

adani

Adani Electricity Mumbai Limited

Investor Presentation

October 2020



# Contents

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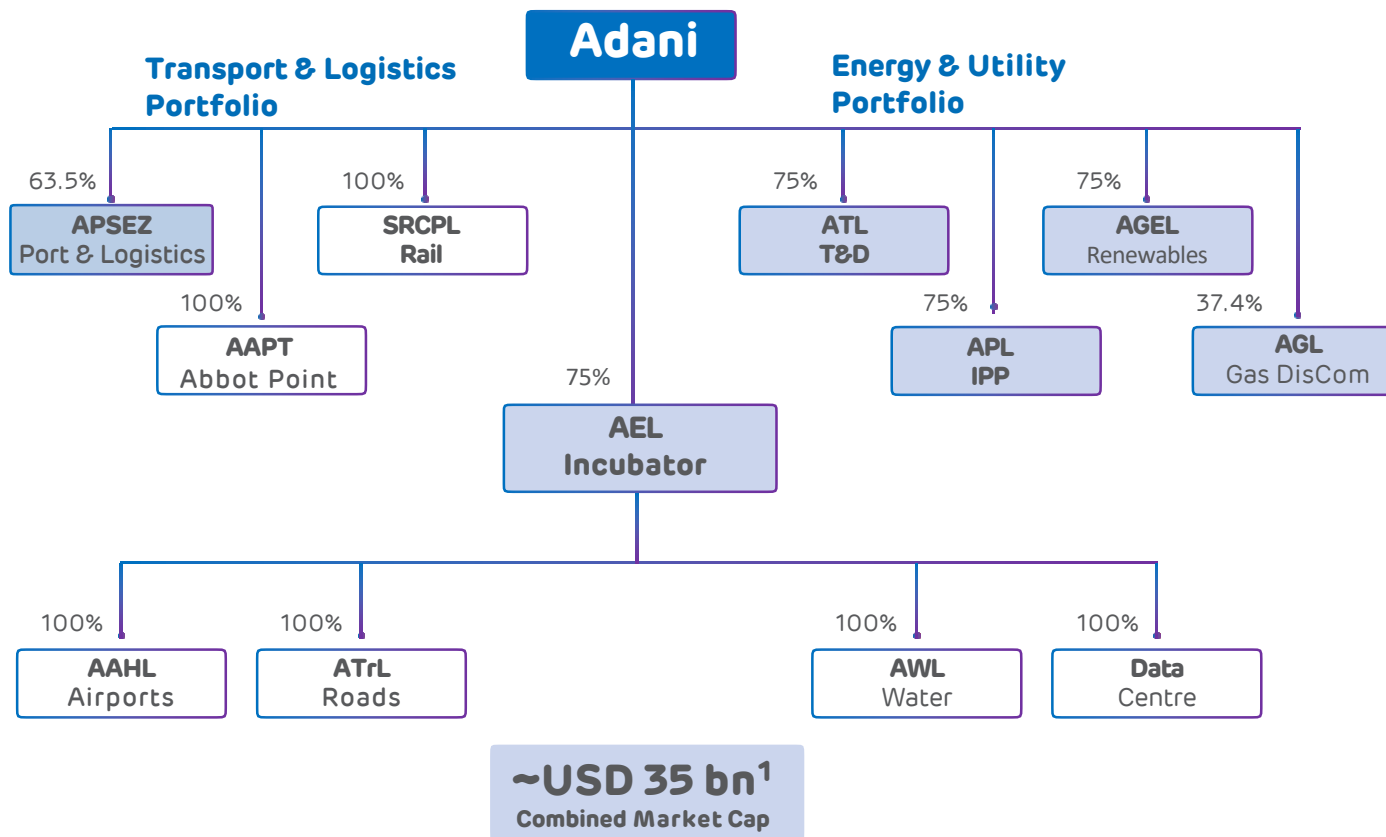
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01

Adani Group Overview

# Adani Group: A world class infrastructure & utility portfolio



## 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 six airports in the country
- **Locked in Growth 2020 –**
  - Transport & Logistics - Airports and Roads
  - Energy & Utility – Water and Data Centre

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

1. As on September 09, 2020, USD/INR – 73.5 | Note - Percentages denote promoter holding  
Light purple color represent public traded listed verticals

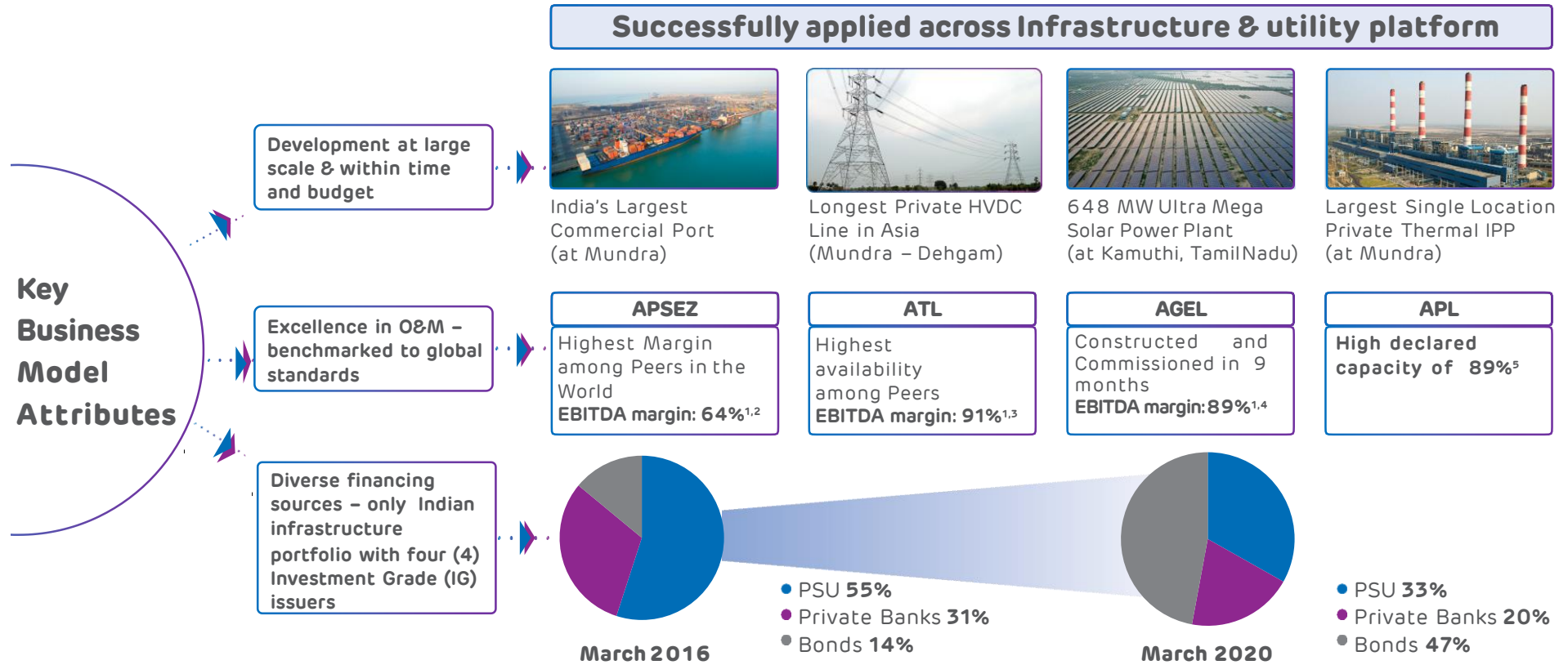
# Adani Group: Repeatable, robust & proven model of infrastructure development



**Low capital cost, time bound & quality completion providing long term stable cashflow & enhanced RoE**

EPC – Engineering, Procurement and Construction, IG – Investment Grade, O&M – Operations & Maintenance, RoCE – Return on Capital Employed, AEML – Adani Electricity Mumbai Limited, APSEZ – Adani Ports and Special Economic Zone Limited, ATL – Adani Transmission Limited, AGEL – Adani Green Energy Limited, QIA – Qatar Investment Authority

# Adani Group: Repeatable, robust business model applied to drive value



**The dominant Infrastructure platform that re-defines respective industry landscape.**

Note: 1 Data for FY20; 2 Excludes forex gains/losses; 3 EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4 EBITDA Margin represents EBITDA earned from power sales and exclude other items; 5 FY20 data for commercial availability declared under long term power purchase agreements.

# AEML – Emulating Group Philosophy

## Large scale Integrated electric utility

Over 3.05mn households  
~12mn consumers

6,575 substations<sup>2</sup>  
24,638 km cable<sup>2</sup>  
566 ckt km Transmission network<sup>2</sup>

1,964 MW Peak Demand<sup>3</sup>  
10,335 MUs Consumption<sup>3</sup>

## High Quality of Service

Committed to Green Initiatives  
Target Renewable procurement –  
30% by 2023  
50% by 2025

99.99% supply reliability<sup>3</sup>  
7.37% distribution losses<sup>3</sup>  
SAIDI – 34.18 mins<sup>3</sup>  
SAIFI – 1.24<sup>3</sup>

Committed to providing affordable power  
Reduction of Power purchase cost by 22.18%<sup>4</sup>

## Capital Management and Strategic Partnership

Fully funded capex plan for asset hardening to ensure reliable and affordable power

Onboarding of QIA as a strategic partner for robust growth and governance

Baa3/ BBB-/ BBB-<sup>1</sup>  
International Investment Grade Rating  
IND AA+/ Stable<sup>1</sup>  
Domestic Rating for WC

SAIDI - System Average Interruption Duration Index, SAIFI - System Average Interruption Frequency Index, ckt km – circuit kilometers, sq. km – square kilometers, MW – Mega Watt, MU – Million Units, NR

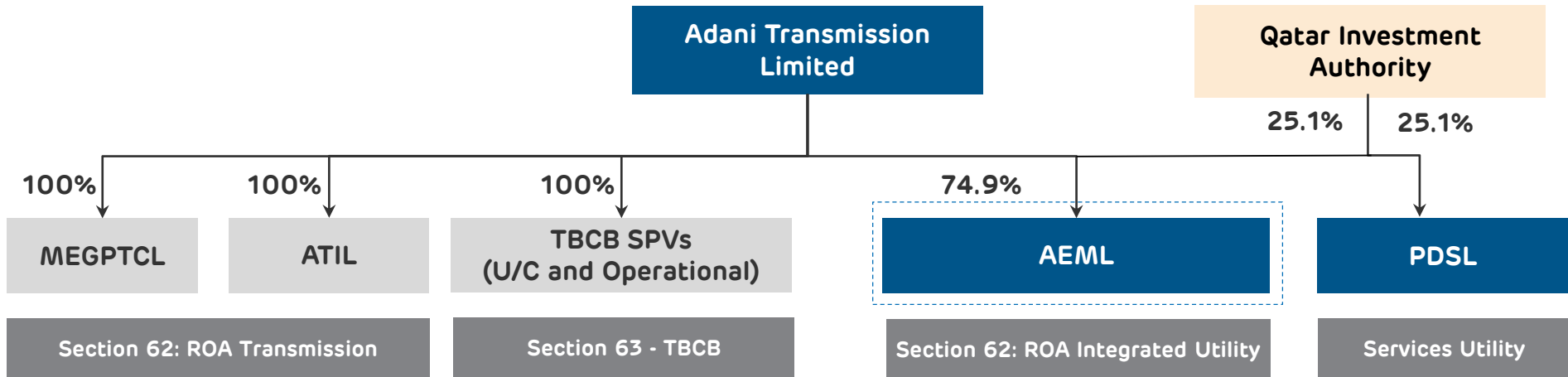
1. IG Ratings from Moody's / Fitch/ S&P, Domestic rating from India Rating for Working Capital 2 - as of 30 Sept 2020, 3 -FY 2020 numbers, 4 - in FY 20 compared to FY 19,

# 02

AEML – Business Overview



# AEML – Structure and Asset Description



## Brief Asset Description

Adani Electricity Mumbai Limited (AEML) is an integrated utility acquired by ATL in Aug 2018 :

- **Generation** – Embedded generation critical for electricity supply for Mumbai consumers
- **Transmission** – Transmission lines forming part of the Maharashtra state transmission system
- **Wires** – Electricity supply infrastructure serving over 400 sq. km
- **Retail** – Supply of electricity to ~ 12mn consumers

AEML is a Rate of Return Asset (the asset being the RAB) under Section 62 of Electricity Act, 2003.

Qatar Holding LLC, a wholly owned subsidiary of **Qatar Investment Authority (QIA)** acquisition of 25.1% equity stake in the AEML

**AEML is a high-quality ROA based asset with no to minimal throughput risk (only in Retail)**

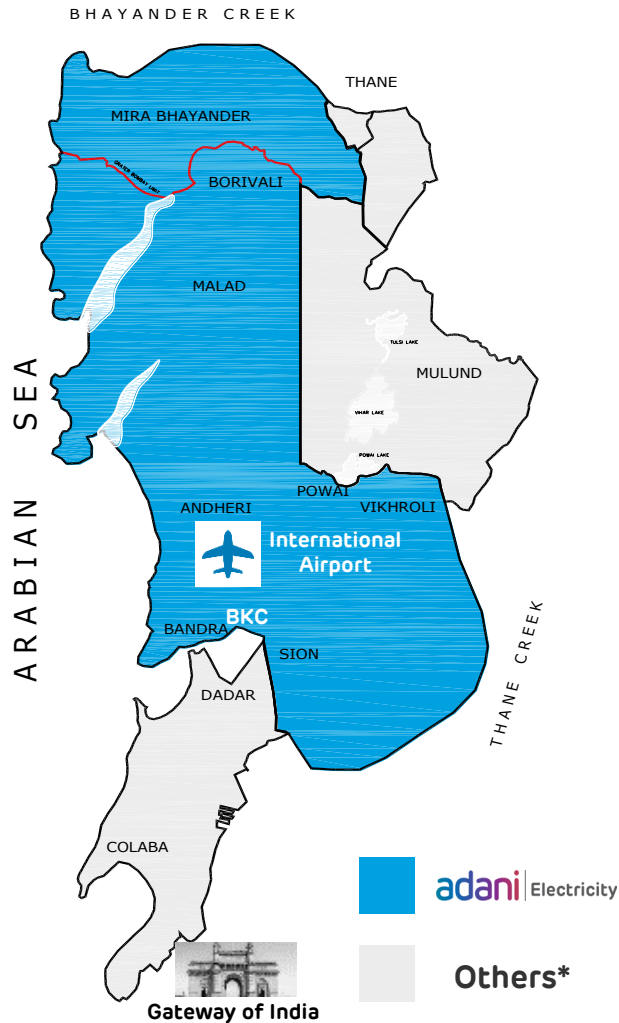
LLC – Limited Liability Company, TBCB – Tariff Based Competitive Bidding, MEGPTCL - Maharashtra Eastern Grid Power Transmission Company Limited. ATIL - Adani Transmission (India) Limited, ROA – Rate of Return Assets, SPV – Special Purpose Vehicle, U/C – Under Construction, CP – Condition Precedents






# AEML serves as the largest utility in the “gateway” city of Mumbai

Servicing 85% of Mumbai's geography, touching 2 out of 3 households in Mumbai

## Key Characteristics of Mumbai

- India's commercial capital and most populous city
- Among top 10 Global Finance Centers with per capita income at 3x of India



	Mumbai	adani Electricity	% share
Households 	4.50 mn	3.05 mn	67%
Network Consumers 	17.0 mn	12.0 mn	67%
Distribution network area 	470 sq. km.	400 sq. km.	85%
Peak Demand 	3,464 MW	1,964 MW	57%
MUs sold 	18,341	10,335 <sup>1</sup>	56%

1. This includes the changeover and the open access consumers; \* - Others include BEST, MSEDCL & Tata Power, BKC – Bandra Kurla Complex, MU- Million unit  
Source – Census 2011, AEML Website

03

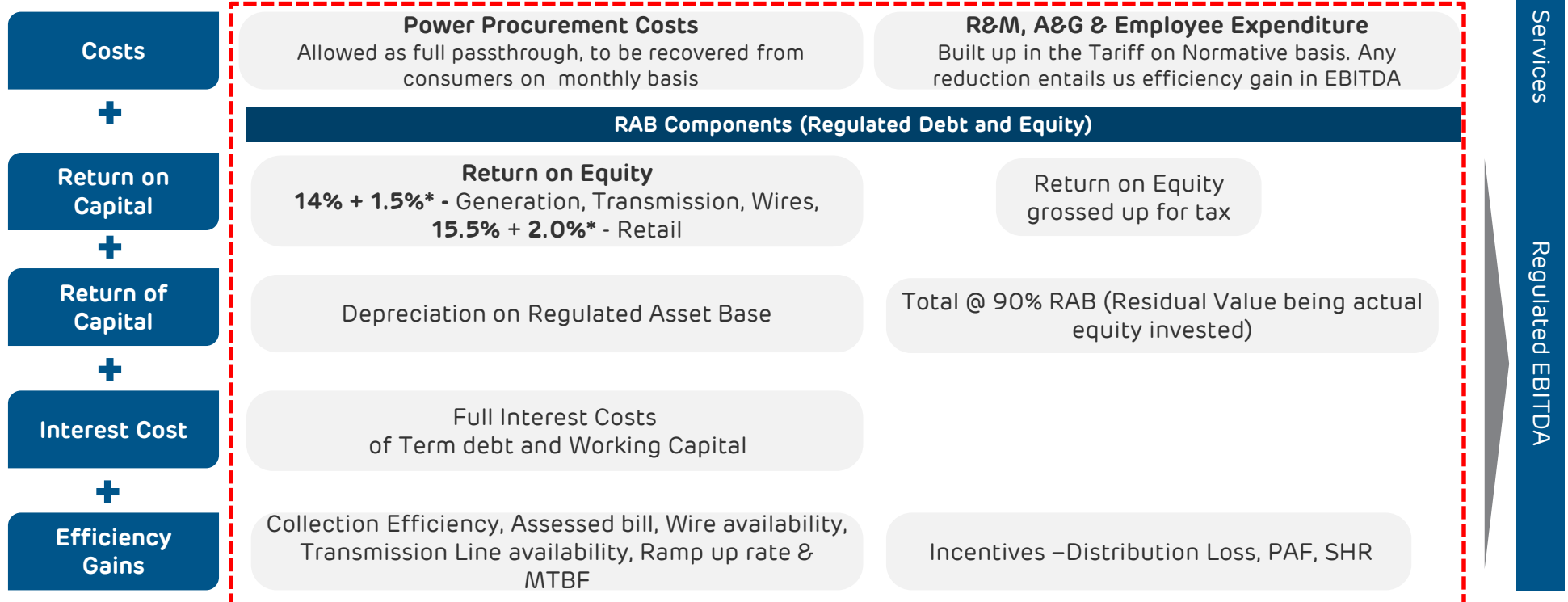
AEML – Regulatory and Operating Framework

# Business operating in a well-defined and mature regulatory framework...

## Section 62 of Electricity Act 2003

- Ensures Tariff determination based on Aggregate Revenue Requirement (ARR)
- EBITDA in the ARR is related with RAB of the Company
- Any reduction in the sales volume is allowed to be recovered through Revenue Gap mechanism and any increase in Power Purchase cost is recovered through FAC mechanism on monthly basis.

### Tariff Determination



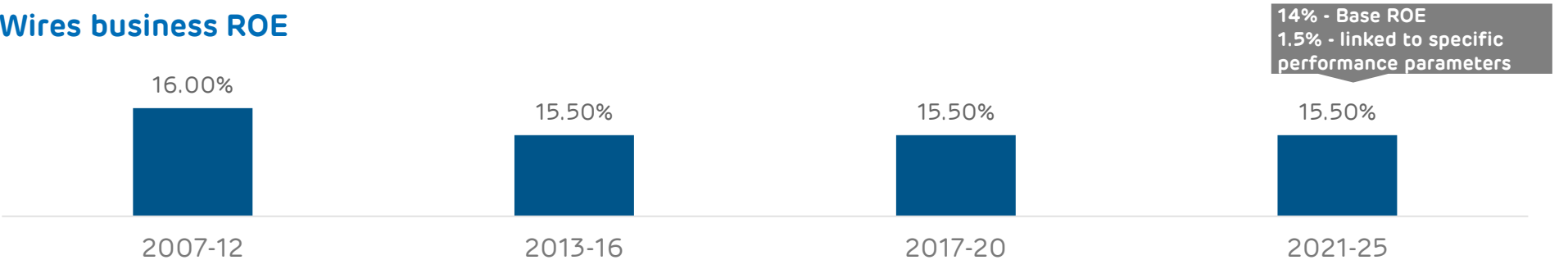
It can be seen from above that EBITDA of the company is independent of Sale & Volume. Interest on Loan is fully protected by highly predictable EBITDA generated by the business.

# ...with a predictable EBITDA and stable return profile

## Generation and Transmission business ROE



## Wires business ROE



## Retail business ROE



As per MYT 2019 regulations applicable from 1<sup>st</sup> April 2020, additional ROE has been linked to achieving efficiencies

# Currently Pursuing Operating Philosophy of Asset Hardening...

## AEML ensuring highest quality of supply underpinned by 3 pillars

### SUSTAINABILITY

AEML is committed to increasing share of renewable power procurement from current 3% to 30% till 2023 and 50% till 2025

- AEML has signed a hybrid (solar + wind) 700 MW PPA with minimum guaranteed CUF of 50%

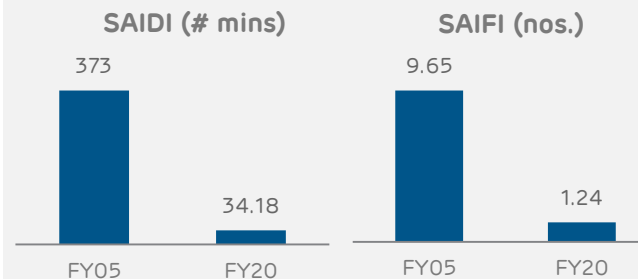
Following initiatives are being taken to ensure sustainability across AEML business

- Usage of **Environment friendly** Dry and Ester Oil transformers
- Oil Type Switch gears to be replaced by dry type **maintenance free switch gears**
- LED lamps for street lights **reducing carbon footprint**

### RELIABILITY

Reliability of supply ensured by continuous capex

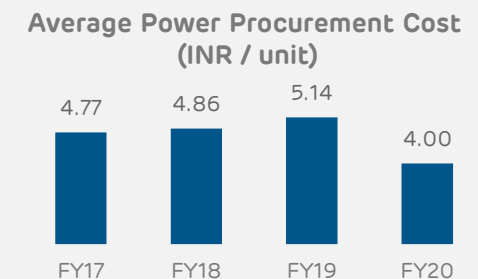
- Capex ensuring asset hardening and modernization
- Investment into modern O&M practices ensuring lower SAIDI and SAIFI
- Protection against outages due to adverse events



### AFFORDABILITY

AEML aims to maintain affordable tariff for its 12 mn consumers

- New fixed tariff PPA for procurement of 700 MW hybrid power at INR 3.24 / unit for 25 yrs
- AEML will save on short term power requirement and reduce overall power purchase cost
- **Smoothing of FAC resulting in tariff stability for consumers**



## Optimization of pass through costs helps allows new investment in RAB

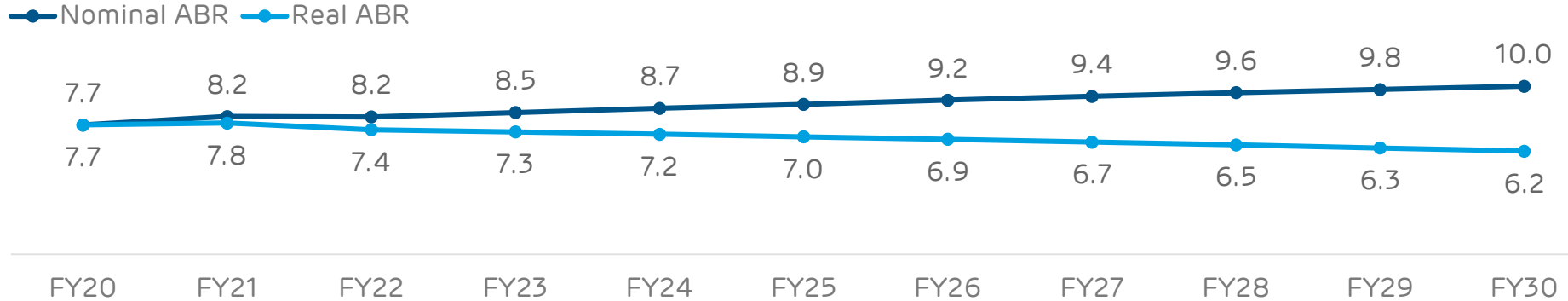
On account of continuous asset hardening and operational excellence AEML ensured near 100% supply even in Covid

# ...with minimal impact on consumer tariffs

We are committed to maintaining affordable tariffs while ensuring high quality of supply

## Average Billing Rate (ABR) - INR /unit<sup>1</sup>

Real ABR computed @ 5% Inflation rate



– Nominal ABR CAGR of 2.66% from FY20-30

– Transmission capex has minimal impact on tariff as it is spread over all power consumers in Maharashtra

## Levers available to minimize consumer tariffs

### 1 Power Purchase Costs

- Optimization in power purchase costs
- Improve renewable power mix (Tender for procurement of 700MW renewable energy)
- Renewable tariff fixed over PPA tenor – no escalation in per unit cost

### 2 MU Sales Growth









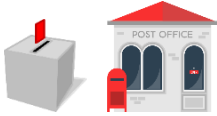



- Position AEML as “supplier of choice”
- Growth in consumers (market share) along with per capita power consumption with rising incomes
- ARR spread over larger number of MUs helping reduce consumer tariffs

### 3 Operating Efficiencies

- Best O&M practices and superior infrastructure to improve efficiencies and reduce losses
- Loss reduction to help reduce power purchase costs

1. Average billing rate in chart excludes impact of past revenue gap and regulatory assets that may be approved for recovery by MERC during the year  
CAGR – Compounded Annual Growth Rate, PPA – Power Purchase Agreement, MU – Million Unit, O&M – Operations and Maintenance, ARR – Aggregate Revenue Requirement

# Consumer-centricity to continue to appease customers and enhance stickiness

<p><b>Customer Service Reach</b></p>	 <p>Multiple Customer Care Centers</p>	 <p>24X7 Contact Center (Voice, Missed-call, Email)</p>	 <p>30,000 Chat / Month</p> <p>Self-help service via Mobile app, Whatsapp &amp; Chat-Bot</p>
<p><b>Service Delivery Tools</b></p>	 <p>Campaign Management and Social Media Integration</p>	 <p>Outage Management System</p>	 <p>GIS Based Mobility Platform</p>
<p><b>Payment Platforms</b></p>	 <p>Physical Avenues</p>	 <p>Online Platforms (pay gateways, UPI, e-wallets)</p>	 <p>Banks, Drop-boxes, Post Offices</p>
<p><b>After-sales Service Tools</b></p>	 <p>Customer Satisfaction Survey</p>	 <p>Staff Training and Development</p>	 <p>Data Enrichment, Personalization and 360° customer view</p>

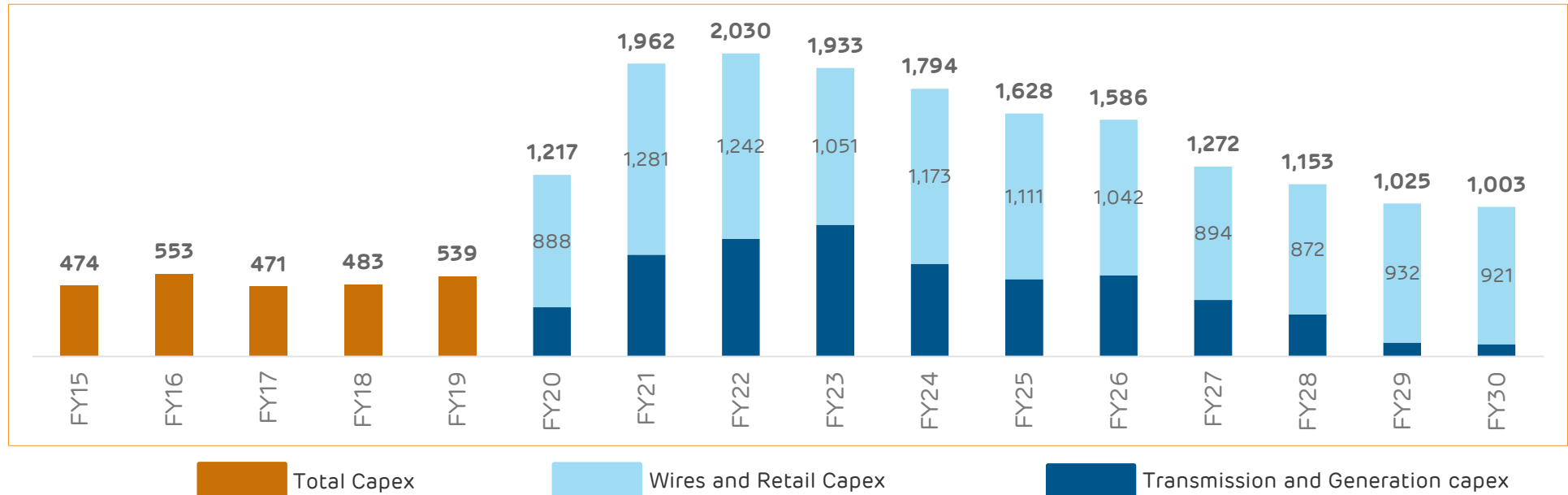


04

Business Lever – Capex driven Growth in RAB

# Based on complete future roadmap, AEML has a planned capex outlay of ~ INR 16,603 cr from FY20-30

In addition to wires and retail capex, plan is to enhance reliability of supply and upgrade the network



A	B	C
<b>Pre Acquisition Period</b>	<b>Post Acquisition Period</b>	
Low capex on account of liquidity constraints and high power purchase costs	<ul style="list-style-type: none"> <li>– Optimization in power purchase costs to enable higher capex without impacting tariff</li> <li>– Bankruptcy remote structure to ensure that fund availability is not a concern for capex as required by consumer</li> <li>– Capex of INR 11,407 cr from FY20-30 for wires and retail business primarily consists of replacement capex to improve reliability of existing infrastructure</li> <li>– Balance capex of INR 5,196 cr from FY20-30 for transmission and generation business</li> </ul>	

# Past trend of MERC suggests that capex done in line with DPR process is approved in true up / MTR

Historically, MERC has approved a lower number in its MTR order and finally matches the actual capitalization executed by AEML during its final order for that year

Amount in INR cr	FY19		FY20	
	MYT approved	Final True-up <sup>1</sup>	MYT approved	Provisional True-up <sup>2</sup>
Action by MERC	399	477	138	1,075
Capitalization	399	477	138	1,075

<sup>1</sup> During earlier incumbent period as well, capitalization of 477Cr was approved after initial MYT approval of 399 Cr

<sup>2</sup> FY20 Capex Petition Filed -  
Executed INR 1,075 Cr which was approved in the recent MYT order  
However, the final capex executed at the end of FY20 was INR 1,217 crores in addition with a WIP of INR 100 crores. In line with historical trend, AEML expects it to be approved going forward.

**MERC has capitalized as per present level of DPR approvals, based on past track record we estimate all capex done in line with the process outlined by MERC, the same shall be capitalized in the MTR order**

Capitalization as per recent MERC order dated 30 <sup>th</sup> March 2020 (All figures in INR cr)					
	FY21	FY22	FY23	FY24	FY25
Petition filed by AEML	1,665	2,147	1,913	1,821	1,642
Approved by MERC	1,054	737	534	356	351
Difference	611	1,410	1,379	1,465	1,291

AEML intends to do capex in the future with strict adherence to the DPR approval process of MERC

05

Capital Management Program and Investment Case

# AEML - Capital Management Program

## Capital De-risking

**AEML US\$ 1bn bond issuance**  
(bullet maturity and tenor of 10 year)

## Value unlocking and Deleveraging

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

## Fully-funded Growth

**Rolling capex facility of \$400mn fully suffice capex plan for next 10 years**

## Capital Management Plan

- 10 Years bullet 1bn \$ bond to repay existing debt
- ECB 400 mn \$ revolver to support ongoing capex
- Quasi equity from QIA for INR 2,000 cr to reduce the overall external debt

## Advantage of Capital management Program

- Redesigning of the capital structure of the asset in line with asset life
- Reduction in Weighted Average Cost of Capital
- Increase in Tenure of debt repayment
- Increase in EBITDA due to lower cost of capital
- Increase in RAB & EBITDA due to bullet payment of debt

Particulars	Before	After <sup>1</sup>
Average Maturity	15 Yrs	Refinance Perpetually
Rate Of Interest	9.20% p.a	9.05% p.a
Interest Coverage Ratio	1.98X	2.61X
DSCR	1.44X	5.50X
Net Debt / EBITDA	4.68X	3.77X
Net Debt / RAB	1.33X	0.81X

1. Estimated numbers of FY21

# AEML – Compelling Investment Opportunity

## Stable and Predictable Cashflow

**Rate of Return asset** with stable Cashflow and EBITDA profile  
~ **93 years of operating history**, part of growth journey of Mumbai

## Stable Regulatory Environment

~ 20 years operating history of MERC – **proven track record** as a regulatory authority  
**ARR determining parameters – majorly unchanged** since MYT inception (2003)  
Forward Looking Approach adopted – **linking efficiencies to returns**

## Consumer Focus

AEML's 3-pronged approach to consumer service compares well with its global peers

- **Sustainability & Safety**– Renewable power procurement
- **Supply Reliability** of ~ 100%\*, continuous O&M and capex to maintain the same
- **Affordable Power** – Despite large capex plan, minimal impact on consumer tariff

## Capex driven Growth in RAB

**High capex visibility** for 10 next years to **drive robust EBITDA expansion**  
**Capex is fully-funded** through recently concluded Capital Management Program

## Strong Sponsorship

**Adani Group** – India's **leading infrastructure conglomerate** with significant presence in energy value chain, ports, logistics and other sectors  
**QIA** – **One of world's largest sovereign wealth fund** with investments in marquee infrastructure assets and utilities across world<sup>1</sup>

\* - Data as of September 2020, RAB – Regulated Asset Base, MERC – Maharashtra Electricity Regulatory Commission, MYT – Multi Year Tariff, O&M – Operations and maintenance

A

Appendix

# 01

AEML – Detailed Overview



# AEML – Regulated Utility

## Operating in Gateway City of Mumbai

**Top 10** Centers of commerce in world  
**6%** of India's real GDP  
**4x** Per capita income of India

## Stable and Evolved Regulatory Regime

**AEML witnessed regulations since 1956**  
**17 yrs** of regulatory orders under current Electricity Act 2003  
**MERC focus on high quality of supply**

**adani** | Electricity

## Focus on sustainability

**1<sup>st</sup>** Power plant in India to install FGD

**Oil type** switch gears replaced by dry type maintenance free switch gears

**~ 30%** Targeted renewable procurement by FY23

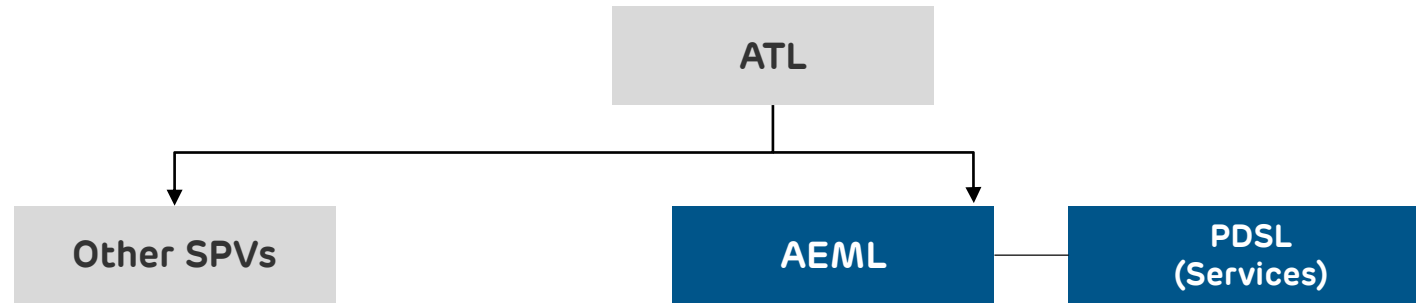
# AEML – Asset Details

Division	Capacity	License	Key Characteristics	Performance															
<b>Generation</b>	<ul style="list-style-type: none"> <li>2 x 250MW</li> </ul>	PPA till 2023	<ul style="list-style-type: none"> <li>100% FGD installed</li> <li>100% Washed Coal</li> </ul>	<p>Plant Availability %</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Normative</th> <th>Availability over normative</th> </tr> </thead> <tbody> <tr> <td>FY17</td> <td>85.0%</td> <td>14.5%</td> </tr> <tr> <td>FY18</td> <td>85.0%</td> <td>9.2%</td> </tr> <tr> <td>FY19</td> <td>85.0%</td> <td>9.9%</td> </tr> <tr> <td>FY20</td> <td>85.0%</td> <td>6.3%</td> </tr> </tbody> </table>	Year	Normative	Availability over normative	FY17	85.0%	14.5%	FY18	85.0%	9.2%	FY19	85.0%	9.9%	FY20	85.0%	6.3%
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FY20	85.0%	6.3%																	
<b>Transmission</b>	<ul style="list-style-type: none"> <li>566 ckms</li> <li>3,125 MVA</li> <li>220 kV – 117 Bays</li> <li>33 kV – 385 Bays</li> <li>8 Substation</li> </ul>	Aug 15, 2036	<ul style="list-style-type: none"> <li>Part of Maharashtra State Transmission Network</li> </ul>	<p>Transmission Availability %</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Normative</th> <th>Availability over normative</th> </tr> </thead> <tbody> <tr> <td>FY17</td> <td>98.00%</td> <td>1.80%</td> </tr> <tr> <td>FY18</td> <td>98.00%</td> <td>1.84%</td> </tr> <tr> <td>FY19</td> <td>98.00%</td> <td>1.75%</td> </tr> <tr> <td>FY20</td> <td>98.00%</td> <td>1.78%</td> </tr> </tbody> </table>	Year	Normative	Availability over normative	FY17	98.00%	1.80%	FY18	98.00%	1.84%	FY19	98.00%	1.75%	FY20	98.00%	1.78%
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<b>Wires*</b>	<ul style="list-style-type: none"> <li>24,405 kms</li> <li>PT – 3,896 MVA</li> <li>DT – 5,076 MVA</li> </ul>	Aug 15, 2036	<ul style="list-style-type: none"> <li>Servicing 400 km<sup>2</sup> of Mumbai</li> <li>100% underground network</li> </ul>	<p>Wires Availability %</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Normative</th> <th>Availability over normative</th> </tr> </thead> <tbody> <tr> <td>FY17</td> <td>98.00%</td> <td>1.80%</td> </tr> <tr> <td>FY18</td> <td>98.00%</td> <td>1.99%</td> </tr> <tr> <td>FY19</td> <td>98.00%</td> <td>1.99%</td> </tr> <tr> <td>FY20</td> <td>98.00%</td> <td>1.99%</td> </tr> </tbody> </table>	Year	Normative	Availability over normative	FY17	98.00%	1.80%	FY18	98.00%	1.99%	FY19	98.00%	1.99%	FY20	98.00%	1.99%
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<b>Retail*</b>	<ul style="list-style-type: none"> <li>2.47mn meters</li> <li>3.04mn network connections</li> </ul>	Aug 15, 2036	<p>Consumer Mix: (by volume)</p> <ul style="list-style-type: none"> <li>Residential 50%</li> <li>Commercial 40%</li> <li>Industrial 10%</li> </ul>	<p>Collection Efficiency %</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Normative</th> <th>Availability over normative</th> </tr> </thead> <tbody> <tr> <td>FY17</td> <td>99.00%</td> <td>1.65%</td> </tr> <tr> <td>FY18</td> <td>99.00%</td> <td>1.77%</td> </tr> <tr> <td>FY19</td> <td>99.00%</td> <td>1.53%</td> </tr> <tr> <td>FY20</td> <td>99.00%</td> <td>4.53%</td> </tr> </tbody> </table>	Year	Normative	Availability over normative	FY17	99.00%	1.65%	FY18	99.00%	1.77%	FY19	99.00%	1.53%	FY20	99.00%	4.53%
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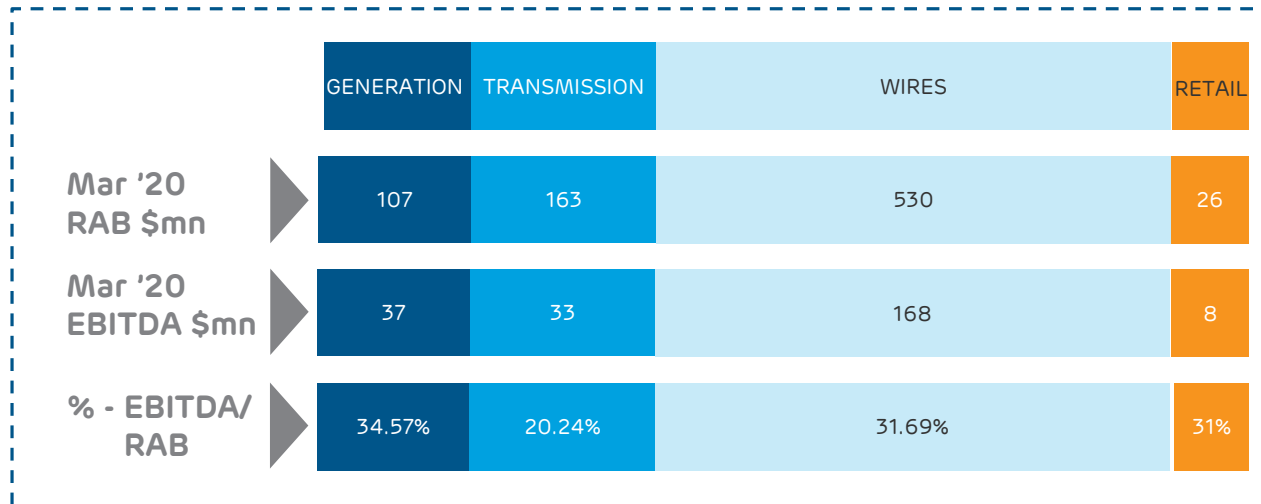
Normative
  Availability over normative

# AEML – EBITDA Components

AEML Business comprises of regulated integrated utility with RAB of USD 826 mn\* & unregulated business



## REGULATED INTEGRATED UTILITY



RAB: Regulated Asset Base, 1 USD – INR 75.665, \* - as of Mar 2020, EBITDA – Earnings before interest, tax, depreciation and amortization.

# AEML continuously benchmarks the best O&M practices of international utilities serving gateway cities

AEML is benchmarking itself against international utilities to further enhance its supply reliability

Service Type	adani   Electricity	Peer 1	Peer 2	Peer 3
<b>Key Characteristics</b>				
Area (sq. km.)	400	6,734	524,110	129,500
Connected Households (mn)	3.05	2.30	27.50	5.15
Max. Demand (MW)	1,964	9,753	59,100	22,009
Sales in MUs (incl. Wheeling)	10,335	40,684	272,400	84,654
Consumption / Consumer/ Month	280	1,474	825	1,370
<b>Performance Parameters</b>				
SAIDI (# min / Consumer / year)	34.18	56.10	50.13	71.25
SAIFI (# events / Consumer / year)	1.24	0.80	2.07	0.72
CAIDI (SAIDI/SAIFI)	31.57	70.0	24.2	99.0

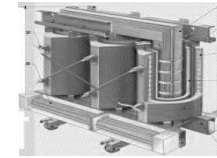
Note: We have taken EDF - Électricité de France, SCE - Southern California Edison and PSEG - Public Service Enterprise Group as peers for above benchmarking. Data for AEML as of 30<sup>th</sup> Sep 2020, rest peers as of Calendar Year 19  
SAIDI - System Average Interruption Duration Index, SAIFI - System Average Interruption Frequency Index, CAIDI - Customer Average Interruption Duration Index, MU - Million Units

02

AEML – Technology and Consumer Centricity  
at the core of operations

# AEML has pioneered adoption of ground breaking technologies since inception

These technological advancements have helped AEML create robust systems and processes infrastructure



1<sup>st</sup> utility in Mumbai to go under ground → **undisrupted supply of power**

India's 1<sup>st</sup> utility to introduce SCADA for **faster fault detection and restoration**

- SAP, ISU CCS go-live
- GIS Data Management process → **quick response and asset management**

- Smart Substation
- Low cost Aluminium foil winding DT

Introduced chat/voice bots using AI / Machine learning → **faster responsiveness**

1968

1975

1982

1999

2003

2004

2007

2014

2016

2019

2020

Electronic Data Processing through Auto Coder & Card Readers

Established Mainframe for Data Processing → **billing efficiency**

- Monthly Readings through MRI to **eliminate reading errors**
- Heat Shrink joints to **reduce failures**

- **Automated readings** through modems
- Integrated SCADA, DMS, FPI
- Installation of FGD in Dahanu (1<sup>st</sup> in India)

Dry type power transformer → **safety of consumers**

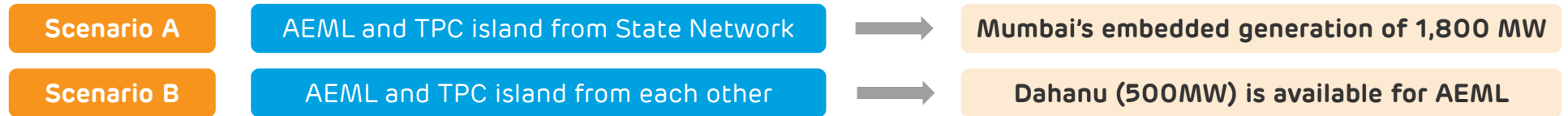


Implementation of Advanced Distribution Management System (ADMS) for efficiency enhancement

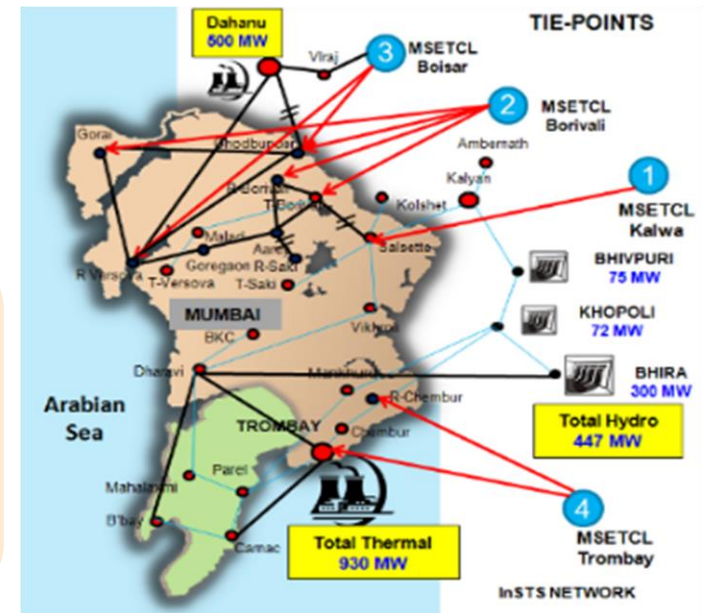
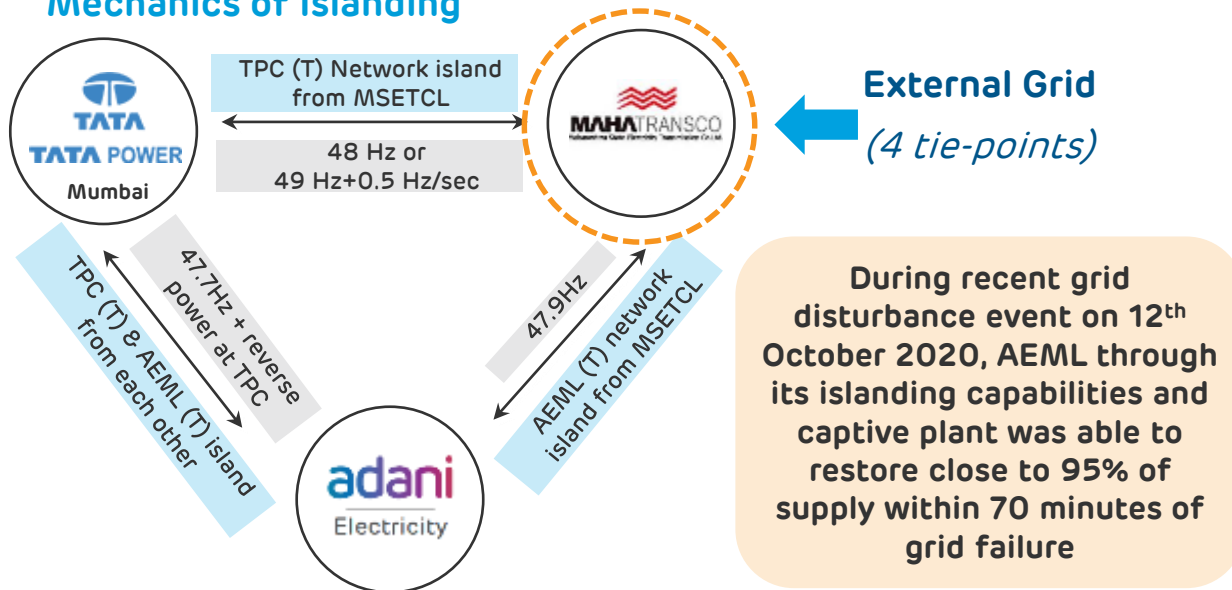
# Mumbai network design significantly minimizes disruptions from grid disturbances

## Mumbai's embedded generation of 1,800 MW ensures supply to all critical infrastructure of the city

- Mumbai's embedded generation of 1,800 MW (AEMLs Dahanu of 500 MW & Tata's Trombay + Hydro plants 1,300 MW) ensures supply reliability in case of external grid failures
- 24 instances of National / Regional Grid outages in last 20 years, however, **consumers in Mumbai saw minimal disruptions**
- Grid instability results in system frequency fluctuating below normal 50 Hz and subsequently respective network gets isolated from main grid consuming power from Mumbai's embedded generation plants (as shown in the map below)

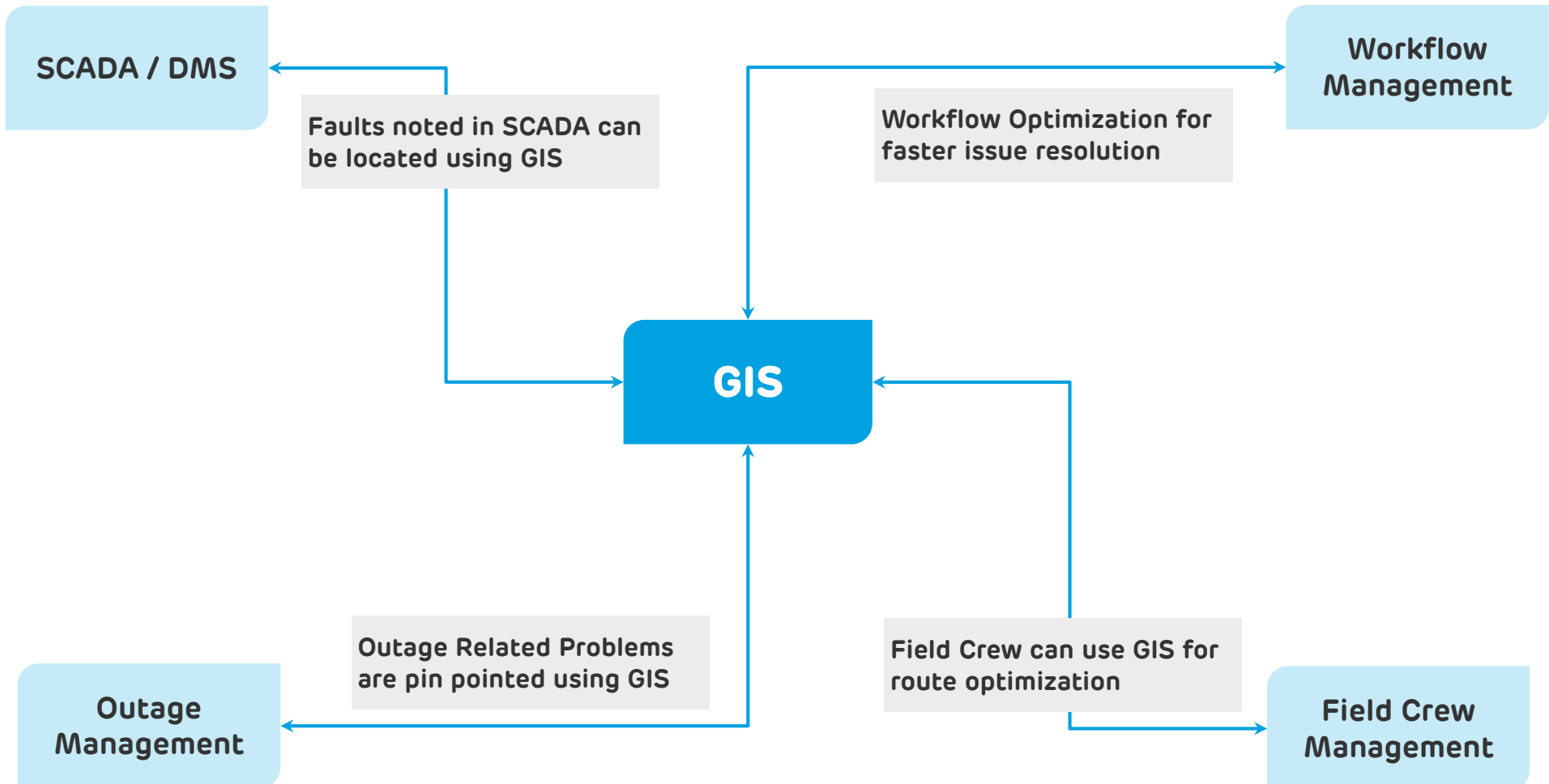


## Mechanics of Islanding



# AEML employs an integrated system approach with the GIS system at the “core”

This integrated O&M architecture helps ensure high supply reliability





# Supply reliability supported by efficient operations of embedded generation at Dahanu

Dahanu has enabled supply reliability through adoption of best-in-class practices

- > **100% PLF** 7 consecutive years, 9 years in total
- > **100 awards** International and National awards for excellence in various fields<sup>1</sup>
- > **95% availability** last 15 years
- 3** Copyrights for operational processes
- 1<sup>st</sup> in India** to install FGD unit in 2007
- 2** Patent Applications for DDC simulator kit & Isolater test jig

**5 employees awarded Prime Minister's Shram Shree Award** (National Award for outstanding contributions that improve productivity, innovation, and reliability)

**19 employees awarded Vishwakarma Rashtriya Puraskar Award** (National Award for efficiency related suggestions from employees which have been implemented in Industrial Undertakings)

**First IPP in India** → use of washed coal, blending of domestic & imported coal, & reducing annual overhaul time from >30 days to 15 days

1. Operational, Energy Management, Environmental Management, Safety; FGD – Flue Gas Desulphurization, DDC – Distributed Digital Control, IPP – Independent Power Producer  
Source - [Shram Shree Awards](#).

# AEML efficiently serving ~12 mn consumers of Mumbai

## 1. Consumer Service Initiatives

- **Concessional tariff during religious festivals /** community prayers and for BPL consumers throughout year
- **Smoothering of FAC** resulting in tariff stability for consumers
- Automation of bill amendments, paperless billing
- "Easy check machine" introduced for onsite meter testing at consumer premise
- **Automated Meter Reading** for HT consumers
- Mobile App for meter reading

## 3. Payment Convenience

- All electricity bills are barcoded
- 25 Payment options available
  - Online: Website, Mobile app, E-wallets, eNACH, UPI
  - Offline: 39 bill payment centers, 50 payment kiosks → **touchpoint every 2 km**
- Multilingual (4) service offerings

## 2. Quality of Supply

- 99.99% supply reliability
- 7.37% distribution losses in FY20 (compared to India's national average of around 22%)
- Adoption of advanced technologies like SCADA, DMS, OMS and GIS
- Integrated system approach with the GIS system at the "core"
- Embedded generation at Dahanu insulating Mumbai consumers from external grid disturbances

## 4. Consumer and Employee Safety

- Conduct of Electrical Safety Awareness among Consumers - HT Consumers
- **Electrical Safety Audit** of Industrial Consumers
- **HT / LT Arc Flash suits for field employees** - to protect against flashover hazards
- Internal consumer training & awareness programs



# With Consumer Centricity at the heart, AEML continues to adapt global best practices

AEML is benchmarking itself against international utilities for bettering consumer responsiveness

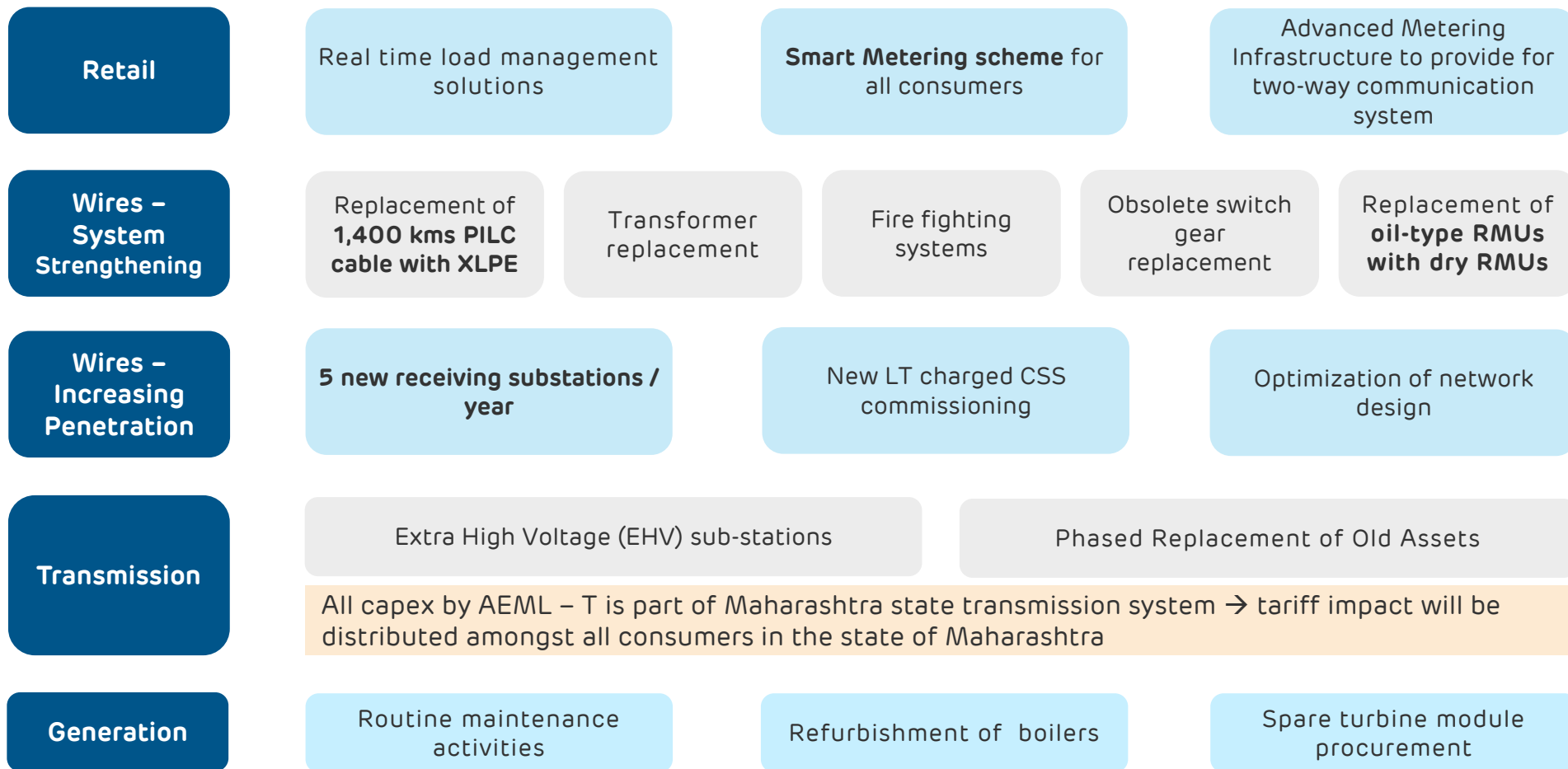
Service Type	adani Electricity	Peer 1	Peer 2	Peer 3
<b>Self Help</b>				
Missed Call	✓	✗	✗	✓
Real Time tracking of Consumption	✗ <sup>1</sup>	✗	✓	✓
WhatsApp Services	✓	✗	✗	✓
Mobile App	✓	✓	✓	✓
<b>Consumer Engagement</b>				
Call Center	✓	✓	✓	✓
<b>Consumer Advisory</b>				
AMR Based Advisory	✗ <sup>2</sup>	✗	✓	✓
Renewable Advisory	✓	✓	✓	✓
Demand Response Program	✗	✗	✓	✓
Energy Efficiency Support	✓	✓	✓	✓
<b>Payments Related</b>				
Energy Cards	✗ <sup>3</sup>	✗	✓	✗
Financial Support - bill payments	✗ <sup>4</sup>	✓	✓	✓
Payment Kiosks	✓	✗	✓	✗

Note: We have taken EDF - Électricité de France, SCE - Southern California Edison and PSEG - Public Service Enterprise Group as peers for above benchmarking. 1.Implementation of smart meters in place, 2.Commencing from FY20 in east division (~7L customers) 3.Not prevalent in India, however, we accept all other cards. 4. EMI and credit options available, AMR - Automated Meter Reading. Source - PSEG Customer Support, PSEG Renewable Advisory, EDF Payments Related, EDF Consumer Advisory, EDF Social Media, SCE Self Help, SCE Consumer Advisory

# AEML has planned various capex schemes to cater to increased demand and maintain supply reliability

AEML is undertaking capex under various schemes to strengthen network infrastructure

2020-30



03

ESG embedded in our operations

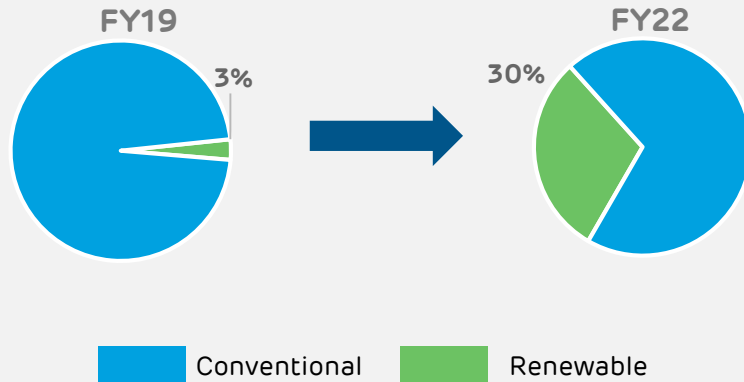
# AEML operating with a high focus on sustainability

## Renewable Power

Targeted 30% of consumption from Renewable sources

- Committed to increasing share of renewable power procurement from current 3% to 30% by 2023 and 50% by 2025
- AEML has tied up a hybrid (solar + wind) 700 MW PPA

% Power Procurement from different sources



## Climate Awareness

### Environmentally compliant generation at ADTPS

100%

Fly ash utilization

275 m

Tallest subcritical chimney in India

FGD

1<sup>st</sup> FGD installed in India

Washed Coal

100% mix of higher quality and cleaner washed coal

### Transmission and Distribution

Ester

Environment friendly Ester filled transformers

Switch gears

Oil Type Switch gears replaced by dry type maintenance free switch gears

LED

LED lamps for streetlights reducing carbon footprint

# AEML's initiatives towards reduction of carbon footprint

## Renewable energy procurement by AEML to leapfrog by 10X by FY22

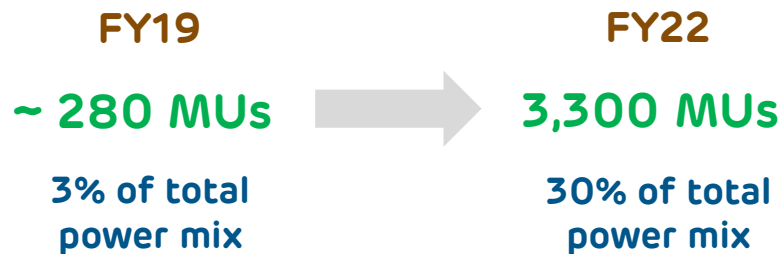
### – Current

- More than 275 MUs of renewable energy procured (~ 3% of total energy procured)
- AEML has signed a hybrid (solar + wind) 700 MW PPA with minimum guaranteed CUF of 50%.
- Since the FGD installation in 2007, DTPS has been generating power in the most sustainable way

### – Ongoing initiatives

- Promotion for Rooftop Solar
  - As on Sep 20, 1226 applications with capacity of 18.80 MW connected
- We target multifold increase in renewable power as % of our overall procurement mix

## 12x growth in renewable power procurement

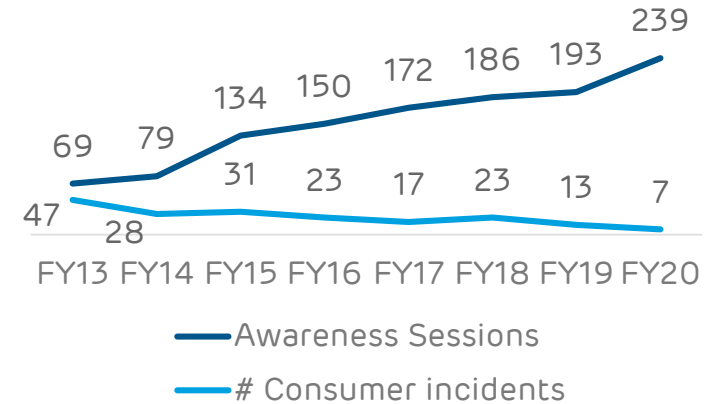
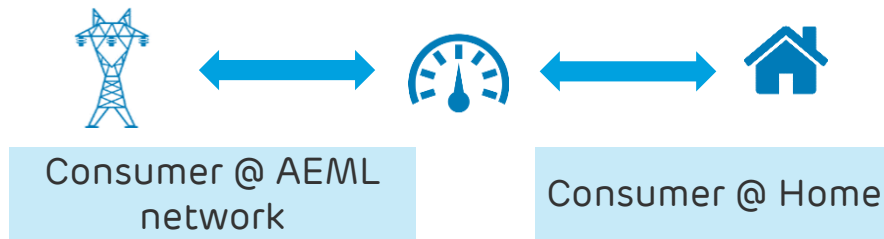


**AEML will be in compliance with the Paris agreement**



# Safety is at the core of our philosophy

AEML goes beyond mandated norms to ensure highest standards of safety for consumers



- Conduct of Electrical Safety Awareness among Consumers - HT Consumers
- **Electrical Safety Audit** of Industrial Consumers
- **Electrical Safety Week** in association with Industrial Labour & Energy department, Maharashtra State
- **Electrical safety Video** prepared by AEML , shown across the Maharashtra
- **Mahacharcha** (National Debate) sponsored by AEML broadcasted on National Television

### Case Study – Slum School Program

<p><b>Campaign Coverage</b></p> <p><b>130</b> Schools</p> <p><b>150</b> Sessions</p> <p><b>10,000</b> Students</p>	<p><b>Campaign Motto</b></p> <p style="text-align: center;"><b>Surakshit Raho Khush Raho</b></p>
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HT – High Tension



# AEML believes in serving the community through its social initiatives

We strive to enrich the lives of the community we serve by various social initiatives

At Adani Group, we strive to enrich the lives of the community through Adani Foundation

Besides those, AEML has taken the following initiatives

## – Tribal Development Program

- Association with NABARD covering 11 villages of Dahanu and 1,000 land owning families
- Support for livelihood for landless laborers

## – Skill Development Program

- 835 candidates trained (773 employed in garments)

## – Health Development

- Engagement of medical agencies for **free medical checkup** for local people
- Provision of Safe Drinking water facility

## – Education

- E-Learning kits in 15 Govt. Schools catering to 2,500 students
- Construction of School buildings
- Distribution of uniforms and notebooks



04

AEML – Financial Summary

# Financial Summary - AEML

Profit and Loss Summary (all amounts in USD mn)	As on March 31, 2020	As on September 30, 2019
Revenue	1,050	576
Total Income	1,050	576
Less: Cost of Power Purchased	415	203
Less: Cost of Fuel	167	79
Less: Transmission Charges	55	28
Less: Employee Benefit Expenses	122	66
Less: O&M Expenses	102	49
Add/(Less): Net Movement in Regulatory Deferral Balance	22	(32)
<b>EBITDA</b>	<b>212</b>	<b>119</b>
Add: Other Non-Operating Income	21	8
Less: Tax Expenses	15	7
<b>Cash Flow Available For Debt Servicing</b>	<b>218</b>	<b>120</b>
Balance Sheet (all amounts in USD mn)	As on March 31, 2020	As on September 30, 2019
<b>Total Equity</b>	<b>567</b>	<b>585</b>
Borrowing & Trade Payable (Non-Current)	1,110	1,130
Financial Liabilities (Non-Current)	-	7
Other Non-Current Liabilities	93	94
<b>Total Non-Current Liabilities</b>	<b>1,203</b>	<b>1,231</b>
Borrowing & Trade Payable (Current)	302	249
Other Financial Liabilities (Current)	225	224
Other Current Liabilities	43	43
<b>Total Current Liabilities</b>	<b>570</b>	<b>515</b>
Regulatory Deferral Account – Liabilities	38	61
<b>Total Equity and Liabilities</b>	<b>2,378</b>	<b>2,392</b>

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## Investor Relations:

**MR. VIJIL JAIN**

Investor Relations

 [Vijil.Jain@adani.com](mailto:Vijil.Jain@adani.com)

 +91 79 2555 7947

**MR. MANDAR DHAVLE**

Investor Relations

 [Mandar.Dhavle@adani.com](mailto:Mandar.Dhavle@adani.com)

 +91 79 2555 8494



**Thank you**