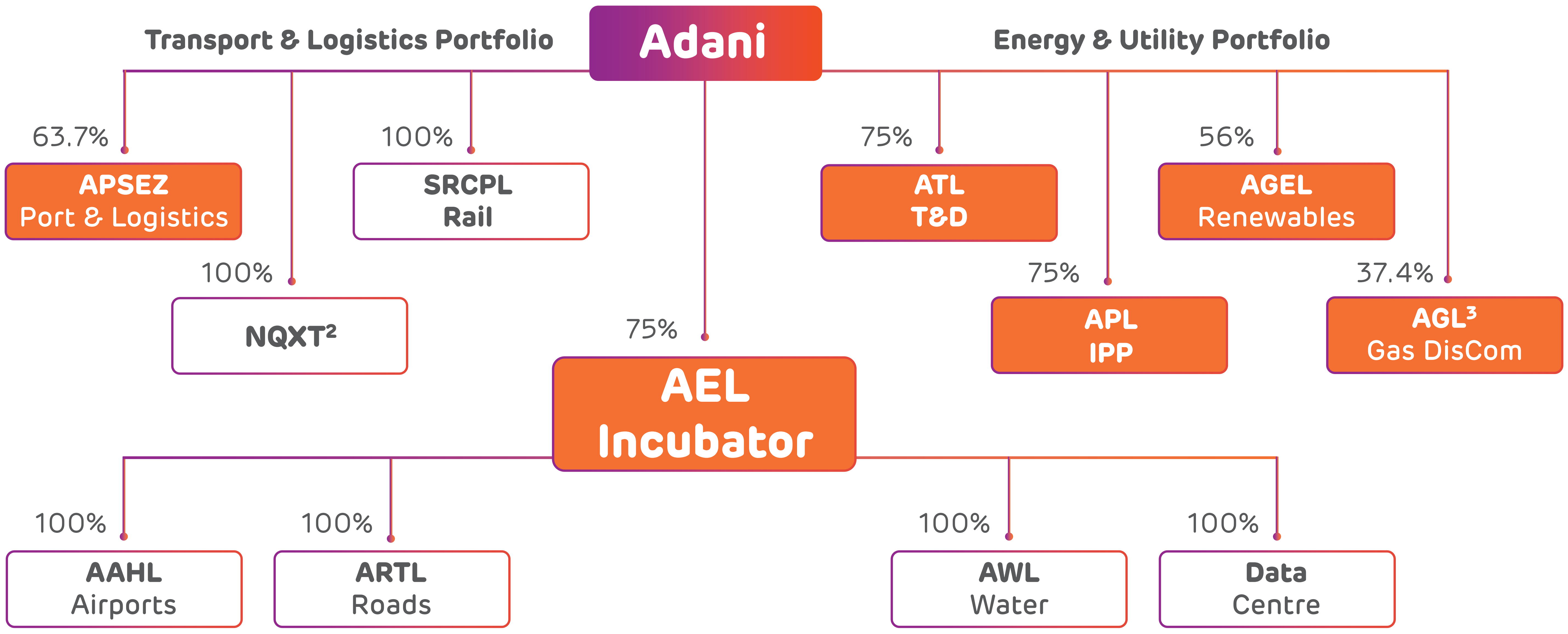


**~USD 96 bn[1]**
**(Combined M-cap)**

## Adani

**Marked shift from B2B to B2C businesses –**

- **AGL** – Gas distribution network to serve key geographies across India
- **AEML** – Electricity distribution network that powers the financial capital of India
- **Adani Airports** – To operate, manage and develop eight airports in the country

**Locked in Growth 2020 –**

- Transport & Logistics - Airports and Roads
- Energy & Utility – Water and Data Centre (JV with EdgeConneX)

**Opportunity identification, development and beneficiation is intrinsic to diversification and growth of the group**

Notes:
Orange colour represent publicly traded listed vertical | Percentages denote promoter holding
1. As of April 30th, 2021, USD/INR – 74
2. North Queensland Export Terminal
3. ATGL – Adani Total Gas Ltd.

# **Adani**: Decades long track record of industry best growth rates across sectors

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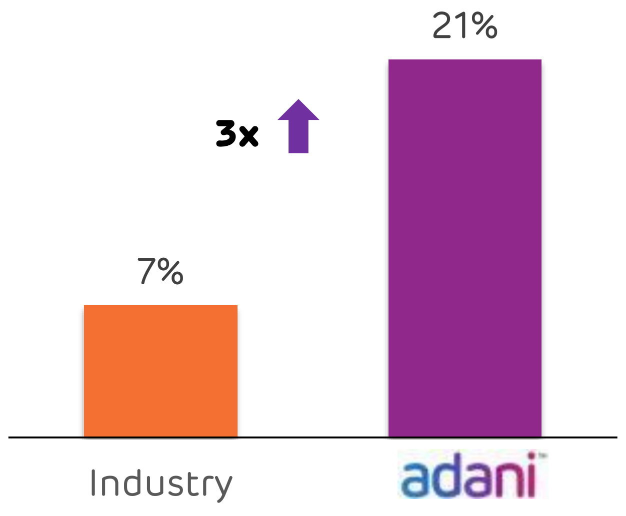
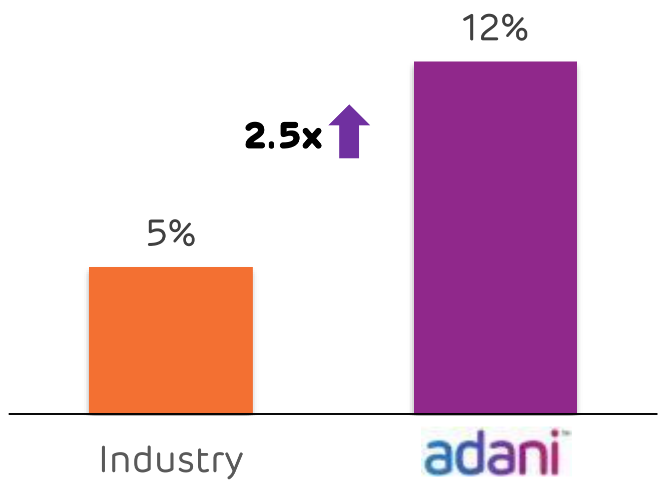
### Transmission Network (ckm)




| | | |
|---|---|---|
| **2016** | 320,000 ckm | 6,950 ckm |
| **2020** | 423,000 ckm | 14,837 ckm |

| **ATL** |
|---|
| Highest availability among Peers<br>**Op. EBITDA margin: 92%[1,3,5]**<br>Next best peer margin: 89% |

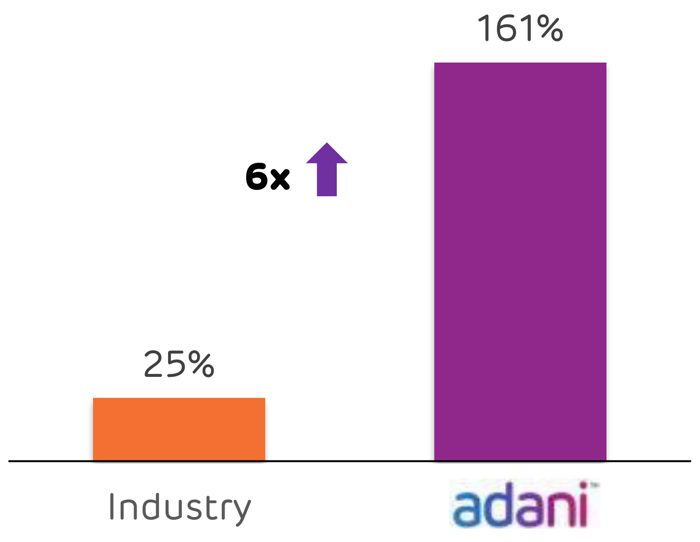
### Port Cargo Throughput (MT)




| | | |
|---|---|---|
| **2014** | 972 MT | 113 MT |
| **2020** | 1,339 MT | 223 MT |

| **APSEZ** |
|---|
| Highest Margin among Peers globally<br>**EBITDA margin: 70%[1,2]**<br>Next best peer margin: 55% |

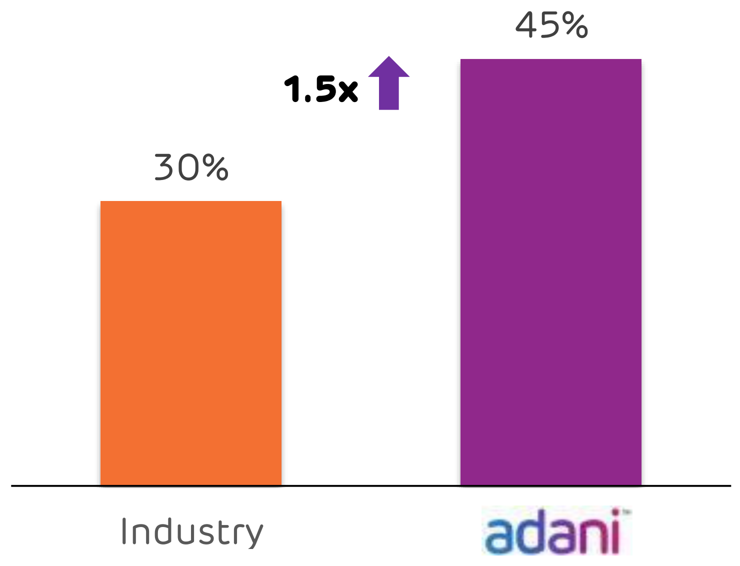
### Renewable Capacity (GW)




| | | |
|---|---|---|
| **2016** | 46 GW | 0.3 GW |
| **2020** | 114 GW | 14.2 GW[6] |

| **AGEL** |
|---|
| Worlds largest developer<br>**EBITDA margin: 89%[1,4]**<br>Among the best in Industry |

### CGD[8] (GAs[9] covered)




| | | |
|---|---|---|
| **2015** | 62 GAs | 6 GAs |
| **2020** | 228 GAs | 38 GAs |

| **ATGL** |
|---|
| India's Largest private CGD business<br>**EBITDA margin: 31%[1]**<br>Among the best in industry |

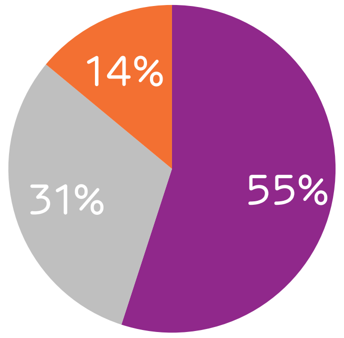
**Transformative model driving scale, growth and free cashflow**

Note: 1 Data for FY20; 2 Margin for ports business only, Excludes forex gains/losses; 3 EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4 EBITDA Margin represents EBITDA earned from power sales 5. Operating EBITDA margin of transmission business only, does not include distribution business. 6. Contracted & awarded capacity 7. CGD – City Gas distribution GAs 8. Geographical Areas - Including JV | Industry data is from market intelligence

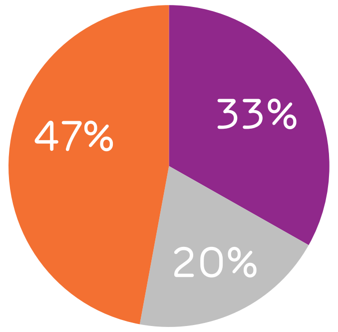
# **Adani**: Repeatable, robust & proven transformative model of investment

| Phase | Development | | | Operations | Post Operations |
|---|---|---|---|---|---|
| | **Origination** | **Site Development** | **Construction** | **Operation** | **Capital Mgmt** |
| **Activity** | • Analysis & market intelligence<br>• Viability analysis<br>• **Strategic value** | • Site acquisition<br>• Concessions and regulatory agreements<br>• **Investment case development** | • Engineering & design<br>• Sourcing & quality levels<br>• **Equity & debt funding at project** | • **Life cycle O&M planning**<br>• Asset Management plan | • Redesigning the **capital structure** of the asset<br>• **Operational phase funding consistent with asset life** |
| **Performance** | • **India's Largest Commercial Port** (at Mundra)<br>• **Highest Margin** among Peers | • **Longest Private HVDC Line** in Asia (Mundra – Mohindargarh)<br>• **Highest availability** | • 648 MW Ultra Mega Solar Power Plant (at Kamuthi, Tamil Nadu)<br>• Constructed and Commissioned in nine months | • Energy Network Operation Center (ENOC) enables centralized continuous monitoring of solar and wind plants across India on a single cloud based platform | In FY20 issued seven international bonds across the yield curve totalling~USD4Bn<br>AGEL's issuance of $1.35Bn revolving project finance facility will fully fund its entire project pipeline |

**All listed entities maintain liquidity cover of 1.2x- 2x as a matter of policy**




**March 2016**




**March 2020**

● PSU ● Private Banks ● Bonds

**Debt profile**

# ATL: A platform well-positioned to leverage growth opportunities in T&D business

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## Development

### Execution Prowess

Transmission Network of **17,276 ckt km**[1]; Longest Private HVDC Line in Asia

### Strategic Presence

**Transmission** - Presence in 12 states with 23 transmission lines

**Distribution** - Integrated utility catering to gateway city of Mumbai

### Healthy pool mix

Transmission (FY21):

**52%** of EBITDA - Central pool

**48%** of EBITDA - State pool

## Operations

### Operating Efficiency and Strong Margins (FY21)

Robust network availability of **~99.87%** and supply reliability of **99.99%**

Transmission EBITDA Margin – **92%**

Distribution EBITDA Margin – **27%**

### Consumer-centricity

Integration of Customer and Technology enabling AEML as a supplier of choice

### ESG

**Embedded ESG Framework** for enhanced value creation

## Equity Value Creation

### ROE optimization via Efficiency-led Development

Development and O&M efficiencies resulted into savings of **~Rs.5 bn** optimizing ROE at **55%**

### Capital Management

Re-designing capital structure though low cost capital and elongated maturity

### Self-funded growth model ensuring efficient capital churn

Every Rs. 1 bn of Equity Invested allows creation of Rs. 2.25 bn of Equity Employed

Note: 1) Transmission network is as of March'21 and includes operational and under-construction assets

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# Company Profile

# ATL: Manifesting Adani's Infrastructure Excellence in T&D business

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| | | | |
|---|---|---|---|
| **Execution Strength and Pan India Presence** | Pan-India network & only private sector co. to operate 500 KV HVDC in S-E Asia | **AEML** - One of the best-run 93-year old integrated utility catering to gateway city of Mumbai | **3 million+** Retail Electricity Households |
| **Predictable and Annuity Returns** | **INR 348 Bn/ US$ 4.8 Bn** Total Regulated Asset base[1] (Fully built) | **31 years/ 17 years** Avg. Residual Concession Life (Transmission/ Distribution)[4,5] | **47%/ 53%** ROA / TBCB Asset Base[2] |
| **Robust Financial performance and strong Balance Sheet** | **92% (Transmission) 27% (Distribution)** EBITDA Margin (FY21); **99.87 %** Availability (FY21) | **INR 123 bn / US$ 1.7 bn** Approved Tariff Order (Fully Built)[1] | **BBB- / Baa3** International Investment Grade Rating[5] |

**Note:** US$/INR: 73; (1) Fully built estimate based on regulatory approved tariff and bid based tariff profile of operational and under-construction projects of Transmission and Distribution business as of March 2021. This excludes HVDC project. No upsides have been assumed on account of operational efficiencies; (2) Competitive Bidding Including under-construction assets on project cost basis and existing assets on book value basis; RTM – Regulated Tariff Mechanism; (3) S&P: BBB- / Fitch: BBB- / Moody's: Baa3; (4) Average residual concession life for Transmission assets is as of FY21; (5) Operational History of 93 years; TBCB: Tariff Based

# ATL at a Glance

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## Contracted Assets

100%[1]

### TBCB[(2)] Assets

- 13 Operating TBCB[(2)] assets
- Concession Life of 35 years + 30 years of remaining life of asset
- 10 Under-construction TBCB[(2)] Assets
- Transmission network of 11,653[(3)] ckt kms

## ROA Assets

### Transmission Assets (100%)

- 4 Operating Transmission Assets
- Concession Life of 35 years + Remaining Life of Asset
- Transmission network of 5,051 ckt kms

### HVDC Transmission line (100%)

- HVDC Line in Mumbai
- Transmission capacity of 1,000 MW
- Under-construction line of 80 kms

### Consumer-facing Integrated Utility (AEML) (74.9%)

25.1%: QIA جهاز قطر للاستثمار QATAR INVESTMENT AUTHORITY

- AEML catering to 3 mn+ Connections
- 1,892 MW of peak power demand
- 540 ckm lines/ 3,125 MVA transformation capacity

Notes: 1) % denotes shareholding; 74% in Aravalli Transmission Service Company Limited; 2) TBCB: Tariff based competitive bidding; 3) Network includes operational, under construction as of 31st December 2020

# ATL: Contracted Assets at a Glance

## Contracted Assets (TBCB Assets)

TBCB (Section 63) → Fixed Tariff

| Operating Assets | Asset Base (Rs. Bn) | Op. EBITDA FY21 (Rs. Bn) |
|---|---|---|
| 13 | 68 | 8.4 |

| Under-construction Assets | Asset Base Fully-built (Rs. Bn) | Fully-operational 1st year tariff (Rs. Bn) |
|---|---|---|
| 10 | 117 | 14 |

## Key Characteristics

| | |
|---|---|
| Asset Life | 35 yrs + 30 yrs of remaining life of asset |
| Counterparty | Network Pool |
| Payment | Function of line availability |
| Efficiency | Availability linked incentive |

## Stable Business Parameters

- Steady stream of cash flows
- No throughput risk in Transmission sector
- Payment pooling mechanism thus no counterparty risk
- Mature Regulatory bodies (EA 2003)

## Growth levers

- 100% organic growth with robust under-construction pipeline
- Market-share of 37% in FY20[1] with IRR threshold offers high growth potential in TBCB allocations

**Note:** 1) Market share basis estimated project costs for all the TBCB projects that were under bid in FY20.
ROA: Return on Assets; TBCB: Tariff based Competitive Bidding

# ATL: ROA assets at a Glance

## 1 ROA Transmission Assets

### ROA Transmission Assets

**Return on Assets (ROA -Section 62)**

Counterparty → Network pool

Asset Life → 35 yrs + 30 yrs remaining life

| No. of Assets | Asset Base (Rs. Bn) | Op. EBITDA FY21 (Rs. Bn) |
|---|---|---|
| 4 | 107 | 17 |

## 2 HVDC Transmission Asset – Mumbai (Under-Construction)

**Return on Assets (ROA -Section 62)** → **Fixed Return**

| No. of Assets | Asset Base Fully-built (Rs. Bn) |
|---|---|
| 1 | ~60-70 |

## 3 Consumer-facing Integrated Utility (AEML)

QIA جهاز قطر للاستثمار QATAR INVESTMENT AUTHORITY

### Key Characteristics

| | | | |
|---|---|---|---|
| **Consumer base** | 3.04 million | **Counterparty** | Consumers |
| **Type of Asset** | Regulated Asset (Sec. 62) | **Asset Life** | Perpetual business |

### Consumer Utility Asset Regulated Asset Base (RAB) and EBITDA

| (Rs. Billion) | Generation | Transmission | Wires | Retail | Total |
|---|---|---|---|---|---|
| RAB FY21 | 8.0 | 13.6 | 45.5 | 1.9 | **69** |
| EBITDA FY21 | 2.3 | 2.9 | 15.3 | 0.6 | **21** |

### Stable Business Parameters

- Rate of Return Asset (**the asset being the RAB**) with **no-to-minimal throughput risk** (only Retail)
- **93-year old business** with predictable and mature regulatory framework serving **3 mn+** consumers in Gateway City of India
- Business with **inverse regulated capital structure** supported by revenue true-up and cost pass-through mechanisms
- Guided by three pillars of **Reliability** (Supply), **Affordability** (Power) and **Sustainability** (Aiming for 50% RE power by 2025)

# Transformational Journey

# ATL: Transformation nature and journey thus far

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| | Key Benchmarks | Milestones achieved |
|---|---|---|
| **Operations** | • Scale and Wider Presence (**largest private sector Transmission and Distribution player** in India)<br>• World-class Operational Excellence (one of **lowest O&M cost per ckt kms**(1) globally)<br>• Technological Edge and Innovation **(ENOC for remote operations and predictive maintenance)** | • ATL has **grown ~3x** in a span of 5 years on Transmission network and has presence in **12 states** of India<br>• Track record of consistently maintaining near **100% line availability** and supply reliability<br>• Built **longest private HVDC line in Asia** with a single hop of ~1000 kms and a capacity to transmit 2500 MW of power |
| **Acquisitions** | • **Solid integration and turnaround capabilities**:<br>  ◦ Acquired Transmission lines from KEC, GMR and successfully integrated<br>  ◦ Acquired Distribution business with more than 2.5x revenue potential and huge consumer base | • Successful **integration of various transmission lines** acquired<br>• Acquired lines **operating at global standards** and generating incentive income<br>• Achieved **improvement in Distribution loss** and SAIDI & SAIFI post acquisition of Distribution business |
| **Financial** | • Growth in Market-cap **(superior returns to investors)**<br>• EBITDA Growth **(~18% Operating EBITDA CAGR FY16-21)**<br>• Elongated Maturity Profile **(Average debt maturity of 9.8 years)**<br>• Capex (Planned Capex of **Rs. 18 bn in Transmission over 3-4 years and Rs. 9.5 bn in Distribution over 5 years**) | • EBITDA has **grown 2.3x** over FY2016-2021<br>• **Dollarized debt** (fully hedged) has risen from 10% in FY16 to **74% in FY21**<br>• **Debt maturity >5 years** has increased from 12% in FY16 to **87% in FY21**<br>• Fully-funded capex at AEML and sufficient FCF for Transmission capex |

Notes: 1) Internal peer benchmarking (refer annexure slide no. 16 of link ) 2) Share price as of February 5, 2021 has been taken for m-cap and CAGR calculations; 3) ENOC: Energy Network Operating Center

# **ATL**: Operational and Execution **Excellence**

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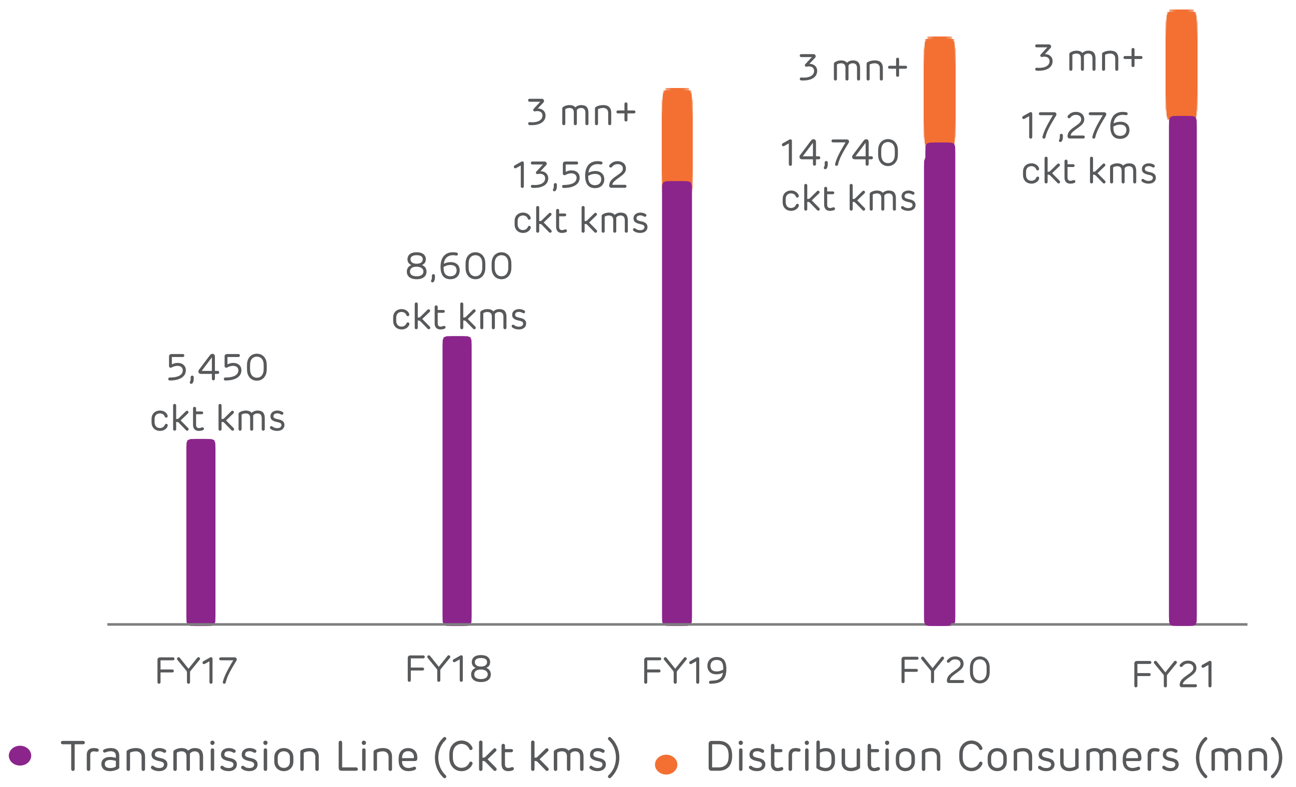
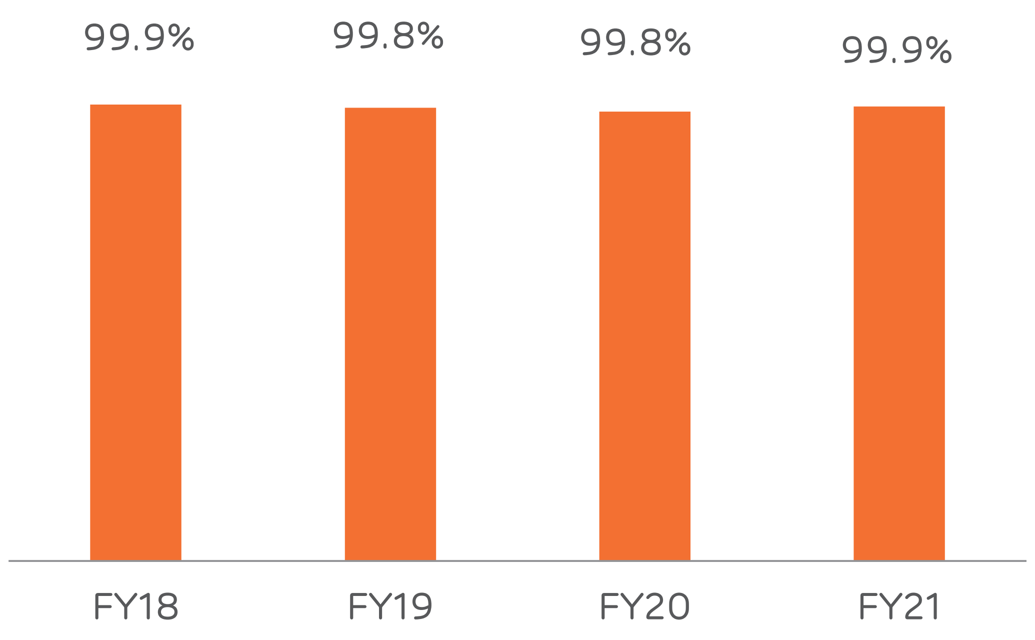
**Operational excellence**

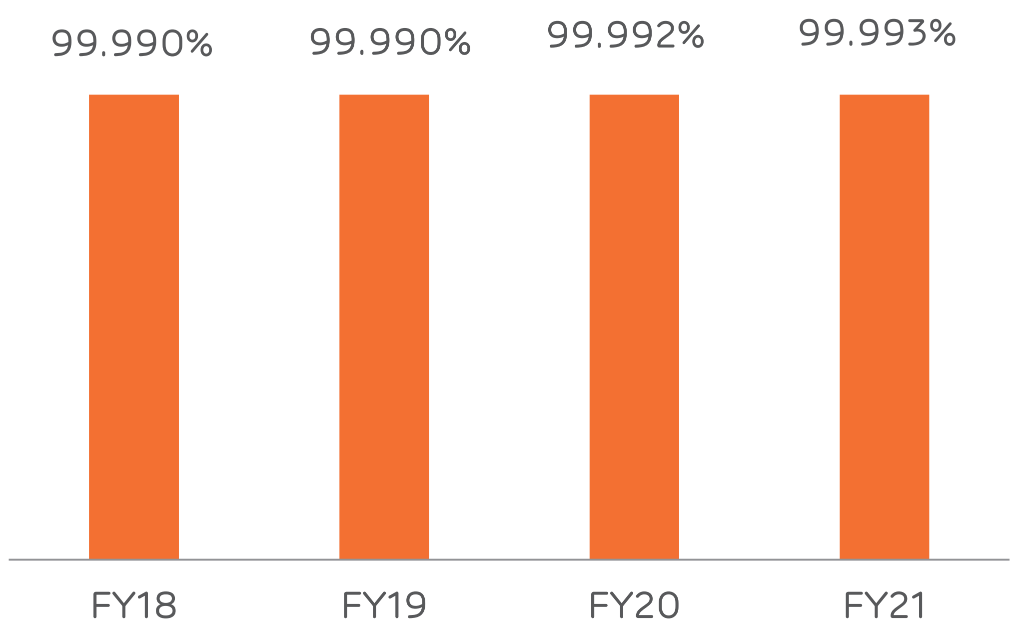
### Robust Transmission and Distribution Network




### Transmission business - Average System Availability %




### Distribution business - Supply Reliability (ASAI) %




**Execution Excellence**

### Project Excellence

- Completed HVDC project (~1000 kms) in a **record time of 24 months**
- Majority of the projects completed within time and budget allowing **ATL to command market share of 37%** in FY20
- Cost savings at development and O&M allowing **RoE optimization (USPP assets)**

### O&M Excellence

- In-house team with **vast O&M experience**
- **Remote operation** of sub-stations (Rajasthan assets) and predictive maintenance through **Energy Network Operating Center (ENOC)**
- **Low-cost and condition-based O&M** through tools like **SCADA** and processes like IMS, Disha for robust and sustainable O&M

### Design and Technology Excellence

- In-house design team capable of designing towers using tools like **PLS Tower and STAAD-PRO**
- **Drone inspection** for Asset maintenance and Pre-bid survey (LIDAR method)(1)
- **ERS tool for emergency restoration** of lines up to 765Kv within 48 hours for higher reliability and incentive income

Notes: 1) Currently at trial stage; LIDAR - Light Detection and Ranging (LiDAR) method; ENOC: Energy Network Operating Center

# **ATL**: **Excellence led scale** driving efficiencies and growth

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**Operational Efficiencies**

- Synergies from wide geographical presence and execution expertise helps **mitigate cost and time overrun risk**
- Economies of scale permits **one of the lowest Rs. 0.19 million per ckt kms O&M cost** as compared to global peers(1)
- Implemented **IMS, ISO, Disha, OMS** for process standardization and efficiencies

**Cost Optimisation**

- **Solid vendor management** and strong relationships adds to business sustainability and avoid cost escalations
- Cost optimization through Capital Management Program (~US$ 2bn worth bond issuances in 18 months) **saved finance cost by 1.6% over 5 years**

**Growth**

- ATL remains **competitive at bidding stage** due to scale benefits thus having **market share of 37%** in FY20(2)
- Availability of large talent pool and in-house capabilities provides platform for evaluation and to pursue varied growth opportunities

## Scalability Potential in Future

- Achieve **20,000 Ckt kms by FY2022** through locked-in projects and strong TBCB pipeline
- Leveraging on **3mn+ households** and continuous consumer addition in Distribution business
- **Capex opportunity of Rs. 95 bn at AEML** to increase equity returns over next 5 years
- Access to **large opportunity pool in T&D space** through greenfield, acquisitions, franchise opportunities etc.
- **Strategic partnerships** like QIA to strengthen growth and governance aspirations

**Operating Scale offering consistent efficiencies and cost optimisation opportunities giving ATL a clear competitive edge**

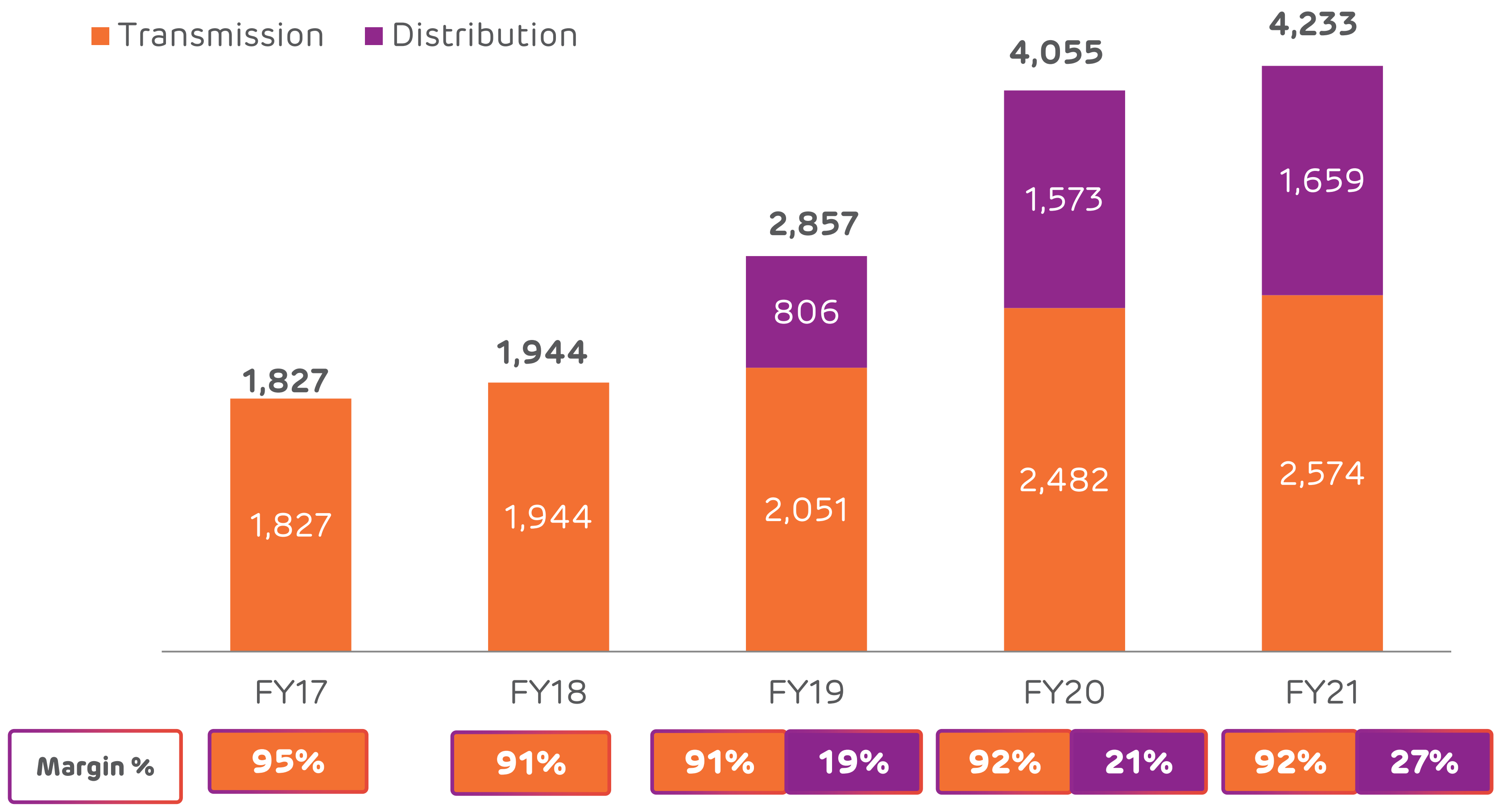


Notes: 1) Internal peer benchmarking (refer annexure slide no. 16 of link; 2) Internal Analysis and IDFC Report for Q4FY20;
ISO: International Organization for Standardization, IMS: Integrated Management System, OMS: Order Management System

# ATL: Growth and Long-term value creation

## Track-record of delivering solid EBITDA growth

Operational EBITDA (Rs. Crs)




2.3x EBITDA growth in 5 years with world-class margin profile

## Efficient and Optimal Capital Allocation

| | FY16 | FY21 |
|---|---|---|
| Capital Employed | Rs. 96 bn | Rs. 368 bn |
| Equity Invested | Rs. 32 bn invested in 2018 | |
| Operating EBITDA | Rs. 18 bn | Rs. 42 bn |

Capital structure allows double-digit EBITDA CAGR with no further equity infusion required

## Locked-in growth for next 3-5 years

### Transmission growth

- **10 Under-construction TBCB projects** worth Rs. 117 bn in transmission business to add annual tariff-revenue of Rs. 14 bn post-operation
- **HVDC project worth ~Rs. 60-70 bn** under ROA framework to increase returns

### Distribution growth

- Capex-led growth in Regulated Asset Base (RAB) to drive growth in returns
- **Fully tied-up capex plan of ~Rs. 9,500 Crs. over FY20-25**

**Track-record of robust growth coupled with efficient capital churn to create long-term value creation for stakeholders**

# **ATL**: Improving **Cashflow** with a focus on **Credit Discipline**

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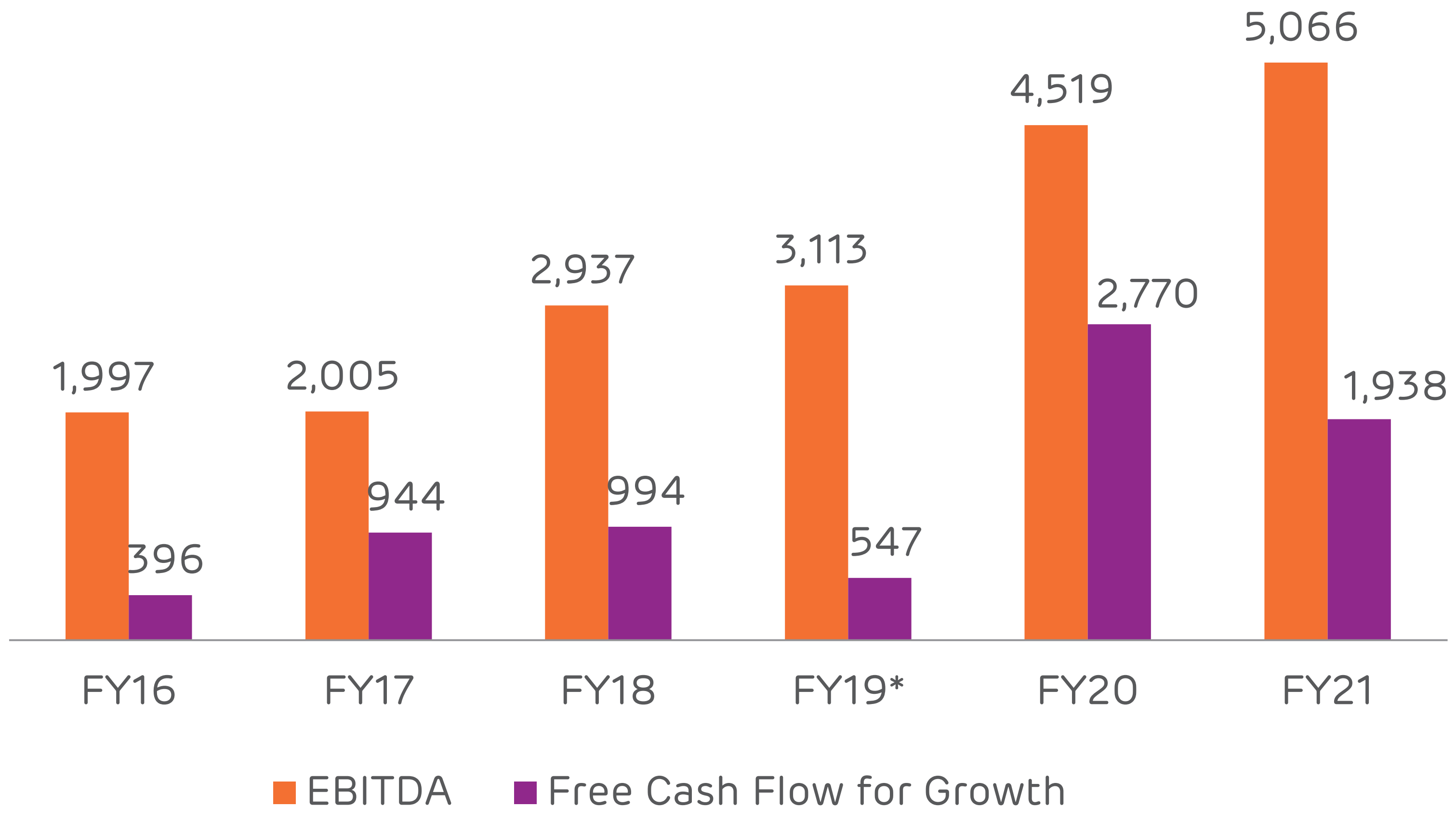
**Solid Free Cash Flow generation available for future growth**




| | **As of 31st Mar 16** | **As of 31st Mar 21** |
|---|---|---|
| Consolidated Net Debt | Rs. 85 bn | Rs. 194 bn |
| Net Debt to EBITDA (x) | 4.6x | 4.7x |
| Credit Rating | BBB-/Baa3 | BBB-/Baa3 |
| Cost of Debt (weighted) % | 10.9% | 9.2% |
| Average debt maturity for LT debt | 5.8 years | 9.8 years |

**Reduced credit risk**

**Elongated debt maturity**

**Lower cost of debt**

Note: Free Cash Flow after WC change and Investing activity. EBITDA includes other income and regulatory income (arrear income and revenue reversal)
*FY19 AEML consolidation is only for 7 months due to acquisition;

# ESG – Embedded in to our actions

# **ATL**: Integrated ESG Framework for enhanced value creation

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**Environmental**

- Technological advancement for **minimal downtime during maintenance** ▸ better availability ▸ increased EBITDA
- **Renewable Power Procurement at below APPC** ▸ tariff reduction for 12 mn Mumbai consumers
- **Reduction in pollution by fly ash utilization**

**Social**

- **Better vendor management** ▸ development of local workforce to meet best industry practices
- **Skill Development** ▸ Trained 50,000 people and **Safety of employees and 12 mn consumers** ▸ Multiple programs
- **24 x 7 consumer care availability** ▸ better responsiveness ▸ lesser consumer attrition ▸ **stable cash flows**

**Governance**

- Bankruptcy Remote Structure
- Board Independence
- Related party transactions (RPT) as per covenanted structure

All the above factors led to the **highest international rating issuer in the transmission sector in India** ▸ leading to lower cost and larger pool of capital

**TARGET BY SEP 2021**

12x growth in renewable power procurement (from 3% of total power mix to 30%)

Strong focus on social uplift and safety through various community programs and safety initiatives

Bankruptcy remote structure to be implemented for all SPVs

RPT policy applicable to all subsidiaries

Independent directors at all subsidiaries' board and committees

The integrated ESG framework has resulted in access to larger pool of capital at reduced cost >> value accretive returns

# ATL: Climate Strategy

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**Climate Awareness**

**Climate Readiness**

**Climate Alignment**

## Environment Related Factors

### Optimizing Carbon Intensity

- Carbon foot-printing and disclosure
- Improving Carbon Efficiency
- Approaching Carbon Neutrality
- Supporting low carbon economy

### Resource and Bio-diversity

- Energy Management
- Optimizing Input Consumption
- Approaching Water Neutrality
- Leaving +Ve Impact on Bio-diversity

### Waste Management

- Waste Reduction (5R* )
- Circular Economy
- Zero Waste to Landfill
- Optimizing Transmission Energy Loses

### Optimizing Carbon Intensity

- Increase Renewable Energy share
- Promote low carbon technology
- Use of Solar rooftop and wind energy
- Afforestation and Conservation

### Resource and Bio-diversity

- Reduce freshwater withdrawal
- Reuse, recycle and replenish water
- Water neutrality
- Land use management

### Waste Management

- Material Recovery Facility
- Biogas Plant (Waste to Energy)
- Organic Waste Converter
- Reduce waste outcome

### Business and future investment aligned to sustainable growth with focus on preserving environment (Disclosure in public domain)

- Carbon disclosure in Public domain.
- ESG disclosures vide corporate sustainability assessment platform of DJSI-S&P Global Adhering to disclosure in CDP,
- Becoming TCFD Supporter and signatory to SBTi.
- Water Neutrality and alliance for water stewardship certification
- Research & Development and Innovation for low carbon technology.
- Biodiversity Management & Conservation

# ESG: Environment awareness and Initiatives

**Climate Awareness**

**ATL recognizes that below environment related factors matter to our business model**

| Carbon Emissions | Resource Management | Waste Management |
|---|---|---|
| **Reduction in Carbon Footprint**<br>**Technology Driven :**<br>• Increase in Renewable procurement for the distribution business<br>• Promotion of Roof Top Solar at Mumbai<br>• Rooftop Solar power of 1.83 MW for aux consumption at all ATL substations | **Resource Management**<br>• **Water** – Rainwater harvesting at substations<br>• **Land** – Compact substations in distribution business (Elevated & Underground substations) | **Waste Management**<br>• **Fly ash** – 100% fly ash utilization at Dahanu plant<br>• "5S" at all locations |

**Climate Readiness**

**Climate Alignment**

- We are moving into the next stage of sustainability journey with more ambitious plans and targets related to **Preserving environment and measuring GHG emissions**
  - **Evaluating & planning for climate change driven adversities**
  - **Efficient Energy Solutions for 12 mn Mumbai consuming population**
- The company has aligned its business plan and is investing in below activities for sustainable growth
  - **Research & Development for Design driven Efficiency**
  - **Biodiversity Management & Conservation**
  - **Optimization of water & energy consumption**

# **ESG**: Governance – Journey so far and future glide path

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**We have charted a glide path to internalise global best practices of governance by September 2021**

| | Journey so Far | Target by SEP 2021 |
|---|---|---|
| **Corporate Behaviour** | **Structure for 8 SPVs including AEML, with no cross securities nor cross guarantees**<br>**Internal Audit Framework**<br>• **Quarterly Audit** conducted on **15 parameters** across **all subsidiaries**, Key Issues highlighted, resolution timelines fixed<br>**Compliance Framework**<br>• **IT enabled Compliance Management tool** for automated monitoring and reporting to senior management<br>**Policies**<br>• RPT policy – applicable at listed co.<br>• Anti Corruption – for employees of all subsidiaries **monitored by Vigilance officer** | **All transactions between ATL and its SPV's – with highest standards of Governance**<br>**Policies**<br>• RPT policy applicable to all subsidiaries |
| **Corporate Governance** | **Board Constitution**<br>• Listed Co. – 3 independent directors<br>• Subsidiaries – **5 SPVs incl. AEML have independent directors**<br>**Board Committees**<br>• Audit committee with all 3 independent directors<br>• 4 out of 6 committees have independent directors<br>**Senior Management Remuneration**<br>• **Industry benchmarked** remuneration, **optimal mix of fixed and performance linked** pay for long term objectives | **Board Constitution**<br>• Independent directors at all subsidiaries' board<br>**Board Committees**<br>• All committees at listed co. and subsidiary level to have independent directors<br>To replicate ATL's governance model to the extent applicable to other group subsidiaries |

# **ATL**: Compelling Investment Case

| | |
|---|---|
| **Stable & predictable cash-flows** | • **Predictable cash flow** with contracted and regulated business<br>• Long term concession life (**~35 years + 30 years of remaining asset life**)<br>• **~52% sovereign-rated counterparties** as of FY20 |
| **World-class O&M practice** | • **Robust operational metrics** - line availability, supply reliability, distribution loss<br>• One of the **lowest O&M cost through predictive maintenance** and tech excellence |
| **Robust Growth Opportunity** | • ATL well positioned to capture significant portion of this growth opportunity **(FY20 market share of 37%)**<br>• Access to large opportunity pool in T&D space through greenfield, acquisitions, franchise opportunities etc. |
| **Disciplined Capital Allocation** | • Disciplined approach towards new project bidding; stringent IRR (returns) threshold<br>• Commitment to **maintain strong credit profile and investment grade rating** |
| **ESG Focus** | • **ESG embedded in operations** and committed to sustainable value-creation for all stakeholders<br>• **Robust governance** and disclosures (further strengthened by QIA onboarding) |
| **Infrastructure lineage** | • **Pedigree of Adani Group**: leader in infrastructure –transport, logistics, energy and utility space<br>• Proven track record of excellence in development & construction |

# Annexure

# Investment Strategy – Focus Areas and Growth

# ATL: Key Focus Areas FY21 and Beyond

## Liquidity Management

- Focus on maintaining adequate liquidity cover to swiftly mitigate current uncertainties
- Fully covered in-terms of debt servicing for next 12 months by ensuring liquidity cover of >1.25x
- Sufficient cash balance and working capital lines
- With CTU/STU pooling mechanism don't anticipate major delay in receivables on Transmission side
- GOI has clarified in its recent order that Discoms continue to remain obligated to pay for power within 45 days of billing

## Growth

- ATL well placed to capture future growth through multiple avenues:
  - Robust under-construction pipeline worth Rs. 150 bn (including Mumbai-HVDC project)
  - Strong growth potential through TBCB transmission projects
  - Acquisition, New License, Franchise and PPP Opportunities in T&D space
  - Capex plan of Rs. 95 bn to grow RAB at AEML by FY25

## Capital Management

- ATL continues to focus on freeing up its equity, reducing cost of debt and bringing in marquee partners to set global corporate practices
- Continue to add diversity and elongated maturity to firm's debt profile
- Strong thrust on maintenance of IG rating by constantly improving liquidity ratios ensuring credit quality

## ESG Focus

- Continue to maintain ESG focus and follow defined glide path
- Ensure Climate Awareness, Climate Readiness & Climate Alignment
- AEML has signed a hybrid (solar + wind) 700 MW PPA which has been approved by MERC
- Committed to increasing share of renewable power procurement from current 3% to 30% by 2023 and 50% by 2025 at AEML

# ATL: Strategic Objectives

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Transmission

## Regulated growth opportunities

### Opportunity Set in Transmission

- Achieve 20,000 Ckt kms by FY2022
- Strong pipeline of TBCB transmission projects in India, esp. as renewable power grows
- Evaluate any attractive acquisition opportunities

### Opportunity Set in Distribution

- **AEML:**
  - Leveraging on 12mn+ consumer base
  - Continuous consumer addition
  - Capex of over Rs. 95bn over 5 years (regulated returns)
- New license opportunities through Discoms privatisation in the form of PPP, Franchise, and Sub-licensing models

### ATL geared to fully leverage opportunities for disciplined growth

| | |
|---|---|
| Maintain IRR Threshold | Retain IG Rating |
| Maintain Superior Margins | Self-funded Growth (FCF) |

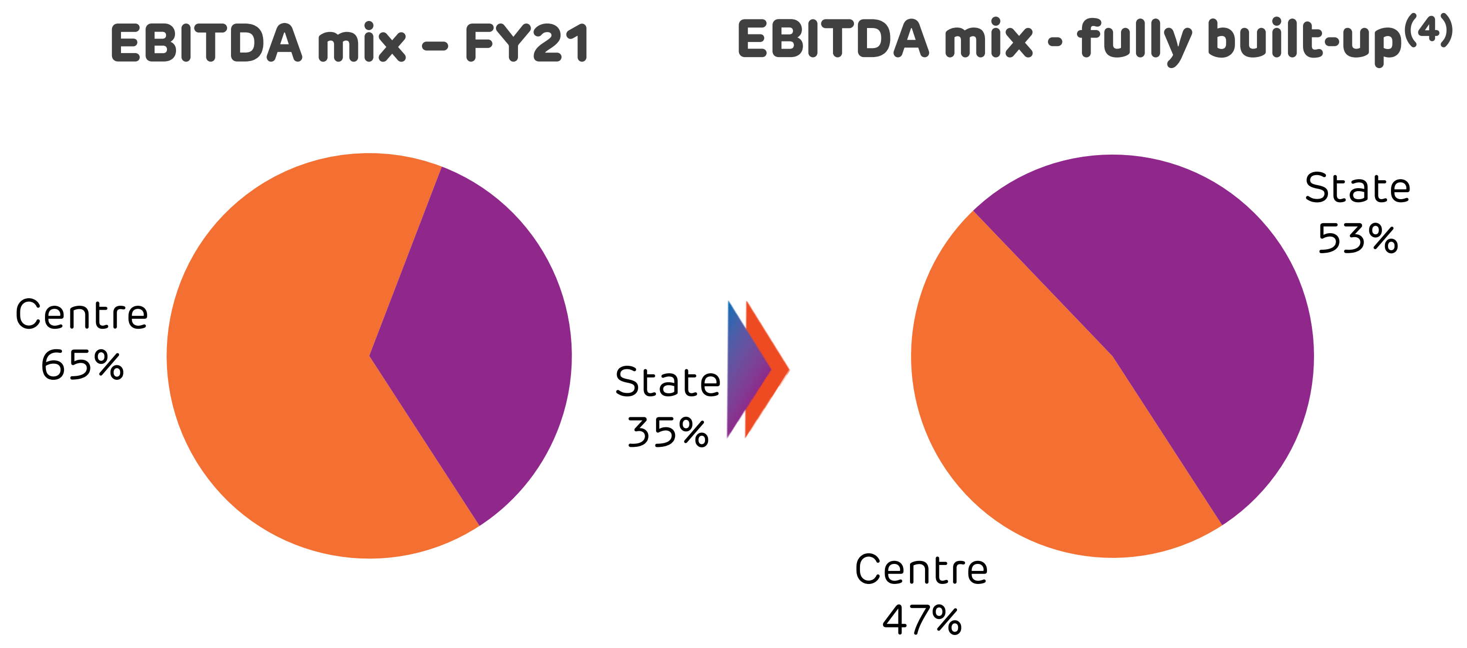
## Unregulated growth opportunities (AEML)

| | | | | | |
|---|---|---|---|---|---|
| Efficient Appliances and Demand side Management (DSM) | Smart Home Products | E-security and Entertainment on-demand | Fiber-to-Home | Safety and Energy Audit at places of congregation and consumers | One Adani-One Service |

# Transmission business: Growth through TBCB pipeline

| | No. of projects | Project cost (Rs. bn) | COD/ SCOD(2,3) | Fully operational tariff (Rs. bn)(1) |
|---|---|---|---|---|
| Operating ROA Assets | 4 projects | 108 | COD: Aug'12-Mar'15 | 19.0 |
| Operating TBCB Projects | 13 projects | 68 | COD: Dec'13-Aug'19 | 10.2 |
| Under-construction projects | 10 projects | 115 | SCOD3: May'21-Dec'22 | 14 |
| | 1 HVDC project | ~67 | Mar'23-Mar'24 | - |

**Locked-in Cashflow + O&M Efficiencies to drive EBITDA growth**




**Healthy pool mix**

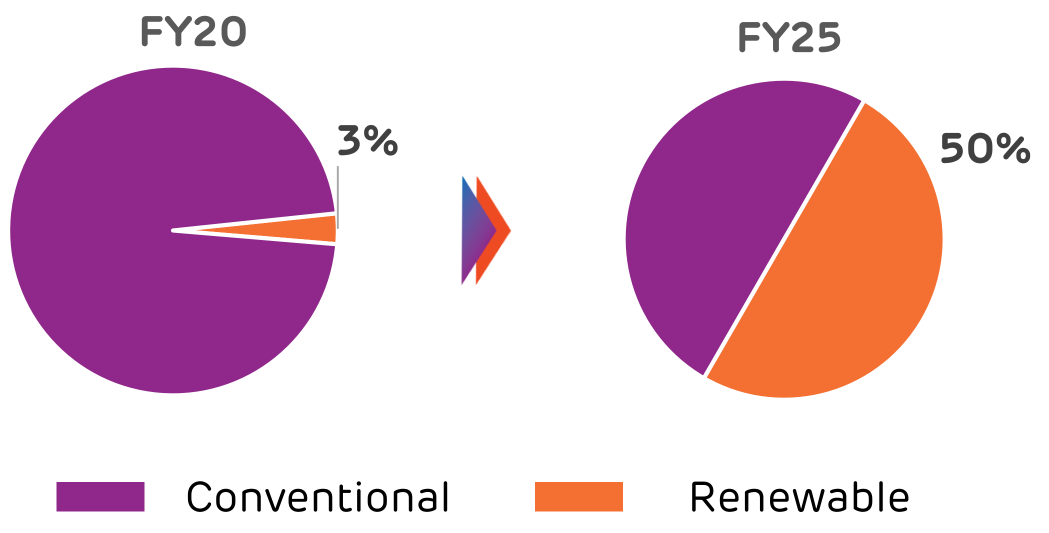
***Further growth in Transmission from strong TBCB pipeline***

Notes: 1) Fully Operational Tariff for Operating ROA as of FY20 and Operating TBCB and Under-construction projects is fully operational first year tariff; 2) SCOD – Scheduled Commercial Operation Date, COD - Commercial Operation Date; 3) SCOD for under-construction projects have been extended by five months due to Covid-19 in line with extension offered by government on central projects; SCOD is tentative and subject to change 4) EBITDA mix fully-built basis includes all projects in-hand are under operation.

# **AEML (Integrated Utility):** Regulated Growth Opportunities

**Sustainable Growth through RE power**

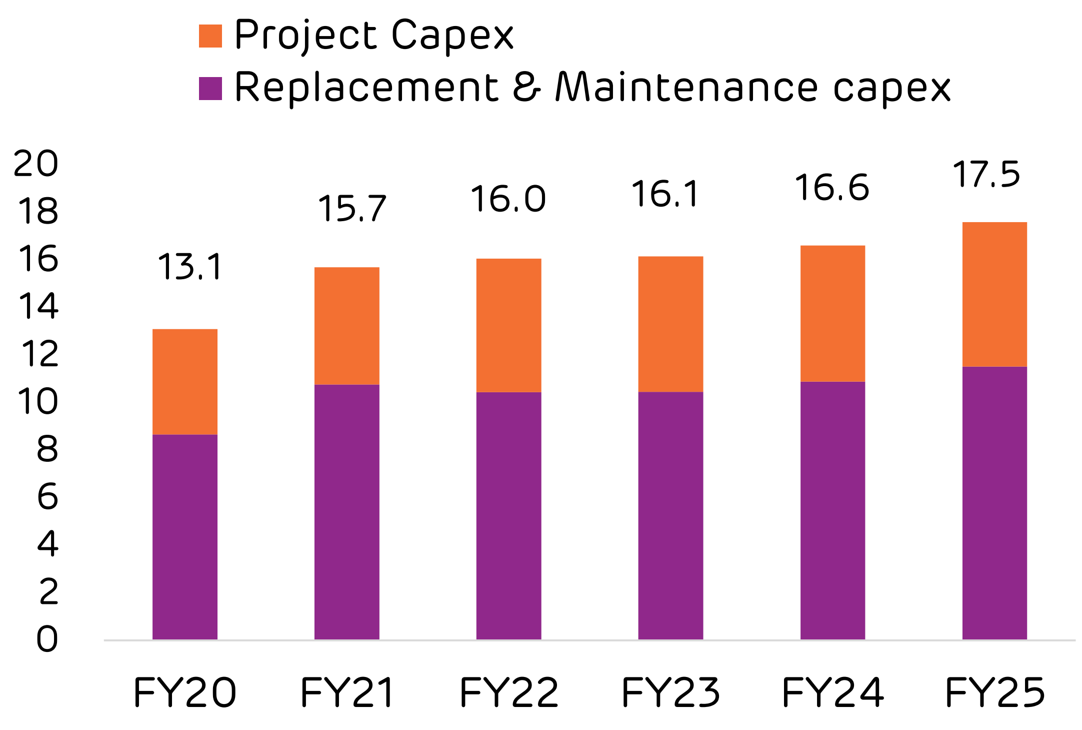
**Share of Power Procurement**




**Committed to increasing % of renewable power procurement from current 3% to 50% by FY25**

**Reliability from capex led network strengthening**

**Capex Schedule (Rs. bn)**

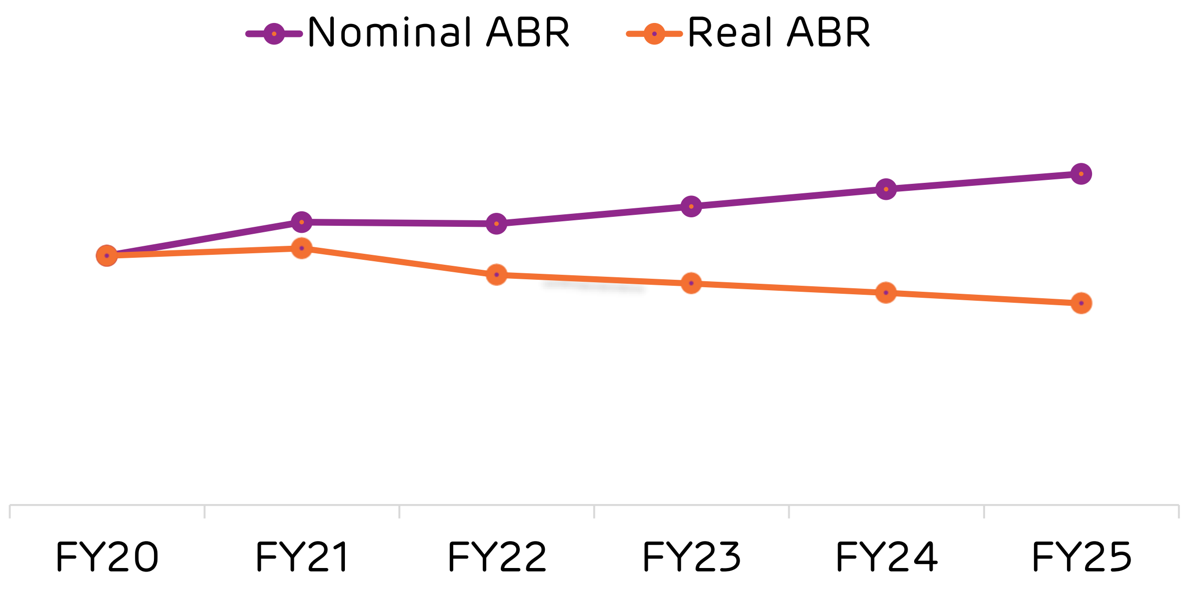



**Capex plan of ~Rs.95 bn for FY20-25**

**Capex-led growth in RAB to drive EBITDA growth**

**Affordability due to reduced power cost**

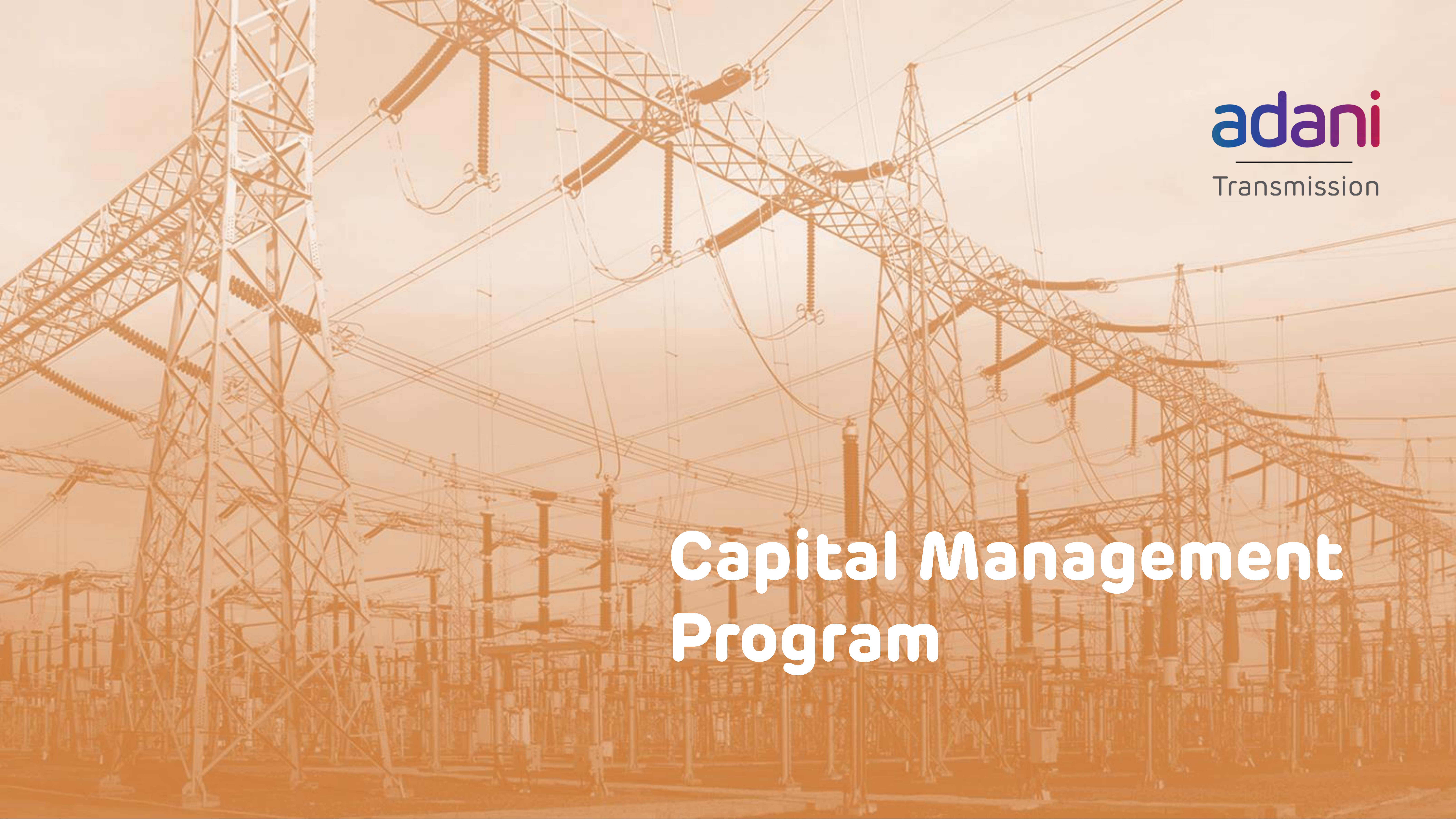
**Average Billing Rate (ABR) – Rs. /unit[1]**




**Despite capex outlay, overall tariff to fall in real terms**

**Sustainable growth in AEML by maintaining affordable tariffs through optimum power purchase, consumer growth and best O&M practices ensuring alignment with Regulator's Charter**

Notes: 1) Average billing rate (ABR) in chart excludes impact of past revenue gap and regulatory assets that may be approved for recovery by MERC during the year. Real ABR computed @ 5% Inflation rate



# Capital Management Program

# ATL: Key Highlights and Objectives of Capital Management Program

### Development De-risking

- Significantly reduced green-field risk (mature asset operator)
- No throughput risk in transmission business
- Lower gestation period and development efficiencies ensures efficient capital churn thus higher returns

### Capital Conservation

- Refinancing risk significantly minimized with debt maturity (>5 year) shifting from 12% in FY16 to 87% in FY21
- Weighted avg. cost of debt has come down from 10.9% in FY16 to 9.2% in FY21
- Stitched fully-funded capex program

### Strategic Goals

- On-boarded QIA as a strategic partner emboldening the governance and value creation path
- Deleveraging and Capital De-risking through equity dilution
- Stepping towards sustainable growth through RE power (from 3% to 30% by FY23)

### Credit Quality

- Consistently maintained investment grade rating since 2016
- Steady performance on various credit metrics like Net Debt/EBITDA, debt service coverage, etc.
- Earnings growth and free cash flow generation to secure coverages

### De-risking to drive lower risk premia and cost of capital

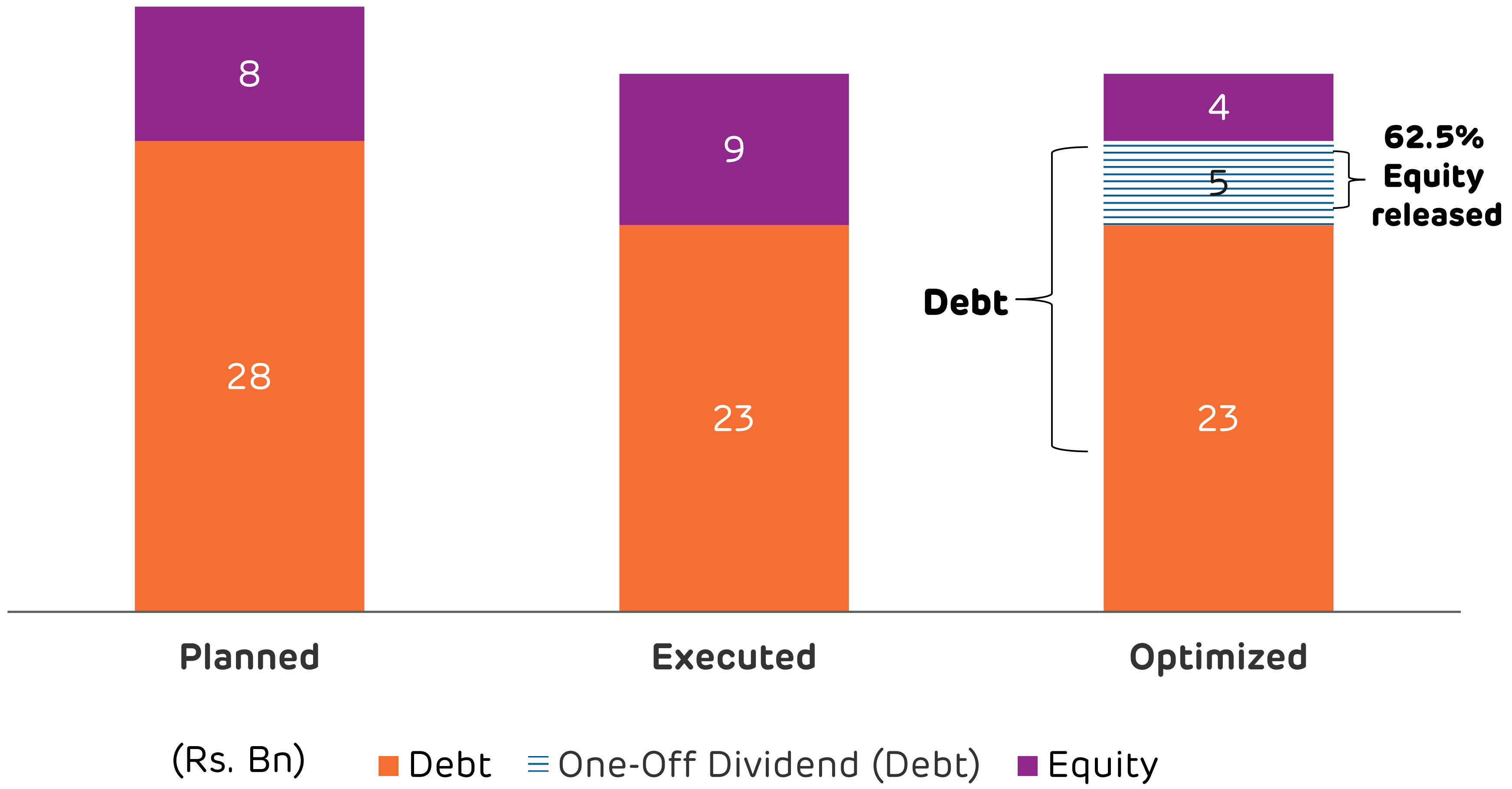
Significantly lowered its risk profile:

- High visibility of cash flows
- Robust growth pipeline through organic and in-organic route
- Commitment to maintain investment-grade rating
- 2% of total debt profile with short-term maturity (<1 year)
- Fully tied-up capex program for long-term growth

# **Case Study:** Development, O&M Efficiencies and Capital Management to create immense shareholder value

## Fully funded Value Creation by Capital Management releasing Equity for Growth

| Phase | Development | Operations | Capital Management |
|---|---|---|---|
| Original | Original Est. Project Cost Rs. 36 bn | Original Est. Cost Rs. 0.5 bn | • Planned RoE <21%<br>• Executed RoE of 21% |
| Performance | Actual Project Cost Rs. 31 bn | Actual Cost Rs. 0.32 bn | Optimized RoE of 55% |




## Case study USPP: Future of ATL Capital Management Program

### Enabling Assets to Ensure Efficient Capital Churn Cycle at ATL

New Asset Construction – Construction Financing and Debt Sizing → Refinancing Stabilized Asset- Sustainable Debt Upsized → New Asset Construction – Construction Financing and Debt Sizing → Refinancing Stabilized Asset- Sustainable Debt Upsized

Free Cash Flow

### Value Creation through Replicability and Reinvestment Demonstrated in USPP Pool

- Cash released for further growth
- Fixed FCFE ensuring regular cash streams

### Every Rs. 1 bn of Equity Invested allows creation of Rs. 2.25 bn of Equity Employed

# **AEML (Integrated Utility):** Significant De-risking through Capital Management

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## Capital De-risking of Asset

**AEML US$ 1 bn bond issue in Jan-20**

**Key Attributes**

| **Debt Diversification and Elongated Profile** | **Capex Reserve Account** | **Systemic De-risking** |
| --- | --- | --- |
| Low-cost funding and elongated maturity | Ensures equity required for capex is fully-funded | Offers long-term Infra funding with flexible covenants |

## Underlying Value Creation

**QIA's acquisition of 25.1% stake in AEML for Rs. 32 bn investment**

**Key Attributes**

| **Value Creation** | **Deleveraging** | **Capital De-risking** |
| --- | --- | --- |
| On-boarded strategic marquee investor QIA by selling **25.1%** stake in AEML | Entire equity proceeds of **~Rs. 12 bn** used to repay perpetual | Shareholder subordinated debt of **~Rs. 20 bn** offers capital buffer for growth |

**Rolling capex facility of $400mn fully-suffice capex plan for next 10 years ensuring smooth execution path**

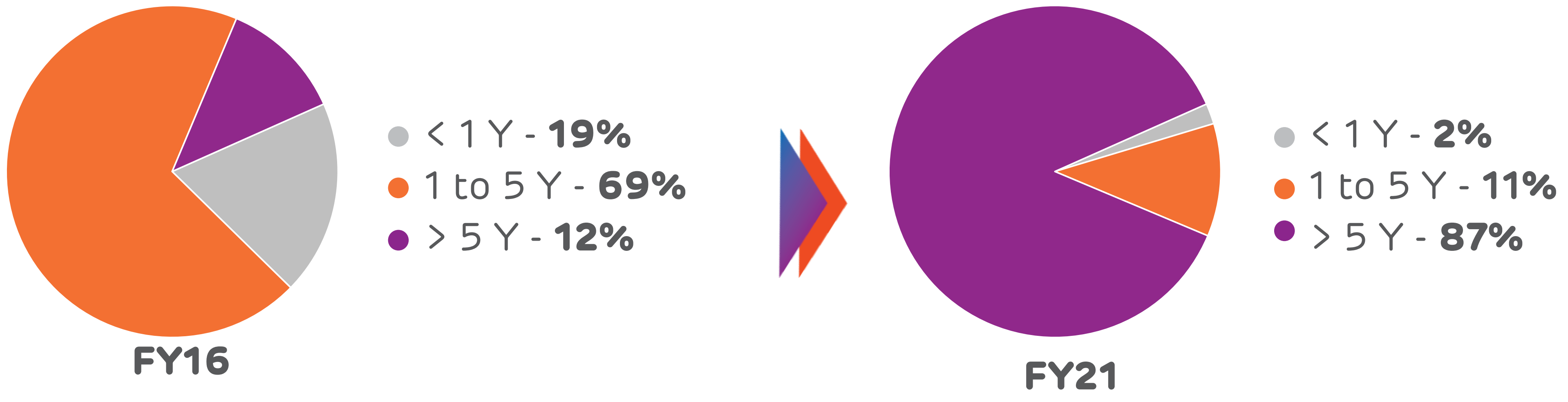
# ATL: Capital Management Program Demonstrating Global Excellence

| Highlights | Obligor 1 | Obligor 2 | USPP | AEML |
|---|---|---|---|---|
| **Asset** | ATIL MEGPTCL | | STL, ATRL, CWRTL, RRWTL, PPP-8,9,10 | AEML |
| **FY21 Operational EBITDA (Rs. Crs)** | 1,725 | | 610 | 1,659 |
| **Tenor** | 10 year | 16.5 year | 30 year | 10 year |
| **Issue size (USD mn)** | US$ 500 mn | US$ 500 mn | US$ 400 mn | US$ 1000 mn |
| **Refinance Risk / Bond Structure** | Bullet debt Structure | Amortizing debt structure | Amortizing debt structure | Bullet debt structure |
| **Counterparty Risk / Quality of earnings Risk** | EBITDA: 45% from Central projects<br>55% from State projects | | EBITDA: 78% from Central projects;<br>22% from State projects | End users |
| **International Credit Rating** | BBB- (S&P, Fitch)/ Baa3 (Moody's) | BBB- (S&P, Fitch)/ Baa3 (Moody's) | BBB- (Fitch)/ Baa3 (Moody's) | BBB- (S&P, Fitch)/Baa3 (Moody's) |
| **Robust Structural Protections** | • Clean first ranking security<br>• Unique covenants linked to EBITDA performance providing credit quality protection over project life<br>• Standard project finance features<br>• Detailed reporting covenants | | | |

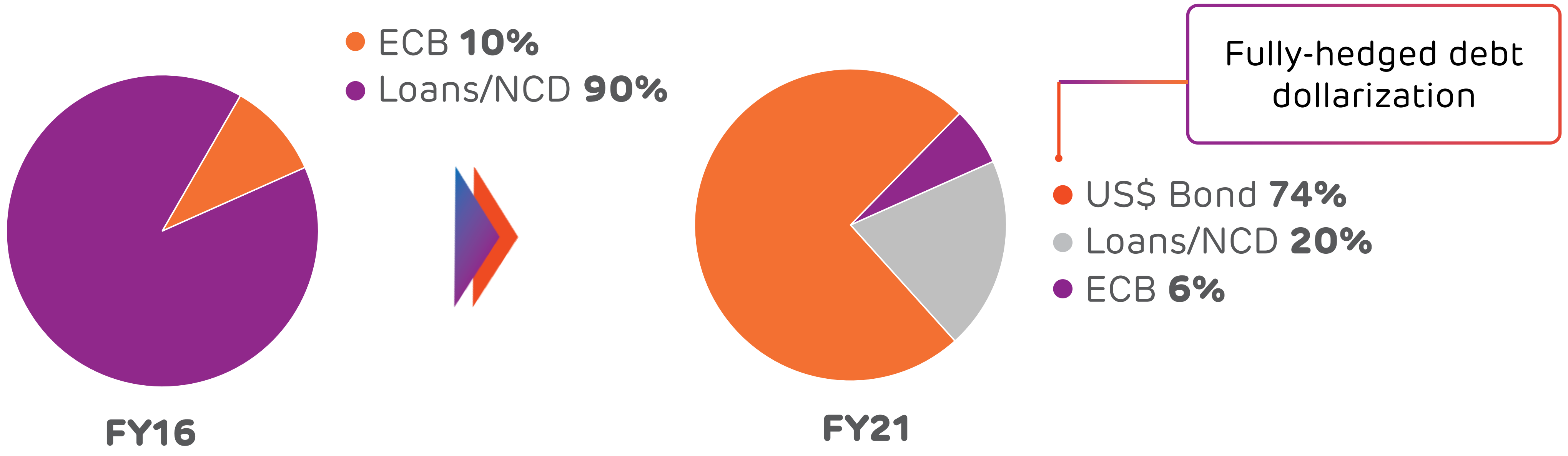
# **ATL's Capital Management Program** brings diversity and elongated maturity to firm's debt profile

| | As of 31st Mar 16 | As of 31st Mar 21 |
|---|---|---|
| **Consolidated Net Debt** | Rs. 85 bn | Rs. 194 bn |
| **Cost of Debt (weighted) %** | 10.9% | 9.2% |
| **Average debt maturity for LT debt** | 5.8 years | 9.8 years |
| **Net Debt to EBITDA (x)** | 4.6x | 4.7x |

## Refinancing risk minimised[1]




## Debt profile[1]




**Notes:** 1) Debt excludes perpetual equity and shareholder affiliate debt (sub-debt)

# ATL is rated Investment Grade from FY16 and beyond

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### International- Obligor Group

| Rating Agency | Facility | Rating/Outlook |
|---|---|---|
| Fitch | Dollar Bond | BBB-/Negative |
| S&P | Dollar Bond | BBB-/Stable |
| Moody's | Dollar Bond | Baa3/Negative |

### International – USPP

| Rating Agency | Facility | Rating/Outlook | Underlying Rating |
|---|---|---|---|
| Fitch | Dollar Bond | BBB-/Negative | BBB |
| Moody's | Dollar Bond | Baa3/Negative | - |

### International- AEML

| Rating Agency | Facility | Rating/Outlook |
|---|---|---|
| Fitch | Dollar Bond | BBB-/Negative |
| S&P | Dollar Bond | BBB-/Stable |
| Moody's | Dollar Bond | Baa3/Negative |

### Construction facility takeout

| Rating Agency | Facility | Rating/Outlook | Underlying Assets |
|---|---|---|---|
| RG2 – TBCB RG | FITCH | BBB- /Negative | BBB |
| RG3 – HVDC | FITCH | BBB- /Negative | BBB |

### SPV Ratings - Domestic

| Company | Rating Agency | Rating | Outlook |
|---|---|---|---|
| ATL | India Rating | AA+ | Stable |
| WTGL | India Ratings | AA+ | Stable |
| WTPL | India Ratings | AA+ | Stable |
| MTSCL | CARE | A | Stable |
| ATSCL | CARE | A | Stable |
| ATBSPL* | India Ratings | AA- | Stable |
| FBTL | CARE | A- | Stable |
| NKTL | Brickwork | A- | Stable |
| OBTL | Brickwork | A- | Stable |
| AEML | India Rating | AA+ | Stable |
| APTL | India Rating | AA+ | Stable |

**Notes:** *ATBSPL rating is provisional; #APTL – Alipurduar Transmission Limited

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# Regulatory Landscape and Sector Opportunity

# ATL: Regulatory Framework

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EA 2003

ROA → AEML

TBCB → Growth

## Section 62 (ROA) Tariff Method - Multi Year (5 yr) Tariff

| | | | |
|---|---|---|---|
| **Costs** | O&M Expenses | Power Procurement Costs | All other costs |
| + | **RAB Components (Regulated Debt and Equity)** | | |
| **Return on Capital** | Interest Costs (Term debt and Working Capital) | Return on Equity grossed up for tax | |
| + **Efficiency Gains** | Additional incentives linked to efficiencies | | |
| + | **Total @ 90% RAB (Residual Value being actual equity invested)** | | |
| **Return of Capital** | Depreciation | | |

Services

Regulated EBITDA

## Section 63 (TBCB) Tariff Method – License Period Basis

- Annual charge for a 25-year period is set through the bidding process
- Projects are bid either on BOO or BOT basis (residual life of assets normally exceed PPA period)
- Tariff is adopted by the relevant Electricity Regulatory Commission (ERC)

**Annual Fixed Tariff for concession period** + **Escalable Tariff (if any)** + **Incentives (Linked to Availability)** = **TBCB (Sec. 63)**

## Regulatory landscape

CERC and SERC established & predictable in maintaining and defining tariffs

- CERC and state regulatory body (e.g. MERC, RERC) determine:
  - Return on assets (ROA)
  - Adopt TBCB tariffs
  - Incentive triggers

**MYT Determination**

- CERC – 20 years track record
- MERC – 19 years track record

## Transmission: Payment Pooling Mechanism Reduces Counterparty Risk

| **Transmission System Users** | | **Central Payment Pool** | | **Transmission Licensees** |
|---|---|---|---|---|
| All demand / drawal nodes + All generator / injection nodes | Billed as single charge per Generator / Demand Node Payment (MW / month) ₹ | CTU (PGCIL) / STU acts as revenue aggregator | Billed as per regulatory / bid tariff profile ₹ | PGCIL + Private Sector Transmission Licensees |

1) MYT – Multi Year Tariff; CTU – Central Transmission Utility; STU – State Transmission Utility; CERC – Central Electricity Regulatory Commission, MERC – Maharashtra Electricity Regulatory Commission, RERC - Rajasthan Electricity Regulatory Commission; BOOM – Build, Own, Operate and Maintain, PPA – Power Purchase Arrangement, BOO – Build, Own and Operate, BOT – Build Operate and Transfer

# **Sector Outlook**: Indian Transmission Sector Poised for Significant Growth

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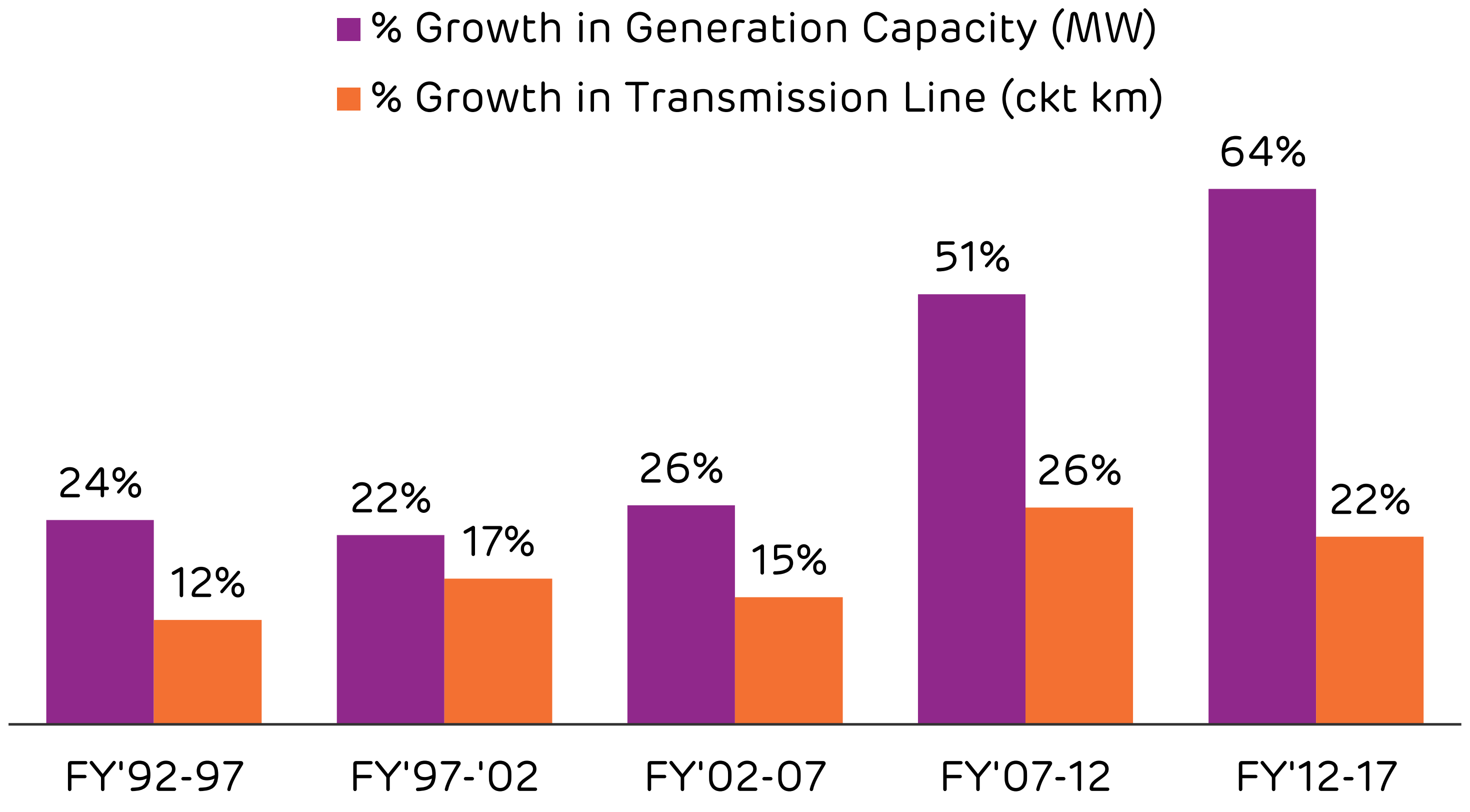
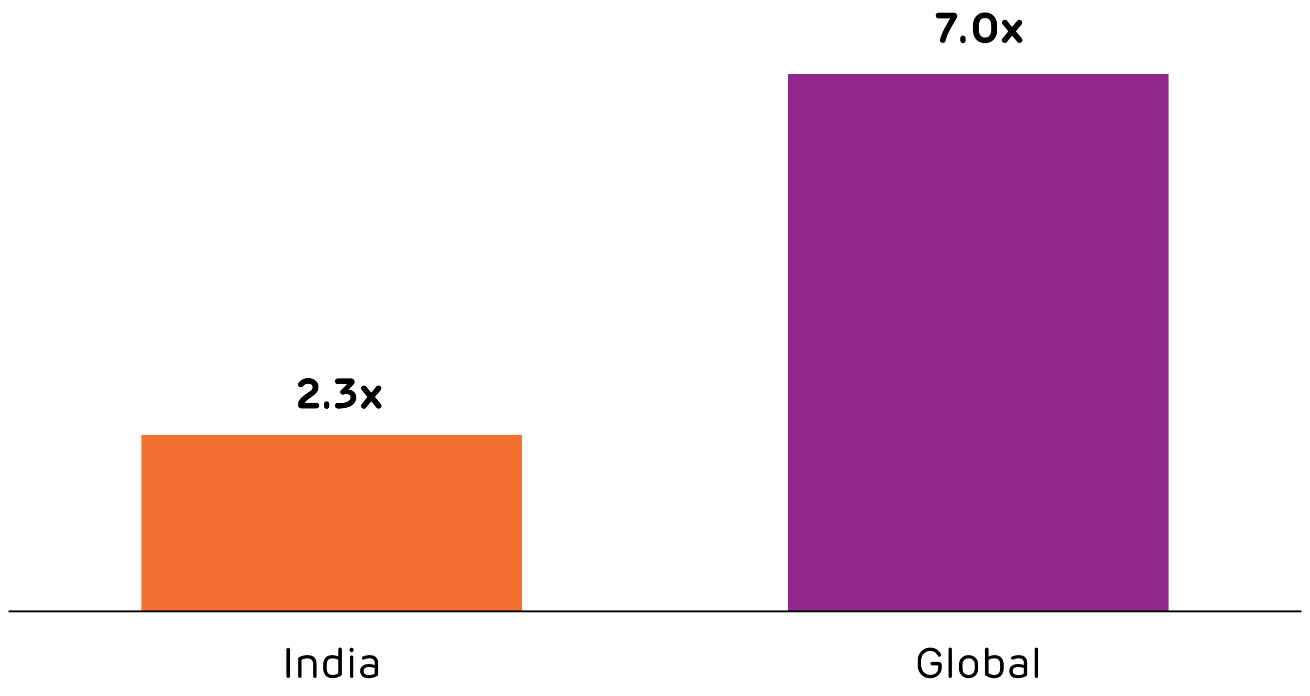
**Robust growth outlook driven by strong policy support**

**Significant under-investment in Transmission sector historically...[1]**




**...resulted into very low MVA/MW ratio in India[2]**




**~Rs. 8.2 trillion** market opportunity till FY 2029

Schemes like UDAY, 24x7 Power for All, Village Electrification etc. strengthening the value chain

Mandatory competitive bidding has created a level playing field for private players

Private sector has won 42 projects out of total 62 awarded since Feb-15[3]

**ATL had 37% market share in transmission bids in FY20**

Notes: (1) Source: CEA; (2) Working group report on 12th Five Year Plan; (3) Data upto September 2019; Source - CEA and Internal Analysis

# **Size of Opportunity**: Investment of Rs. 8.2 tn/ USD 117 bn expected in Indian Transmission over the Next Decade

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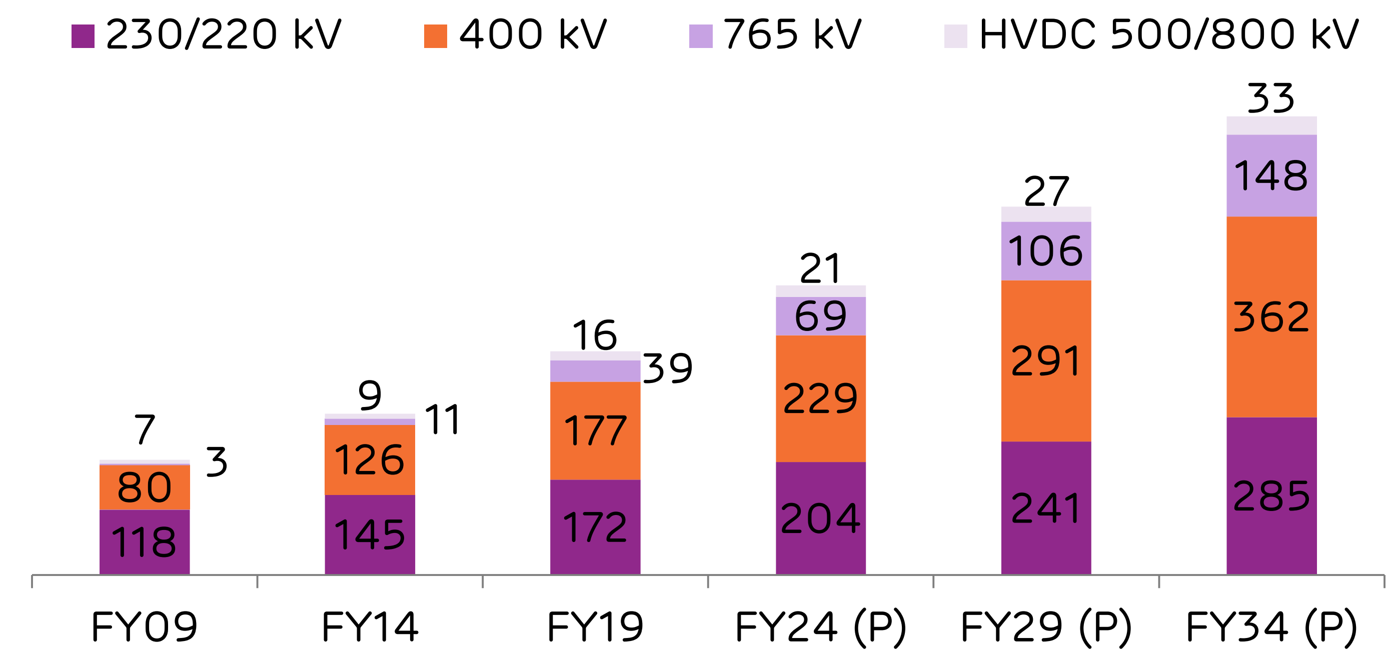
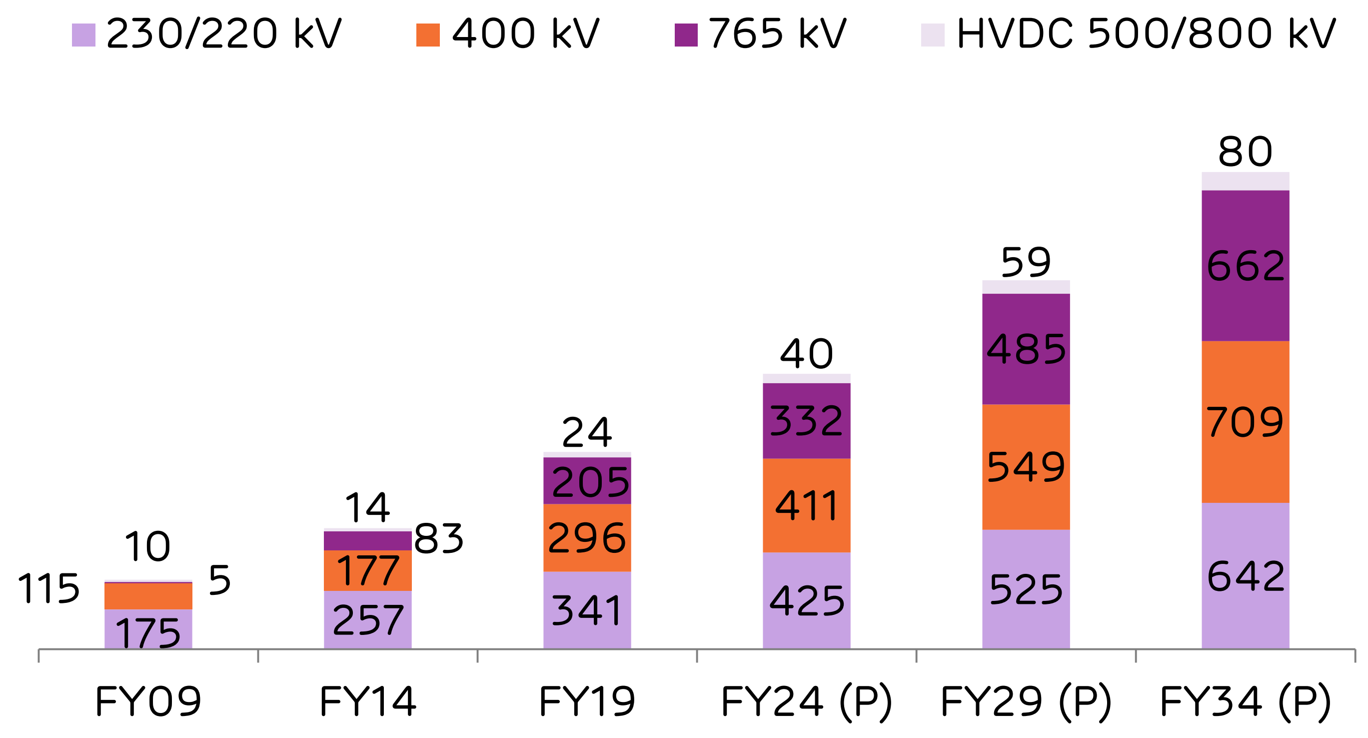
## Transmission Lines and Transformation Capacity to Grow….

**Transmission Lines ('000 ckm)[1]**

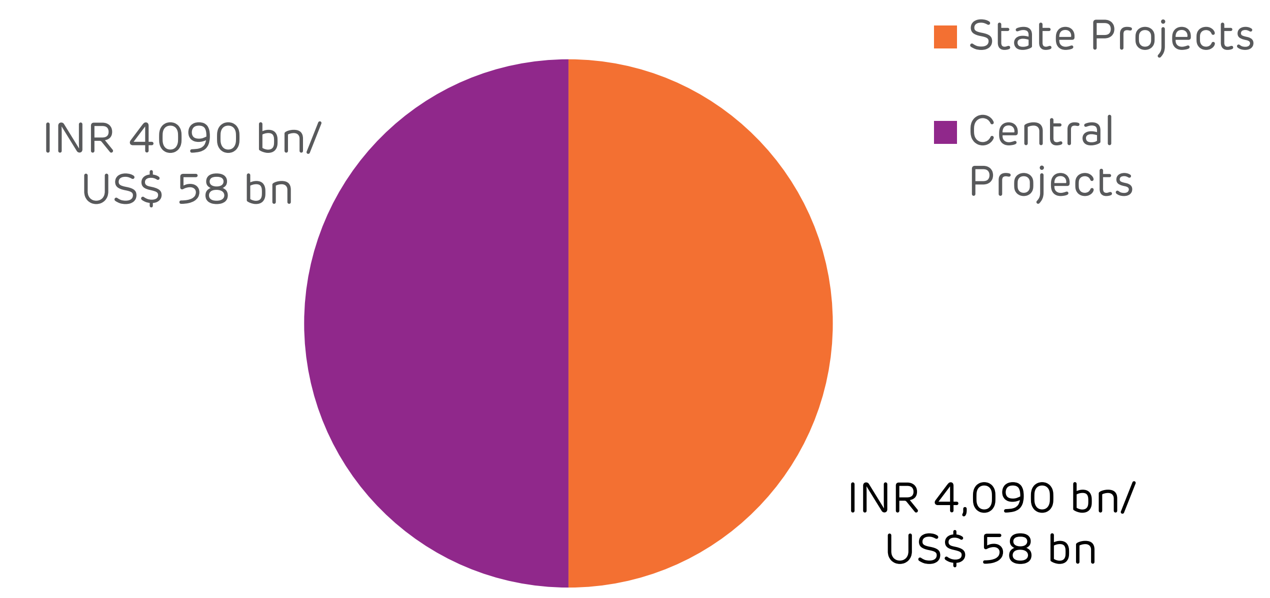



**Transformation Capacity ('000 MVA)[1]**

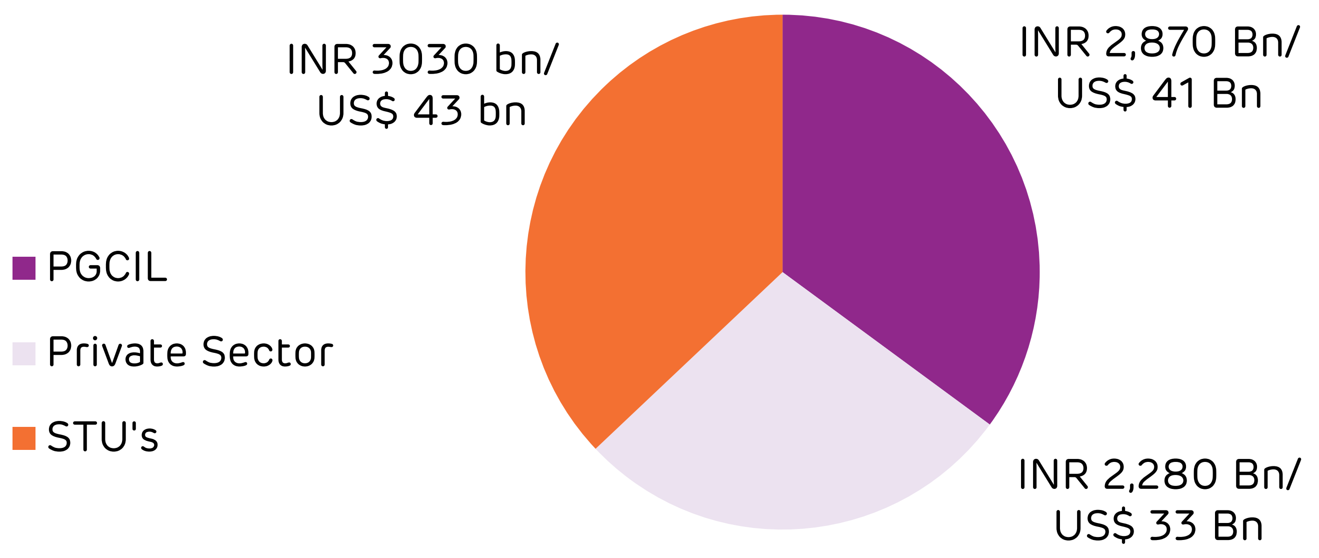



## …requiring Rs. 8.2 tn/ USD 117 bn of investment[1]

**Expected Investment Over Next 10 Years**




**Large Contribution Expected from Private Sector Over Next 10 Years**




**Opportunity for Private Sector Players is Rs. 2.3 tn/ USD 33bn**

Notes: : 1) Internal study, 2) CEA

# ESG

# **ATL**: ESG Annual Performance and Initiatives

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## ESG Performance (FY21 vs FY20)[1]

- 41 % ↓ Auxiliary Power Consumption
- 15.5 % ↑ Scope 1 Emission
- 48.8 % ↓ Scope 2 Emission
- 18.6% ↑ Solar Power Generation
- 0.7 % ↓ Fresh Water Consumption

## ESG Initiatives during the year

- AEML's Dahanu plant **achieved certification for Zero Waste to Landfill (ZLD)**
- AEML has launched '**Mumbai Green Energy Initiative**' allowing consumers to have a flexibility to set their own targets for renewable energy and buy renewable power
- Three substations achieved '**Single Use Plastic Free**' Certification from CII to be replicated across sub-stations
- ATL became signatory to **India Business & Biodiversity Initiative (IBBI)** for incorporation of Biodiversity management in business operations

## ESG Standing

- Received MSCI Rating Score with 'BBB rating'
- ATL as part of continuous improvement in ESG disclosure submitted first CSA DJSI S&P for ESG Benchmarking

## ESG Focus Area

- Improve ESG ratings assigned by agencies such as FTSE, MSCI, DJSI
- Reduction of emission levels
- Zero tolerance for fatalities

Note: 1) ESG performance data is provisional and subject to external assurance and audit

# ATL: Key ESG Metrics and Initiatives

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## Environment

**CO2 emissions**
- Scope 1 (TCO2e): 31,87,008
- Scope 2 (TCO2e): 24,509

**Water**
- Fresh Water (KL): 18,16,997
- Water recycled (KL): 2,04,494

**Waste**
- ~40 KL Waste generated of used oil
- 100% fly ash utilization at Dahanu

**Land use (AEML - Dahanu)**
- ~148 hectares of green belt
- Planted 2 Cr mangroves
- Afforestation of ~283 hectares

## Social

**Workforce and diversity**
- Employee diversity
- 98,001 man-hours of training

**Safety management**
- Over 57,236 man-hours safety training
- Zero Accident Vision
- SafeEye, SafeConnect, SafeAlert

**Consumer engagement (AEML)**
- Concessional tariff during religious festivals / community prayers
- 25 Payment options available
- Multilingual (4) service offerings
- 99.99% supply reliability
- Adoption of advanced technologies like SCADA, DMS, OMS and GIS

**Communities**
- Skilling for needy women through National Skill Training Institute (Women)
- Providing subsidized education
- Nurture women leaders from the community, who then become change makers

## Governance

**Structure and oversight**
- Independent board
- Business Responsibility Policy

**Code and values**
- Code of conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy

**Transparency and reporting**
- Material events policy
- Related Party Transactions
- Integrated Reporting framework

**Cyber risks and systems**
- Customer data protection
- Data privacy audit

**Notes:** TCO2e: Ton CO2 Equivalent

# ATL: Inculcating Safety Culture

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## Safety Initiatives During FY21

- **1,65,130** man-hours of safety training and awareness during the quarter
- Training was conducted across the organization on effective usage of Gensuite mobile application
- With launch of Started safety related functional areas (SRFA) for all sites, training was conducted for 120 employees of O&M at multiple locations
- Distribution of safety awareness material at all sites

## Safety Performance in FY21

| Safety Parameters | FY21 | FY20 |
|---|---|---|
| LTI | 4 | 10 |
| Fatalities | 0 | 1 |
| LTIFR (LTI Frequency Rate) | 0.223 | 0.85 |
| LTI (LTI Severity Rate) | 3.24 | 521.4 |
| Safety training by Safety team (in Men-Hours) | 1,65,130 | 40,589 |


# **Global Benchmarking**: Regulatory Framework

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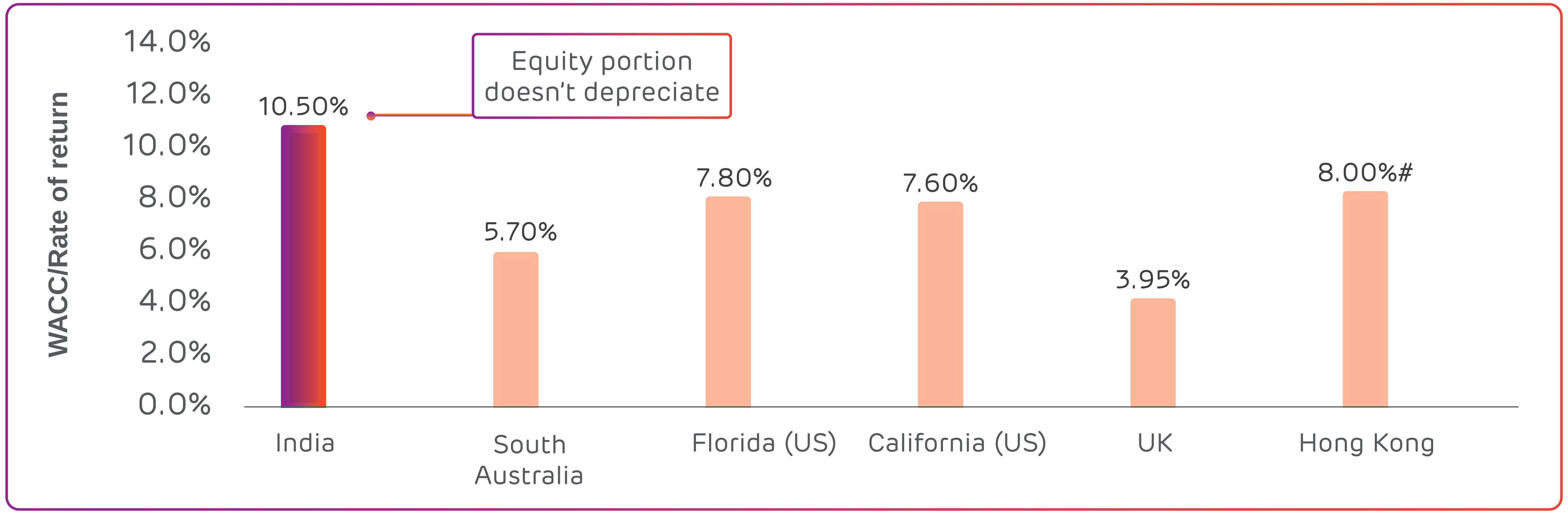
### Regulatory return (ROA) framework for transmission players across geographies




| | | | | | | |
|---|---|---|---|---|---|---|
| **Depreciation O&M Tax** | **Pass through** | | | | | |
| **D/E Ratio (Gearing)** | 70/30 | 60/40 | 60/40 | 50/50 | 60/40* | NA |
| **Regulated tariff period** | 5 years | 5 years | Annual | 3 years | 8 years | 15 years |

## Key Highlights

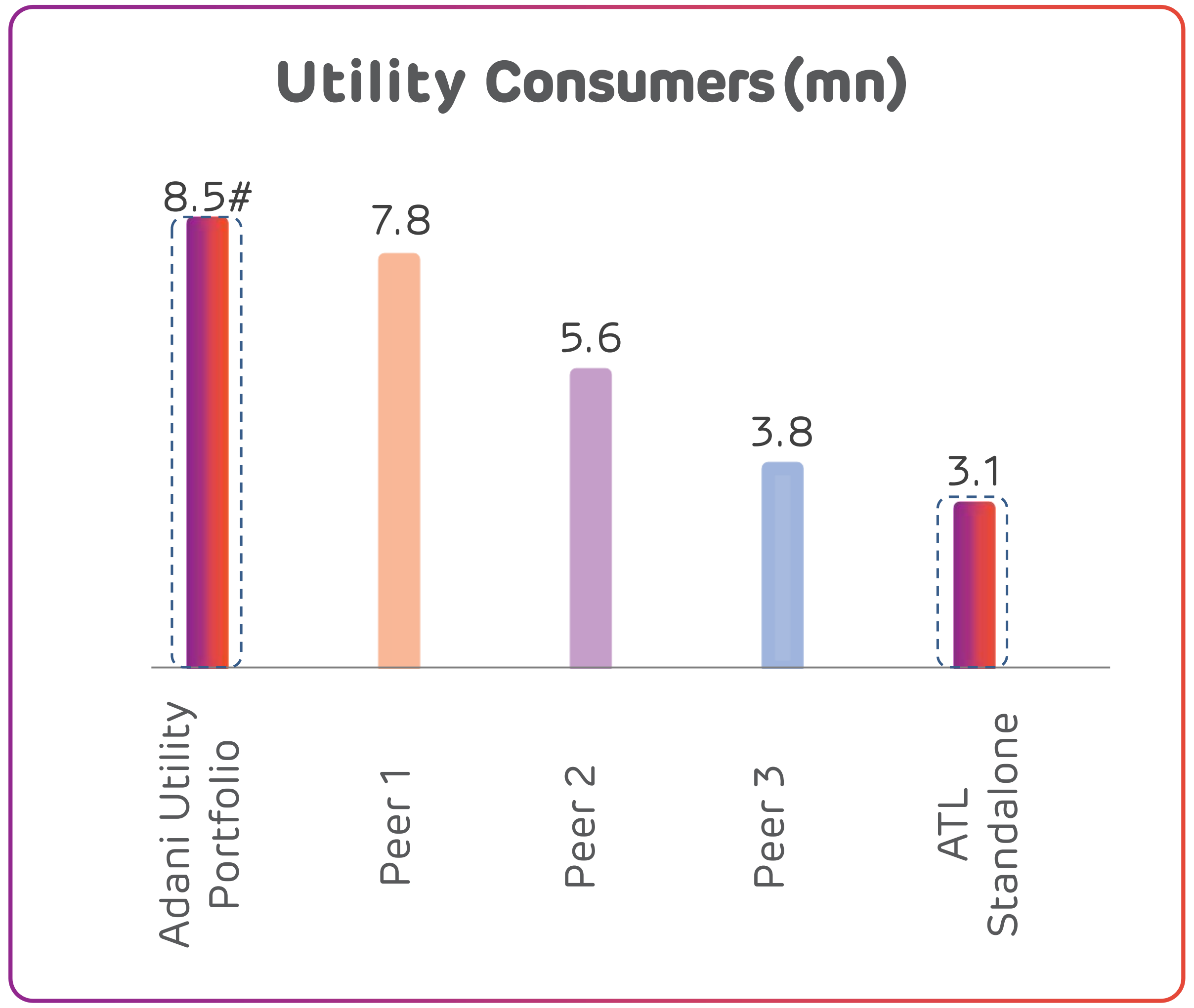
- ATL's rate of return will normalize over the period as our assets mature
- Our financing plan/capital management structure neutralizes a fall in equity returns through covenant structure like backstop, PLCR etc.
- Incentive/penalty over and above regulated return to encourage network efficiency
- AEML: 1.5%
- ATL: ~1.2%

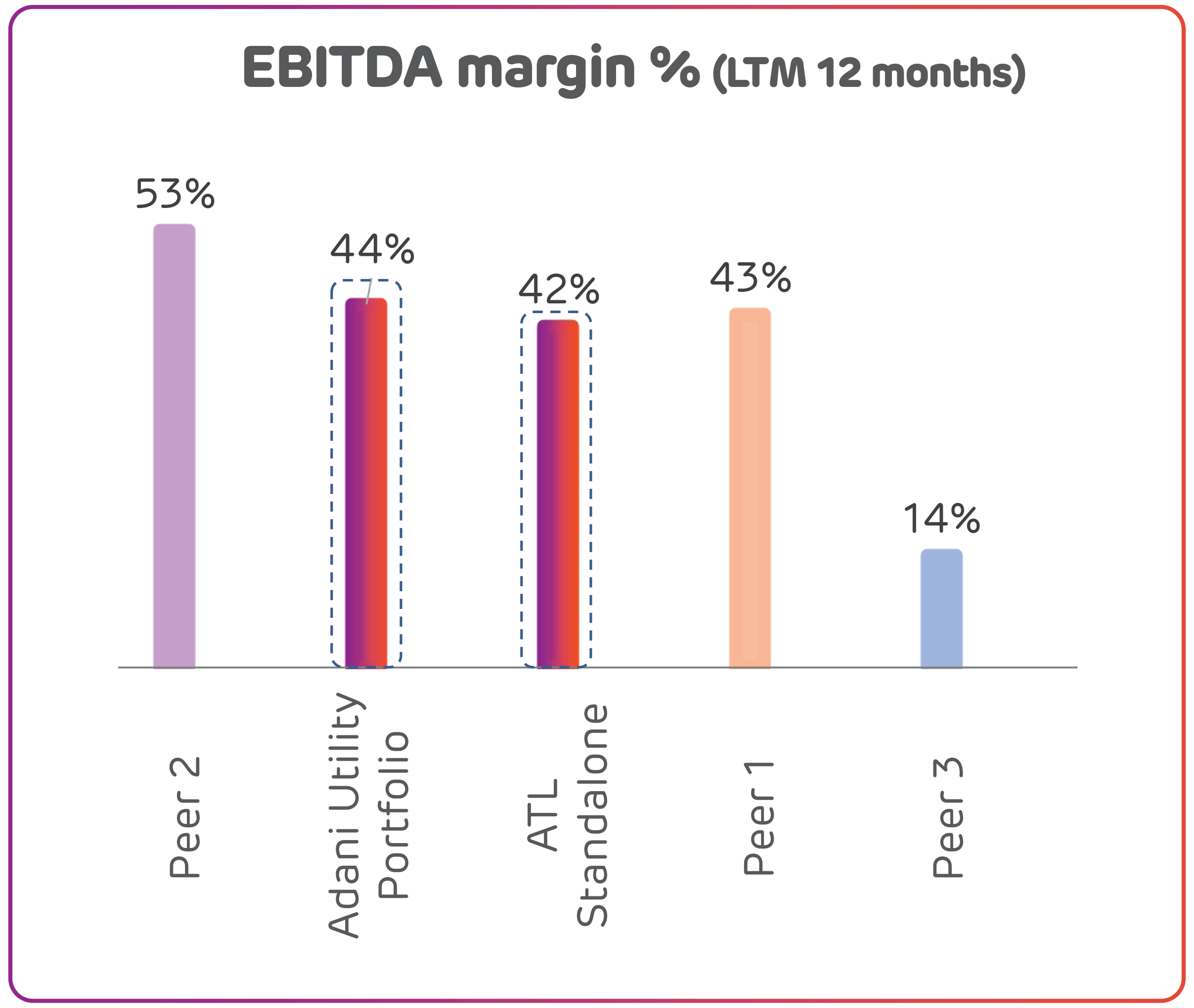
**Note:** ATL return has been taken to represent India; Notional gearing for UK; #Based on ROA – Return on Average Net Fixed Assets irrespective of how they are financed; PLCR: Project Life Cover Ratio

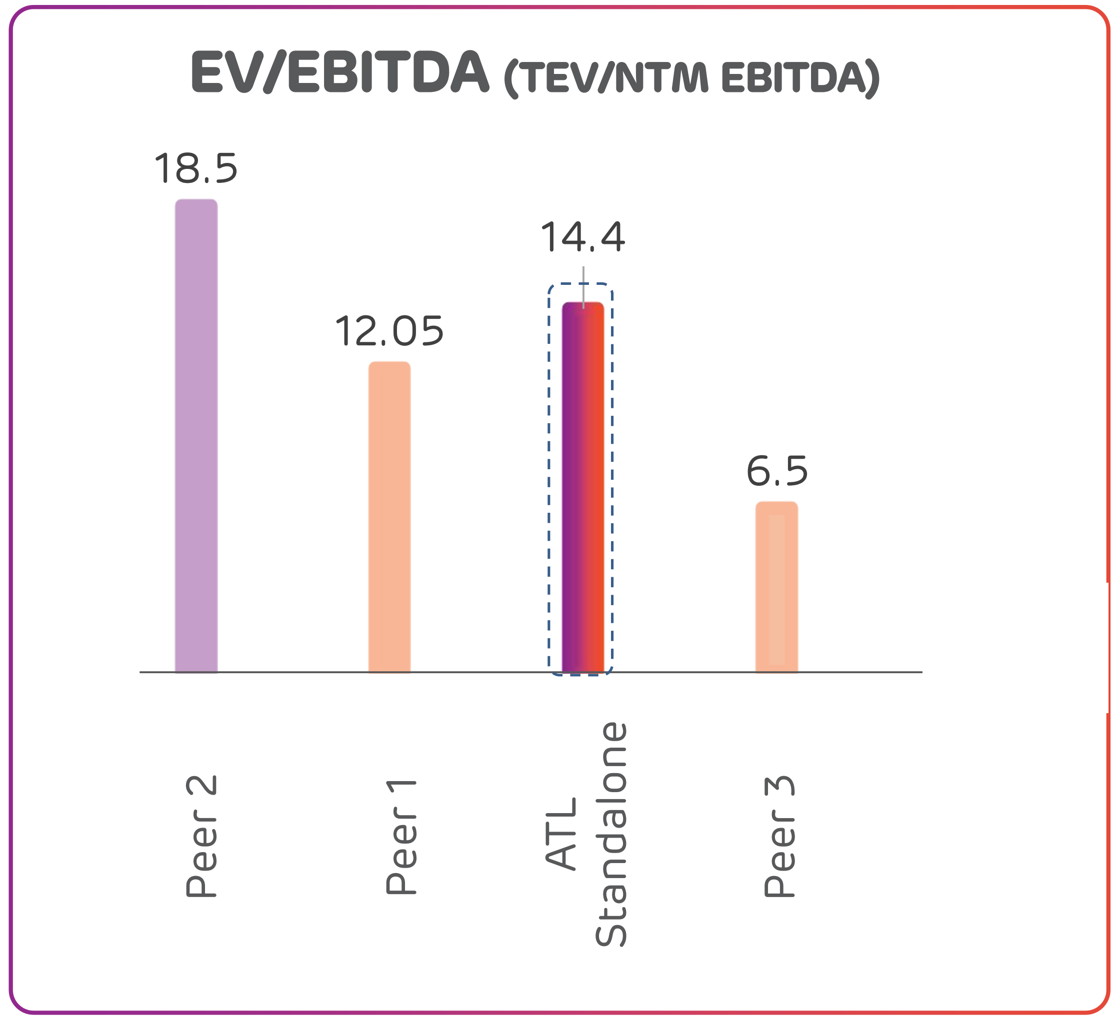
**Source:** Australian Energy Regulator, Florida Public Service Commission, California Public Utilities Commission, OFGEM (UK), Scheme of Control Agreement Hong Kong

# **Global Benchmarking**: Adani Utility Portfolio vs. Global Utility peers

**ATL and Adani Utility portfolio fares in line or better on various metrics with global peers**




| Company | Credit Rating | ESG Rating (MSCI) |
|---|---|---|
| Peer 2 | Baa2/BBB/BBB | AAA |
| Peer 1 | Baa1/BBB+/BBB+ | A |
| Peer 3 | Baa2 | BBB |
| **ATL** | Baa3/BBB-/BBB- | BBB |

**Notes:** 1) We have taken NextEra, Duke Energy, AGL Energy as peers for benchmarking analysis,; 2) Benchmarking as per internal analysis : 3) Above comparison includes Adani Transmission, Adani Green, Adani Gas and Adani Power as a Integrated Adani Utility Portfolio; 4) Credit Ratings: NextEra: NEE 5.65 05/01/2079; Duke: DUK 3.4 06/14/2029; AGL Energy: AGLAU 5.28 09/08/2025; ATL: Obligor Issue; 5) Consumers, EV/EBITDA and EBITDA margin data is as of Feb'21 sourced from Capital IQ. #Assuming 50% of addressable market (10mn consumers) of Adani Gas will be tapped;

# **ATL**: Harnessing Innovation and Technology to Drive Excellence

Drone Inspection @ M-S-D line

Mahendragarh discovers APFC

Site Surveillance via EFFY App

SCADA usage @ Akola site

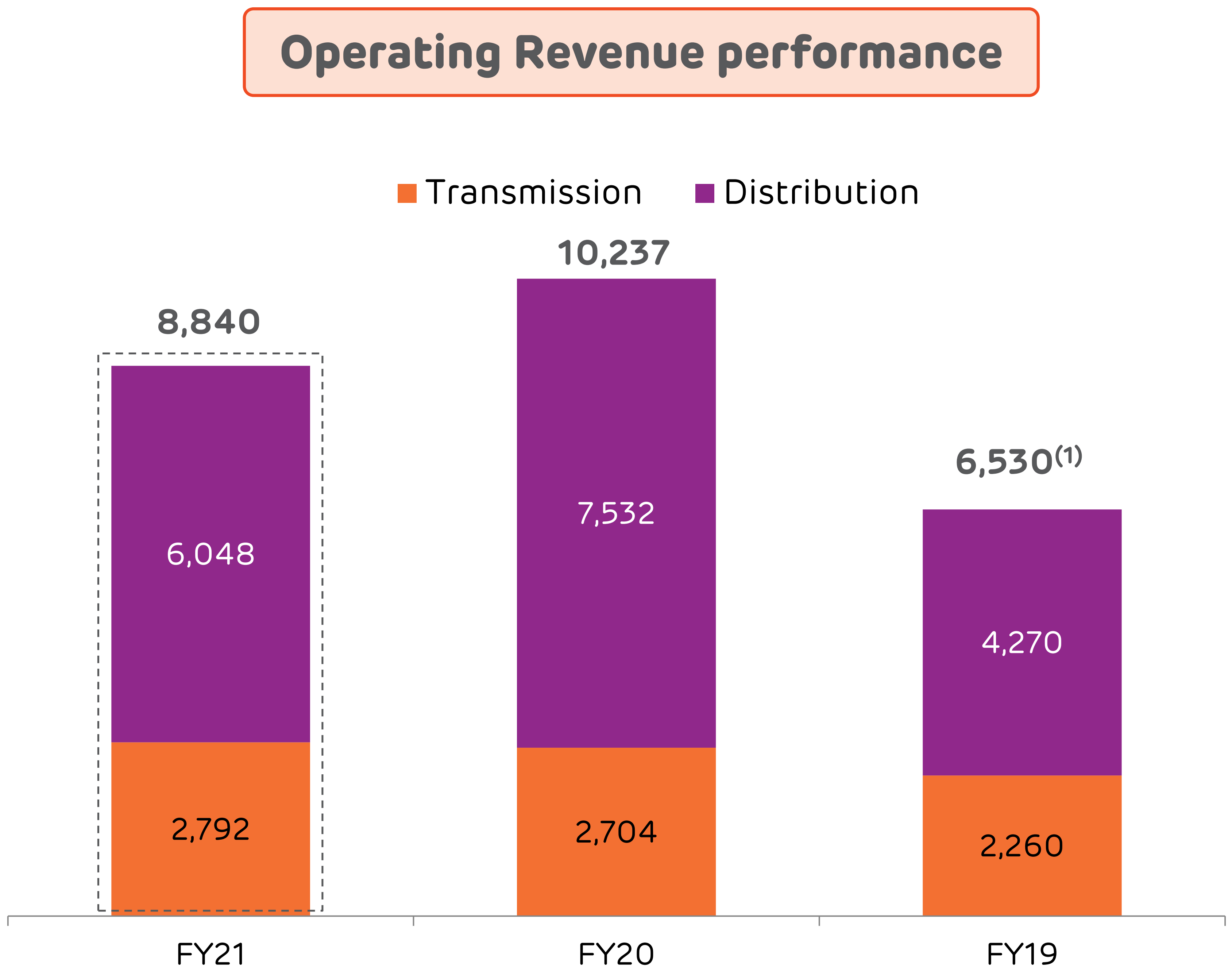
Solar installation @ Koradi

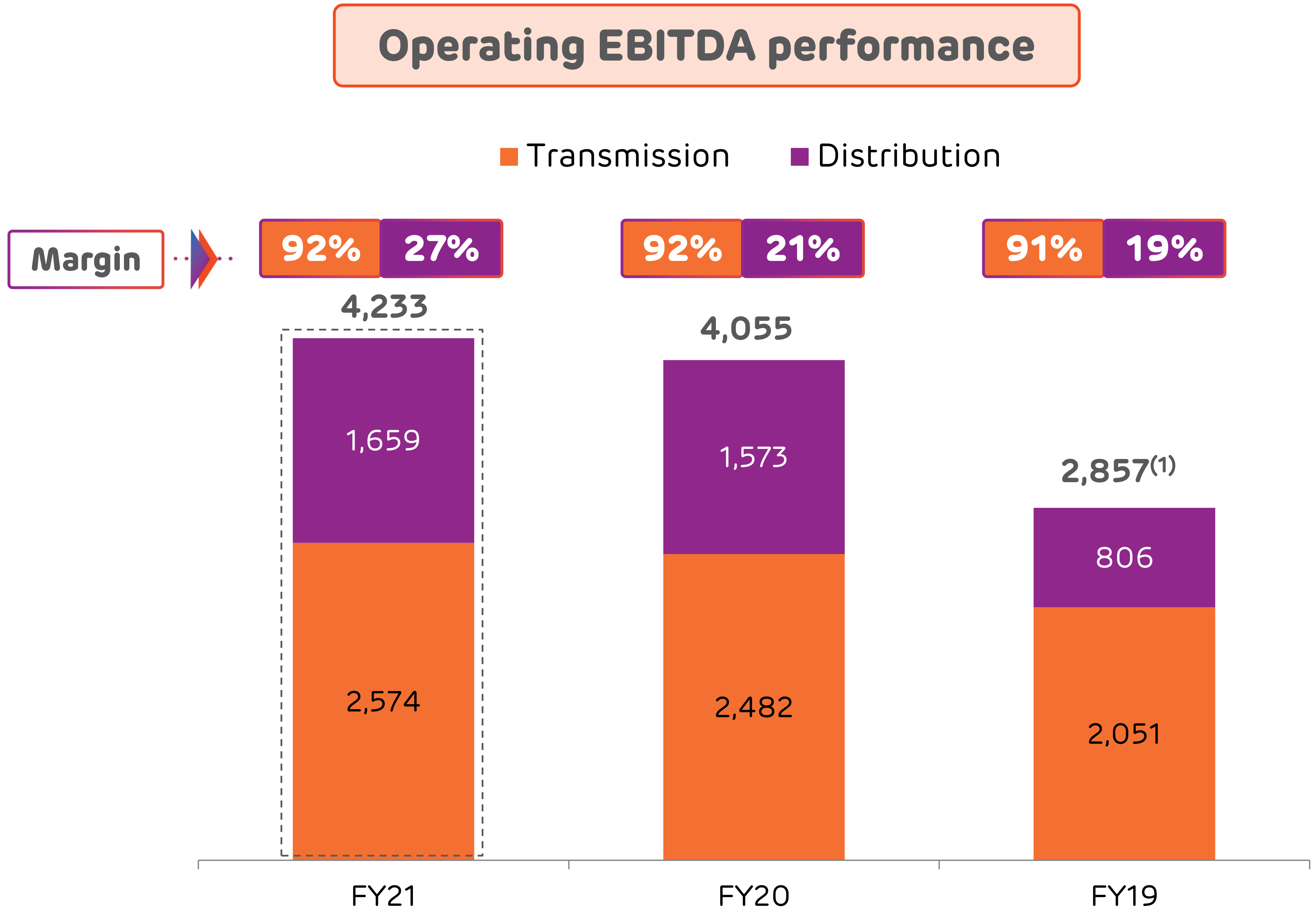
Remote Operations at AEML

Cost | Safety | Reliability | Efficiency/Response time

| Initiative | Impact: Cost | Impact: Safety | Impact: Reliability | Impact: Efficiency/Response time |
|---|---|---|---|---|
| ▪ Drone Inspection for Asset Maintenance<br>▪ Usage of drones through Light Detection and Ranging (LiDAR) method for Pre-Bid Survey | ✓ | ✓ | ✓ | ✓ |
| ▪ Automatic Power Factor Correction (APFC) at Mahendragarh HVDC | ✓ | | ✓ | ✓ |
| ▪ Solar Projects Installation for lower carbon footprint & reducing auxiliary power consumption cost | ✓ | | | ✓ |
| ▪ Remote operation (RO) center | ✓ | ✓ | ✓ | ✓ |
| ▪ Emergency Restoration System (ERS) technique for early operationalisation and higher reliability of systems | ✓ | | ✓ | ✓ |
| ▪ SCADA for real-time data gathering, monitoring and analysis | ✓ | ✓ | ✓ | ✓ |
| ▪ GPS and Surveillance camera system | | ✓ | ✓ | ✓ |

# ATL: Revenue and EBITDA trend




**Continue to deliver strong EBITDA performance**

Notes: 1) AEML was acquired w.e.f. Aug-2018 so numbers are not fully comparable on yoy basis.

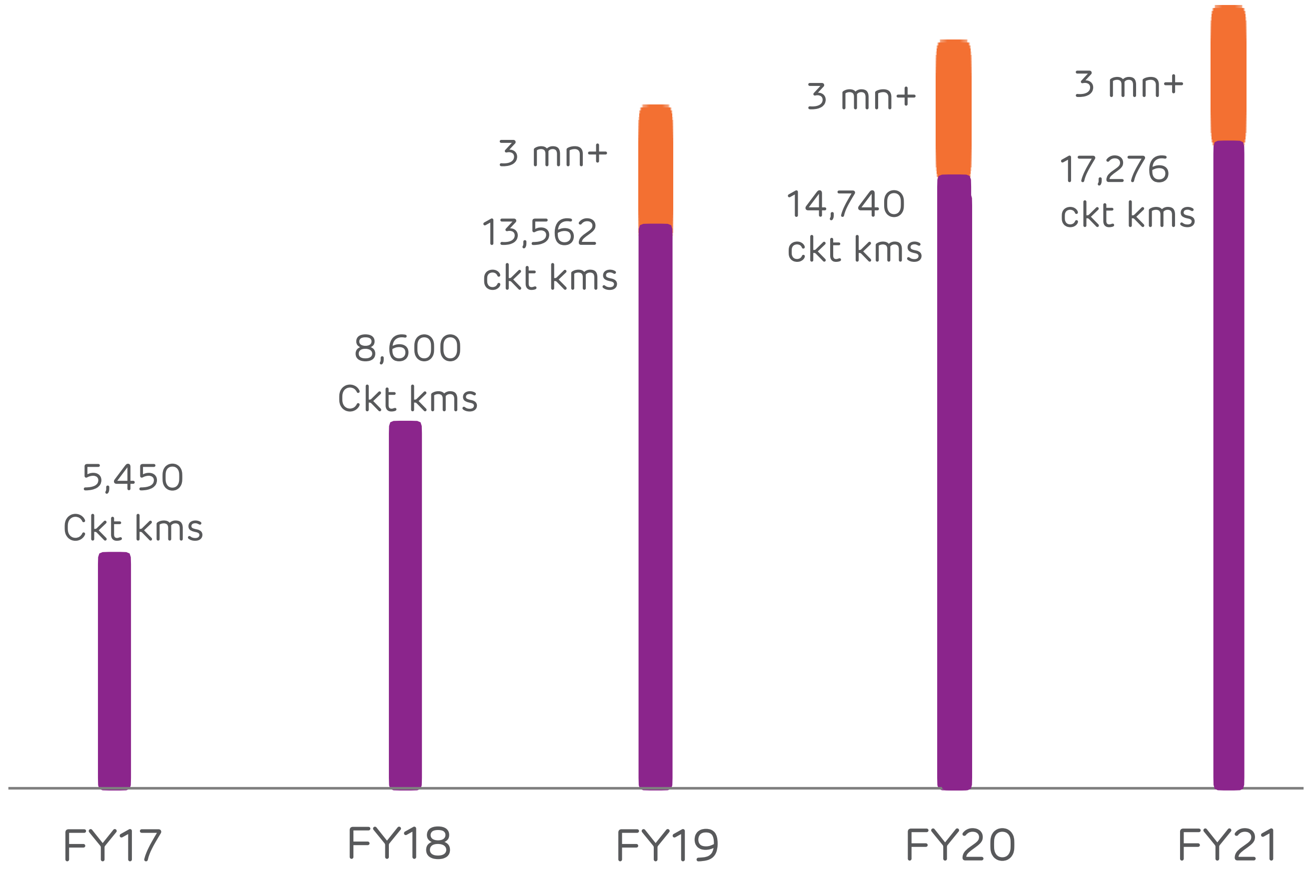
# **ATL's** Evolution and Operational Asset Portfolio as of FY21

adani
Transmission

**ATL's Transmission Network (ckt km) has grown 2.8x and Distribution business being acquired in FY19**

**ATL's "Grid-to-Switch" Integrated Platform**

- Transmission Line (Ckt kms)
- Distribution Customers (mn)




## Adani Transmission Limited

| | Operating Assets | | | | | | | Recently Commissioned Operating Assets | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ownership | 100% | 100% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Entity | ATIL | MEGPTCL | AEML | ATSCL & MTSCL | WTGL, WTPL | ATBSPL | APTL | ATRL | RRWTL | CWRTL | STL | PPP 8/9/10 |
| Assets | Mundra - Dehgam; Mundra - Mohindergarh; Tiroda - Warora | Tiroda - Aurangabad | Adani Electricity Mumbai (Distribution) | Maru & Aravali lines | Western Transmission (Gujarat); Western Transmission (Maharashtra) | Bikaner – Sikar | Alipurduar Transmission | Suratgarh-Sikar | Raipur-Rajnandgaon - Warora | Chhattisgarh - WR | Sipat-Rajnandgaon | Hadoti, Barmer & Thar Lines |
| A | 3,834 ckms | 1,217 ckms | 540 ckms | 397 ckms | 3,063 ckms | 343 ckms | 650 ckms | 278 ckms | 611 ckms | 434 ckms | 348 ckms | 413 ckms |
| B | 6,630 MVA | 6,000 MVA | 3,125 MVA | 1,360 MVA | - | - | - | - | - | 630 MVA | - | 585 MVA |
| C | c. 28 years | c. 31 years | c. 18 years | c. 30 years | c. 31 years | c.41 years | c.35 years | c. 34 years | c. 35 years | c. 35 years | c. 35 years | c. 35 years |
| D | Regulated return | Regulated return | Regulated return | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff |
| E | Centre / State | State | State | State | Centre | State | State | State | Centre | Centre | Centre | State |
| F | INR 49.6 Bn | INR 57.7 Bn | INR 55.7 Bn | INR 3.9 Bn | INR 18.2 Bn | INR 2.2 Bn | INR 10.8 Bn | INR 1.3 Bn | INR 12.1 Bn | INR 9.5 Bn | INR 5.4 Bn | INR 4.4 Bn |

**A** Transmission line length **B** Transformation capacity **C** Residual concession life **D** Contract **E** Pool **F** Asset base(2)

**Notes:** ATIL - Adani Transmission (India) Limited; MEGPTCL - Maharashtra Eastern Grid Power Transmission Co. Limited; AEML: Adani Electricity Mumbai Limited (Distribution business); ATBSPL: Adani Transmission Bikaner Sikar Private Limited; STL - Sipat Transmission Limited; RRWTL - Raipur Rajnandgaon Warora Transmission Limited; CWTL – Chhattisgarh WR Transmission Limited; ATRL – Adani Transmission (Rajasthan) Limited; ATSCL – Aravali Transmission Service Company Limited; MTSCL – Maru Transmission Service Company Limited, WRSS M – Western Region System Strengthening Scheme Maharashtra, WRSS G – Western Region System Strengthening Scheme Gujarat, (1) 74% in ATSCL with an option to acquire balance 26% in a manner consistent with Transmission Service Agreement and applicable consents; (2) Asset base for operational assets as of Dec-2020; Mumbai GTD / BSES – as per proposed funding plan.

# ATL's Under-construction Asset Portfolio as of FY21

adani Transmission

## Adani Transmission Limited

| | NKTL | FBTL | GTL | Obra-C Badaun | WRSS – XXI (A) | Bikaner - Khetri | Lakadia Banas-kantha | Jam Kham-baliya | HVDC# | Kharghar - Vikhroli | WKTL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | North Karanpura Transmis-sion System | Fategarh Bhadla | Ghatampur | Obra | Lakadia - Bhuj | Bikaner – Sikar | Lakadia-Banas-kan-tha | Jam Kham-baliya | HVDC - Mumbai | 400kv Kharghar - Vikhrolli | Warora - Kurnool |
| | Under Construction | | | | | | | | | | |
| A | 304 ckms | 292 ckms | 897 ckms(2) | 630 ckms | 292 ckms | 480 ckms | 352 ckms | 38 ckms | 160 ckms | 74 ckms | 1,756 Ckms |
| B | 1,000 MVA | - | - | 950 MVA | 3000 MVA | - | - | 2500 MVA | 1,000 MW | 1500 MVA | 3500 MVA |
| C | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| D | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Fixed tariff | Regulated Return | Fixed tariff | Fixed Tariff |
| E | Centre | Centre | State | State | Centre | Centre | Centre | Centre | State | State | Centre |
| F | INR 6.7 Bn | INR 5.5 Bn | INR 18.2 Bn | INR 7.4 Bn | INR 8.1 Bn | INR 8.5 Bn | INR 7.0 Bn | INR 3.2 Bn | INR 70 bn | INR 18.9 Bn | INR 34 Bn |
| G | Dec-21 | Mar-21 | June-21 | May-21 | May-21 | May-21 | Nov-21 | Aug-21 | - | Dec-22 | Apr-23 |

A Project total line length
B Transformation capacity
C Residual concession life
D Contract type
E Pool
F Asset base(1)
G SCOD(3)


765kV Ghatampur TPS-Agra SC line


Completion of tower foundation work at North Karanpura-Chandwa (NKTL)

**Notes:** #HVDC project SPV will be 100% subsidiary of AEML (Adani Electricity)

NKTL – North Karanpura Transco Limited; FBTL – Fategarh Bhadla Transmission Limited; 1) Asset base for under-construction assets – as per the estimated project cost as of March 2020; 2) Small element of 98 ckt kms of GTL line is operational out of total 897 ckt kms as of 1HFY21; (3) Provisional Scheduled Commercial Operation Date (SCOD) adani Transmission

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