



Adani Transmission Limited

Investor Presentation



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Introduction to Adani Group and Adani Transmission Limited

A



Adani Group: India's Largest Infrastructure Conglomerate



Gautam Adani, Group founder

First generation entrepreneur, one of the leading businessmen of India with 30+ years experience



~INR 1,171 Bn /
US\$ 17,218 Mn
Market Cap⁽¹⁾



~INR 1,972 Bn /
US\$ 29,000 Mn
Asset base⁽²⁾



50+
Presence in 50+ countries



23,200+
Human Capital⁽³⁾



Resources



- Large **mining** operations
- Largest integrated **coal management** operation



- Edible oils & Agri** commodities



- Integrated **solar photovoltaic** manufacturing



Logistics



- Largest commercial **port developer & operator** with 10 ports & terminal – 335MMT capacity



- Integrated logistics player** with SEZ advantages



Energy



- Largest private sector **thermal power** producer



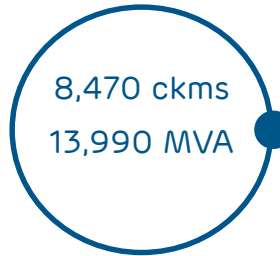
- Largest private sector **transmission**
- largest **power distribution** business



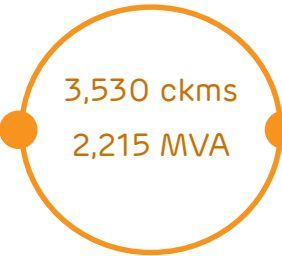
- Only listed **renewable power** producer in India - Largest Solar operations

Adani Transmission Limited ('ATL'): At a Glance

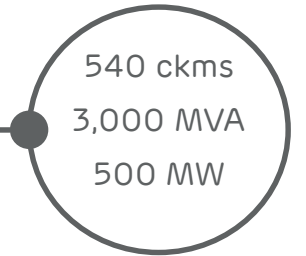
Operational - T



Under-Construction



Operational - D



~INR 310 Bn /
US\$ 4,563 Mn
Asset base⁽¹⁾ (Fully built)



~99.9 %
Availability
(FY18)



22 years
Average Residual
Concession Life



3 million +
High-Value Distribution
Consumers



Presence Across
9 States



74% / 26%
Fixed Return / Fixed Tariff
Asset Base⁽¹⁾



BBB- / AA+
International Investment
Grade Rating



91%
EBITDA Margin
(FY18)



INR 103 Bn /
US\$ 1,510 Mn
Approved Tariff Order
(Fully Built)

Largest Private Pure-play Integrated Transmission and Distribution Player in India

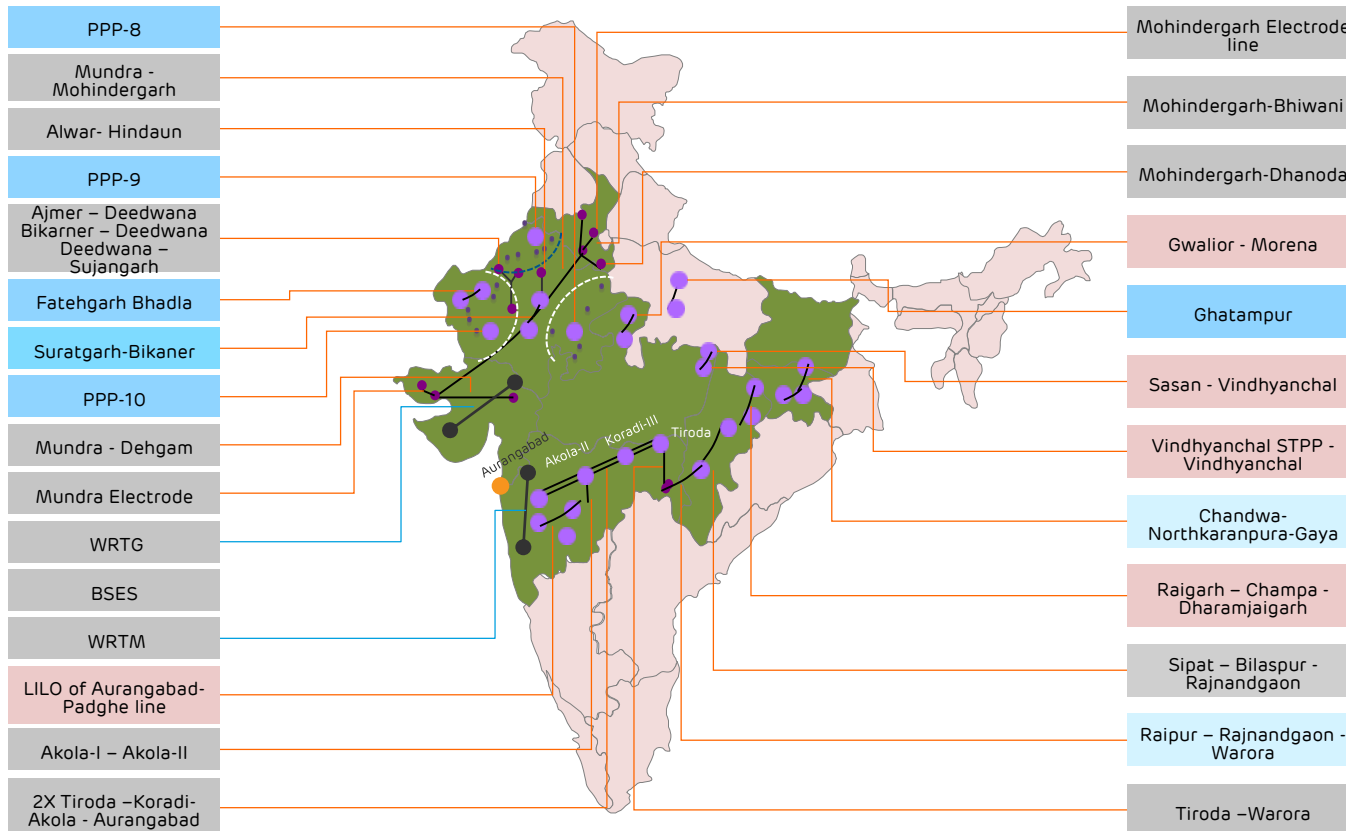
7 Out of 9 Under Construction Projects Commissioning in 2018-19

Largest Pure-play Integrated Transmission and Distribution Play in India

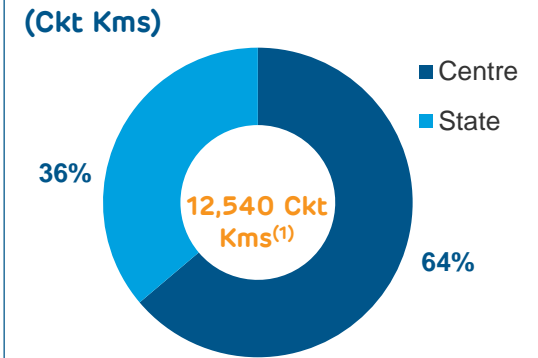
Pan-India presence with attractive mix of central / state and fixed return / fixed tariff projects

Operational Assets – 8,470 Ckm & 13,990 MVA

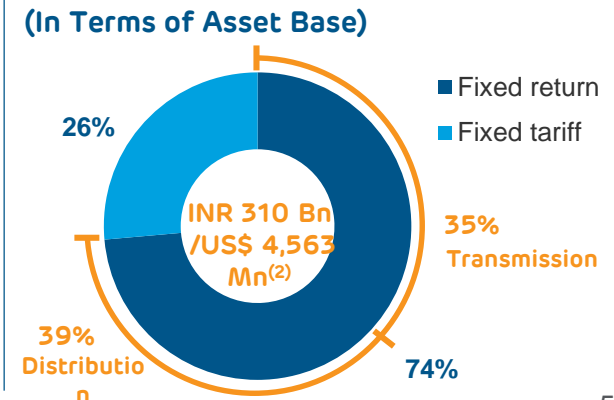
Projects Under Execution – 3,530 Ckm & 2,215 MVA



Central vs State Capacity Distribution



Fixed Return vs Fixed Tariff Distribution



Note: US\$/INR: 68; (1). Including under-construction and under-acquisition assets; (2) Including under-construction and under-acquisition assets on project cost basis and existing assets on book value basis

Mumbai GTD – Asset Overview

One of the largest private sector power distribution players in the country supplying power to 3 mm customers.

Mumbai Power Generation-Transmission-Distribution



- ❑ 1,892 MW of power distribution
- ❑ Annual energy requirement of ~10,800 Mus
- ❑ c. 3mn customers



- ❑ 500 MW of power generation at Dahanu
- ❑ LT PPA with Mumbai Distribution
- ❑ LT FSA with Coal India



- ❑ 3,000 MVA of transformation capacity



- ❑ 540 circuit kms 220 kV transmission line

- Stable business with assured post tax RoE of 16% approved by MERC
- 9 decade old distribution franchisee with license valid till August 2036
- Serving 3 mm customers with power reliability of 99.99%
- System losses below 9% as compared to India average of ~22%(3)

The proposed transaction will mark ATLs foray into distribution space and also strengthen ATLs footprint in the power transmission sector

Electricity Distribution: Regulated Business with Upsides

Distribution business provides the benefits of a long term asset with regulated returns and high cash flow visibility, while also giving the potential of leveraging multiple operational and technological upsides.

Mumbai Distribution Business

Nature of Customers

- High quality 3mm+ retail customers
- Best in class credit profile
- High propensity to pay
- High stickiness
- Cross sell opportunity

Operational Excellence

- Low cost supply from existing plants
- One of the lowest losses in the industry
- Regulated return on capex

Near Term Upsides

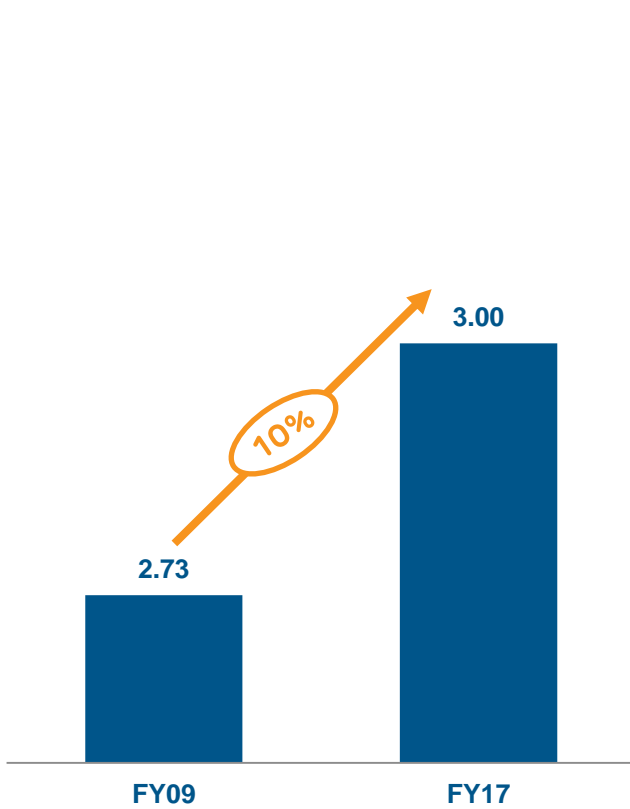
- Enhance distribution revenue
- Improve penetration in the existing market
- Increase O&M efficiency
- Develop real estate

Long Term Growth Upsides

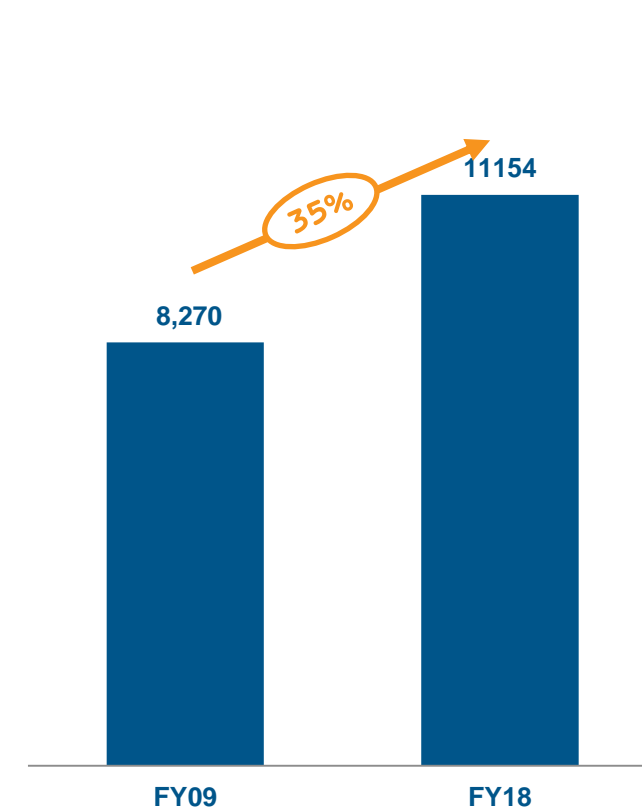
- Develop next-generation digital technologies
- Smart grid and smart metering
- Cross sell opportunities
- Ancillary services opportunities (e.g. EV charging stations etc.)

Growth: Customer Base and Energy Consumed

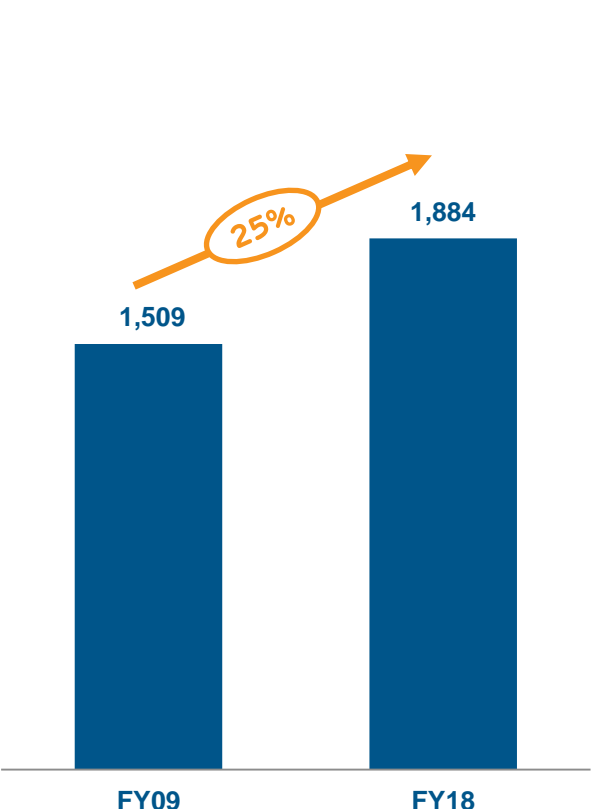
Customers (Mn)



Energy Wheeled (MU)



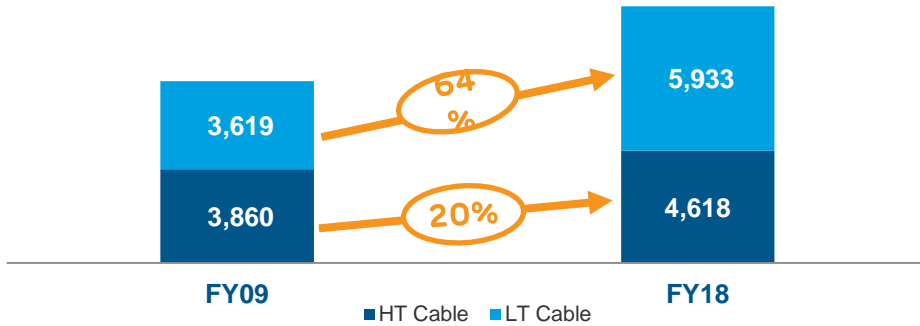
Max Demand (MW)



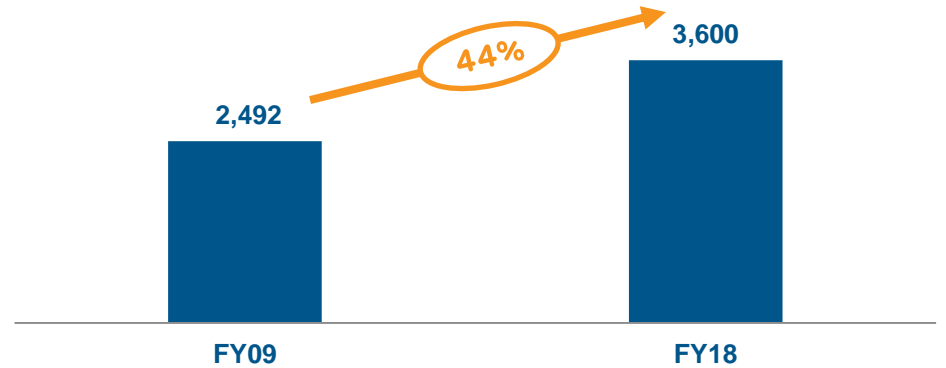
Consistent with the growth of Mumbai @ 3% CAGR

Growth: Network

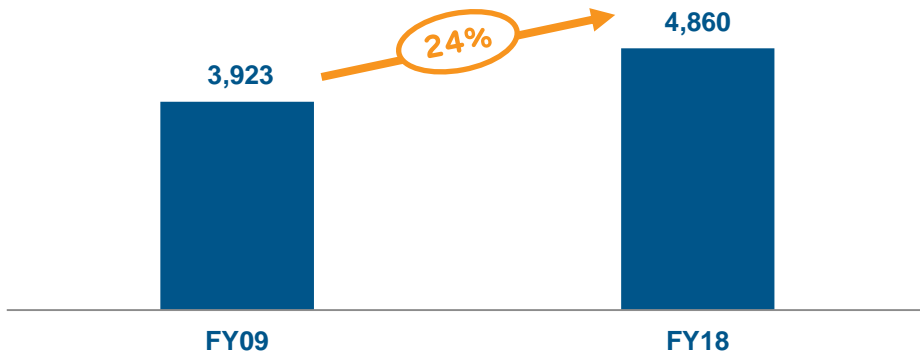
Network Length (Kms)



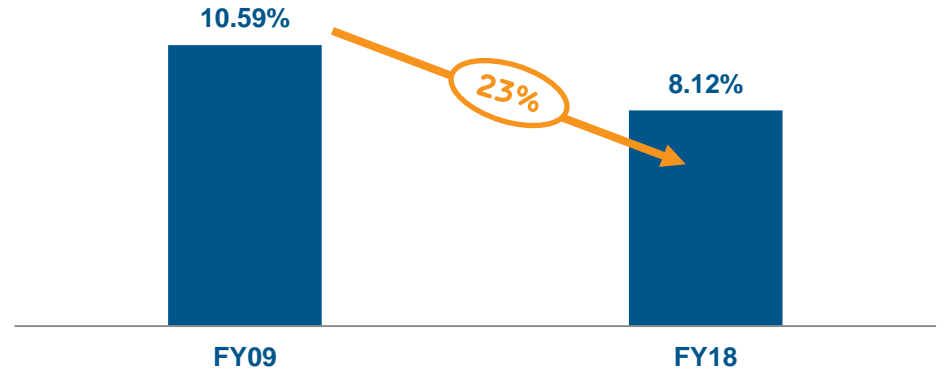
PT Capacity (MVA)



DT Capacity (MVA)



Distribution Loss (%)



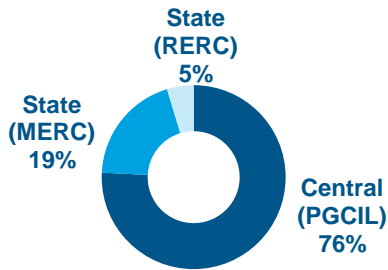
Adequate Network Augmentation commensurate with Demand

Diversified Counterparty Risk and Receivable Profile

Attractive mix of central / state counterparties, in conjunction with strong contractual protections limit overall payment risk

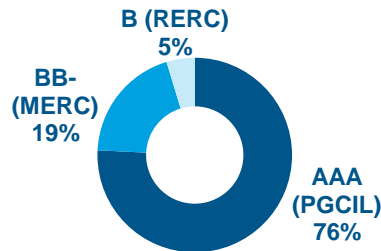
Off-taker Mix

In terms of Ckt Kms (FY18)



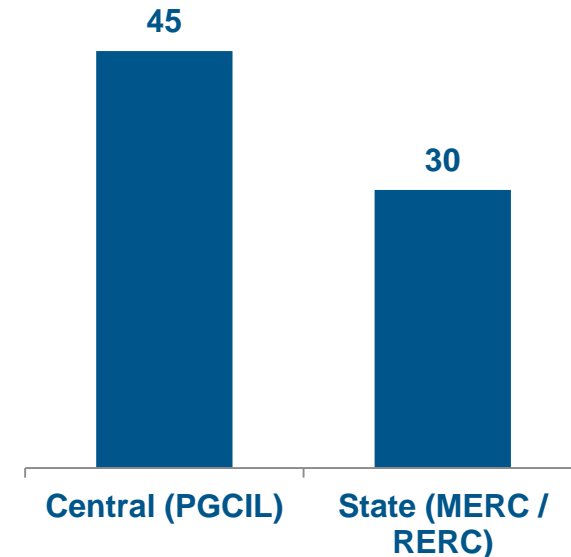
Credit Profile of Off-takers

In terms of Ckt Kms (FY18)



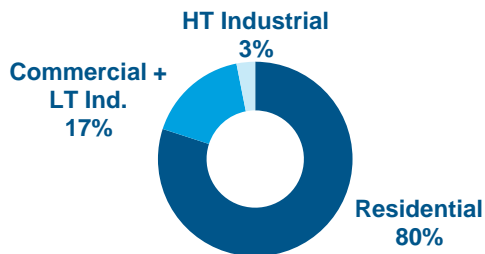
Receivable Profile

Average Receivable Days (FY18)



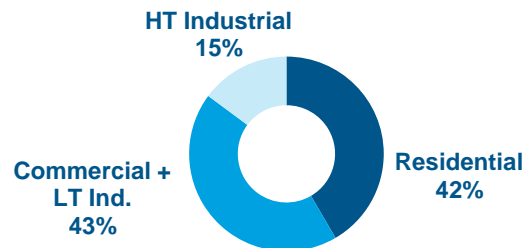
BSES Consumer Mix (FY17)

In terms of no. of consumers (FY17)



BSES Sales Mix (FY17)

In terms of MU (FY17)



Track record of robust receivable profile with no direct exposure to bilateral counterparty / user

Transforming to an Integrated Model

Mumbai GTD acquisition creates India's largest pure-play integrated transmission and distribution entity and will position ATL to leverage the next phase of growth.



Focussed Strategy to Leverage Growth Opportunity

- Focus on **distribution opportunities** - SEZ, Second license option, franchise, open access customers
- Aiming to pursue, **One Adani One Bill** to cater to smart colony and smart home
- **Revisiting** our **geographic strategy** in terms of risk-reward prospective for international projects
- **Near Term Transmission Bidding Opportunity:** Out of total c. INR 2,600 Bn / US\$ 38 Bn opportunity in the next 5 years, clear visibility for new projects to be bid out in the next 12 months

Central Projects



8 TBCB
Projects



INR 29 Bn /
US\$ 429 Mn

State Projects



8 TBCB
Projects



INR 72 Bn /
US\$ 1,056 Mn

ATL's capabilities position it well to leverage opportunities across transmission and distribution.



Sector Dynamics Strong Fundamentals Supporting Growth

B

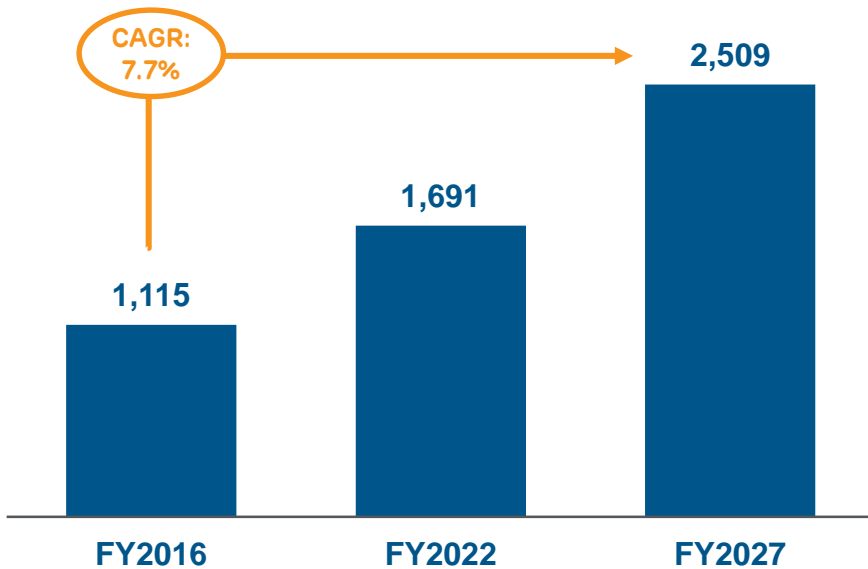


Electricity Sector Fundamentals Remain Robust

Strong Demand For Electricity further supported by Renewable Sector Growth

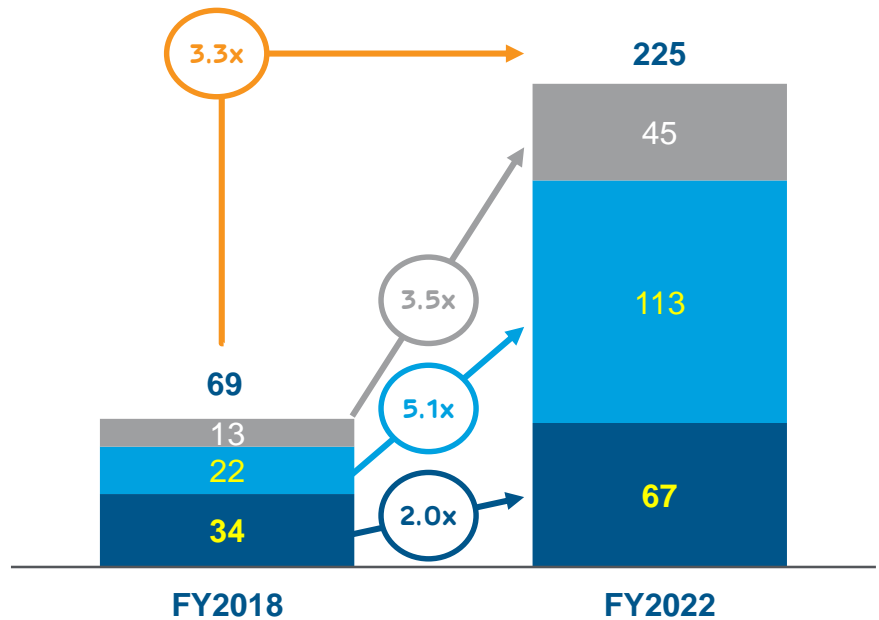
Electricity demand expected to grow at 7%+ in the medium term⁽¹⁾

(Billion Units)



Exponential growth in renewable sector foreboding well for transmission sector⁽¹⁾

(GWs)



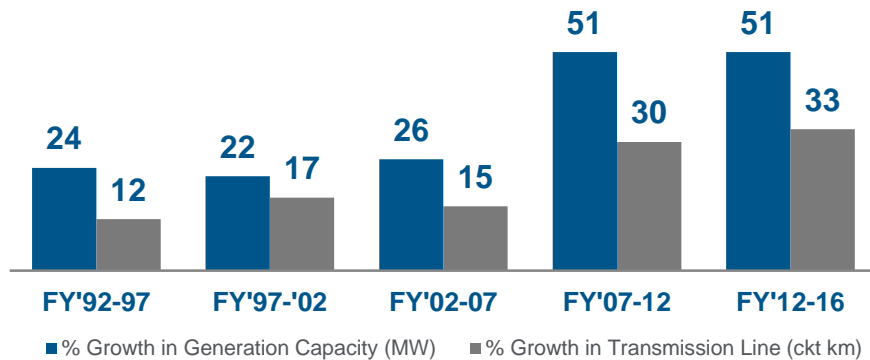
Transmission Sector Capacity Addition Poised for Significant Growth

Note: (1). Forecast based on Draft National Electricity Policy

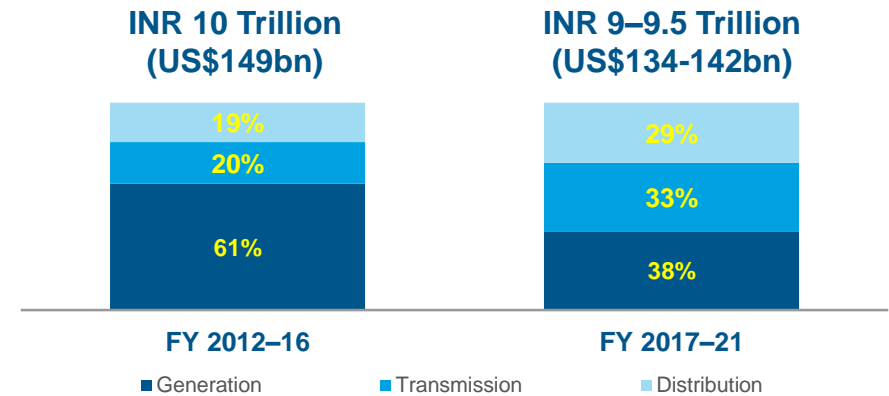
Indian Transmission Sector Poised for Exponential Growth

Robust growth outlook driven by strong policy support

Significant under-investment in Transmission sector historically...⁽¹⁾



... implying robust growth in the sector with share increasing by 1.7x over next 5 years⁽¹⁾



~USD 50 bn market opportunity over next 5 years

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

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

Private sector has won **20** projects out of total **26** awarded since Jan-15

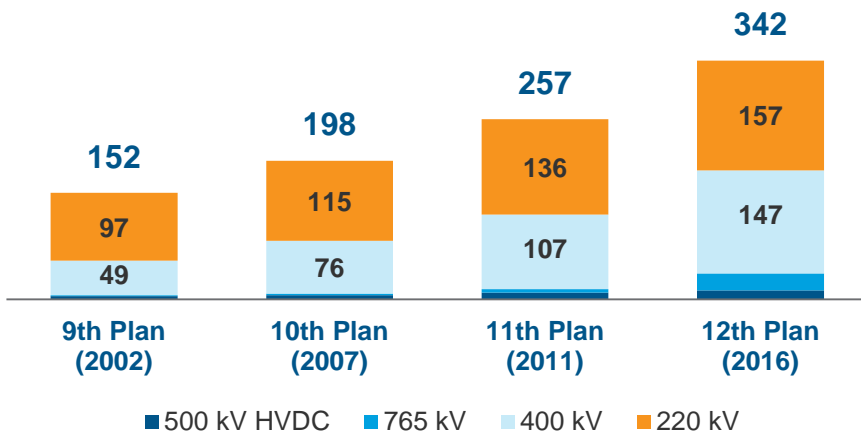
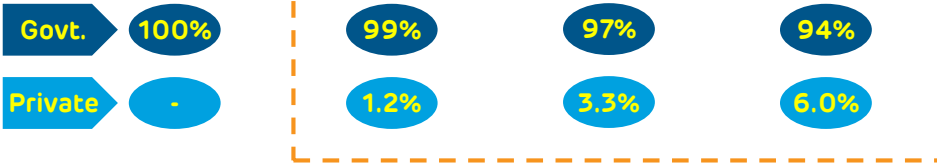
Private Sector Players Poised to Leverage the Transmission Growth Opportunity

Large Addressable Market for Private Players

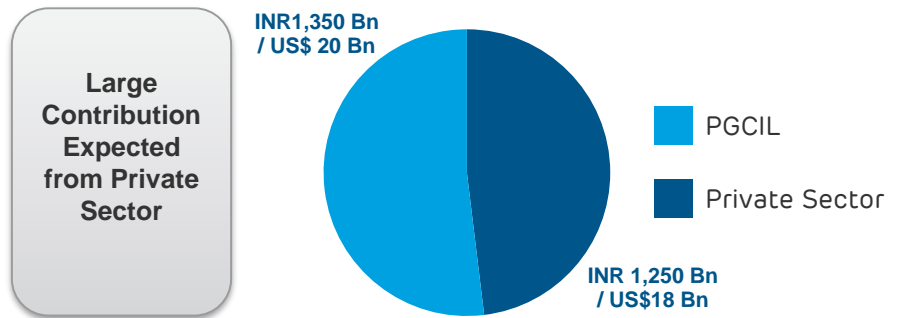
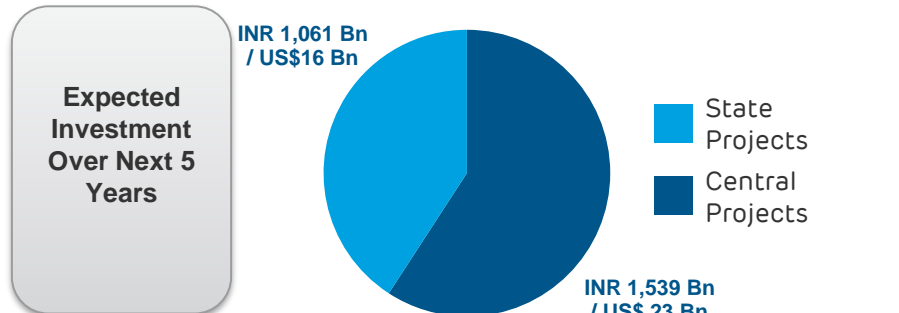
Government focus on transmission and distribution sector has opened up a large opportunity for the private sector over next 5 years

Private sector participation is on the rise, with increasing preference for bidding route

(000' ckm)



Large contribution is expected from the Private Sector in the growing addressable market



ATL is Well Positioned to Leverage the Large Private Sector Opportunity

Structural Factors Providing Significant Opportunities in Power Distribution

Existing systemic inefficiencies leading to increasing focus on privatization

c. 89% of power distribution owned by state owned enterprises

More than 100 state DISCOMs

Loss of distribution sector estimated to be c. INR 600 Bn / US\$ 9 Bn per annum

Sector ails in terms of reliability, quality of supply as well as softer customer services

Tremendous opportunity for PPP / franchisee acquisition of state owned enterprises



Regulatory Frame Work

C



Well Defined Regulatory Framework

Overview of Regulatory Bodies Governing the Sector

Ministry of Power (MoP)

Planning, policy formulation, processing of projects for investment decisions, monitoring implementation of projects, and enactment of legislation in regard to power generation, transmission and distribution

Central Electricity Authority of India (CEA)

Advisory arm of MoP on matters relating to the National Electricity Plan and formulating plans for the development of the sector

Central Electricity Regulatory Commission (CERC)

Regulates tariff and grant of licenses

State Electricity Regulatory Commission (SERC)

Regulates tariff; formulates policies regarding subsidies, and grant of licenses

Central Transmission Utility (CTU)

- Ensures development of an efficient, coordinated and economical system of inter-State transmission lines

Private / PPP

- The Sector has opened for Private participation in both Inter state and intra state

State Transmission Utility (STU)

- Ensures development of an efficient, coordinated and economical system of intra-State transmission lines
- Undertakes intra-state transmission

National Load Dispatch Center (NLDC) / Regional Load Dispatch Center (RLDC)

Apex body ensuring integrated operations of power system at the regional level

State Load Dispatch Center (SLDC)

Apex body ensuring integrated operations of power system at the state level

Payment Pooling Mechanism Reduces Counterparty Risk

Payment pooling mechanism substantially reduces any counter party default risk – also mitigating concerns around receivables

Payment Pooling Mechanism

- Tariffs collected by either CTU (Inter-state) or STU (Intra-state) Transmission
- Collections distributed in proportion to ARR of each licensee
- No discretion to CTU / STU to withhold payments
- Counterparty risk linked to government owned entities

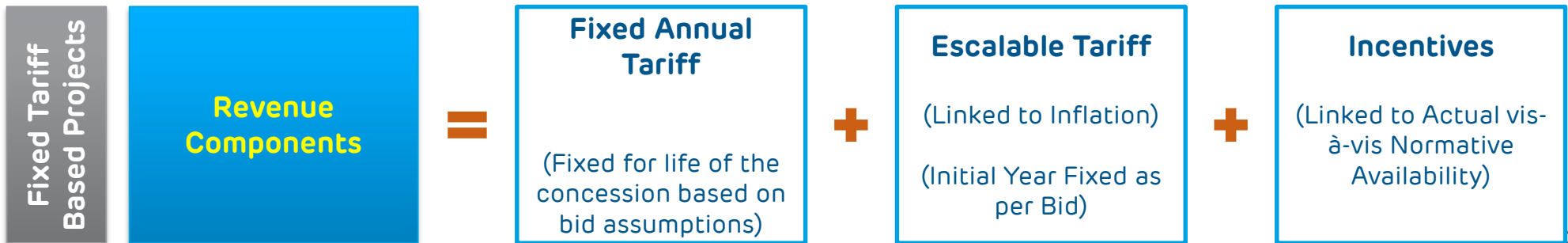
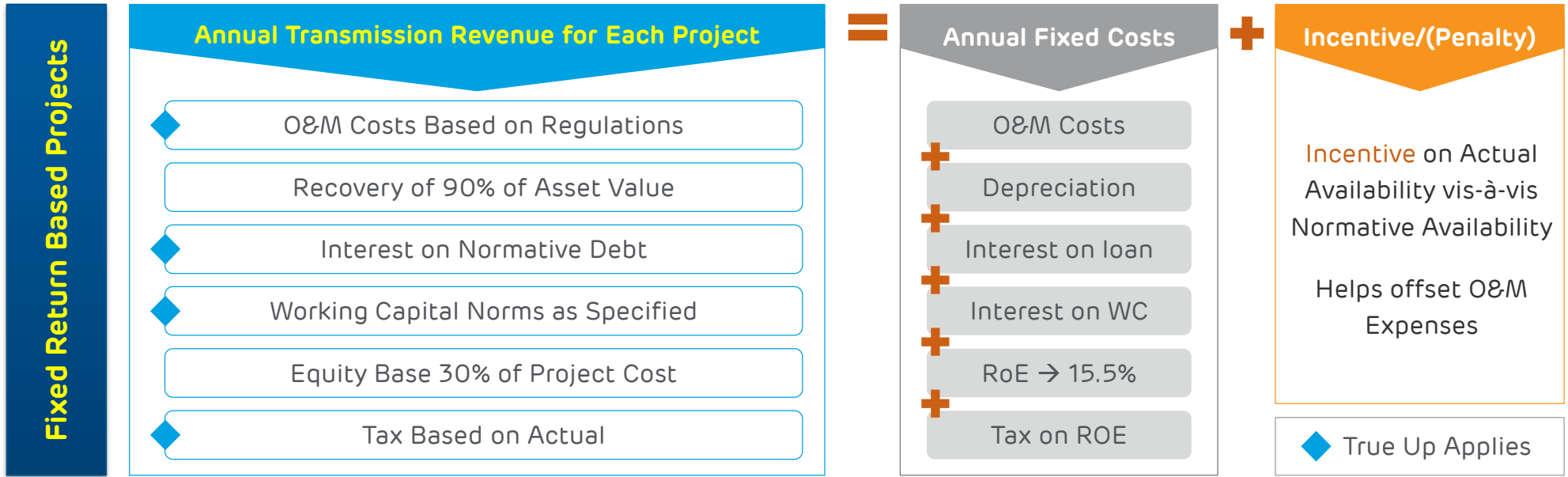
Credit Support Mechanism and Structural Support

- Transmission costs form lower proportion of the total costs
- Lack of alternate power off-take infrastructure
- Availability linked tariff not related to power flow
- Revolving Letter of Credit based payment mechanism



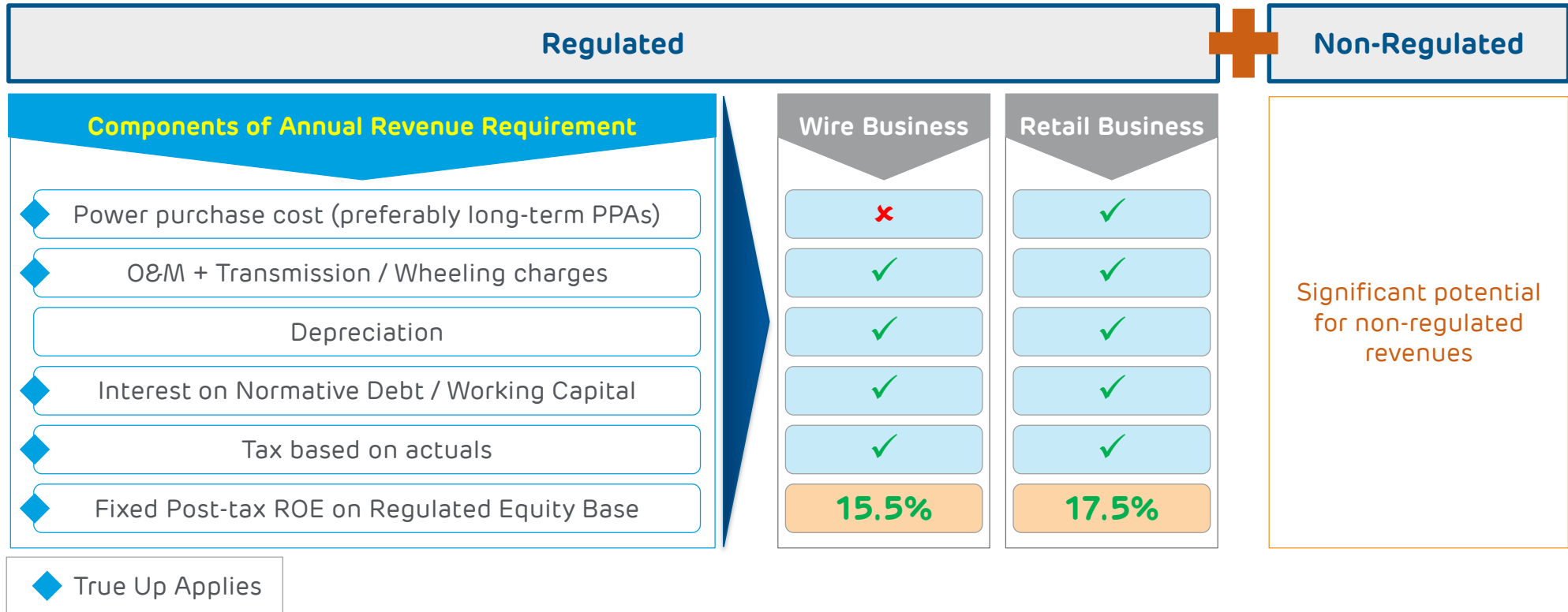
Transmission Business Model: Fixed Return (with Cost Pass-through) and Fixed Tariff

Both concession models provide significant visibility on cash flows with limited operational risk



Distribution Business Model: Fixed Return with Full Cost Pass-through

Perpetuity-type asset license with term renewed every 25 years and well-established tariff setting mechanism with fixed ROEs on Regulated Equity Base



Incremental capex improves regulated cash flow with upside from efficiencies and non regulated returns



Financial and Operating Highlights

D

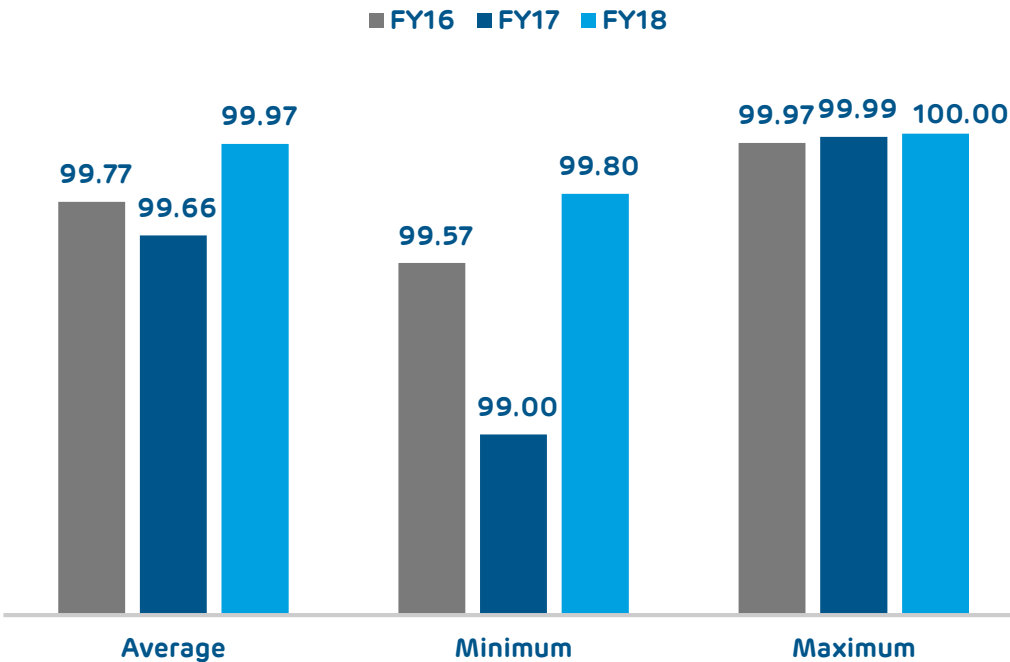


Strong Capabilities Underscored by Operating Performance

Consistent performance across all operational assets with 99.9% availability and focus on incentive maximization

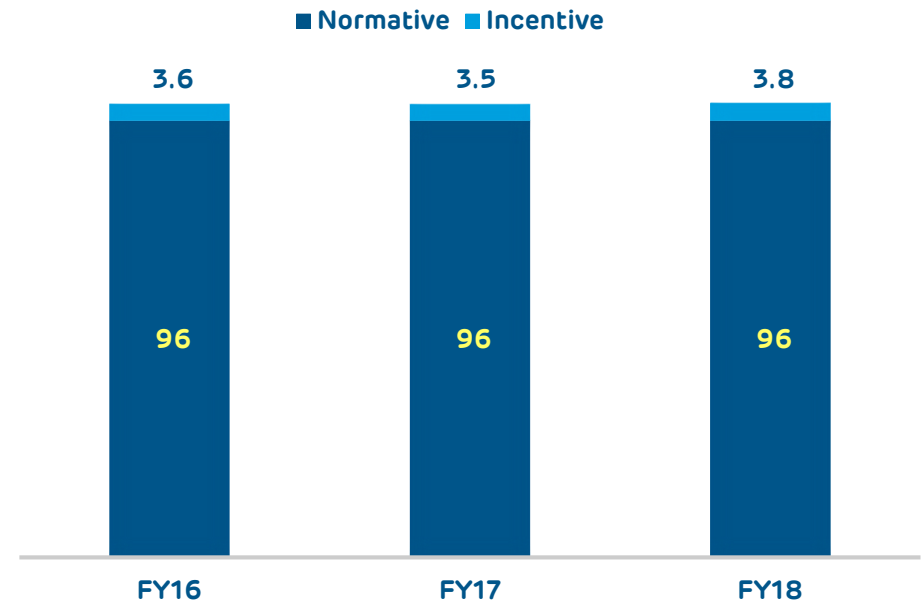
Availability Across Operational Assets (%)

(Average, Min, Max)



Focus on Maximizing Incentives

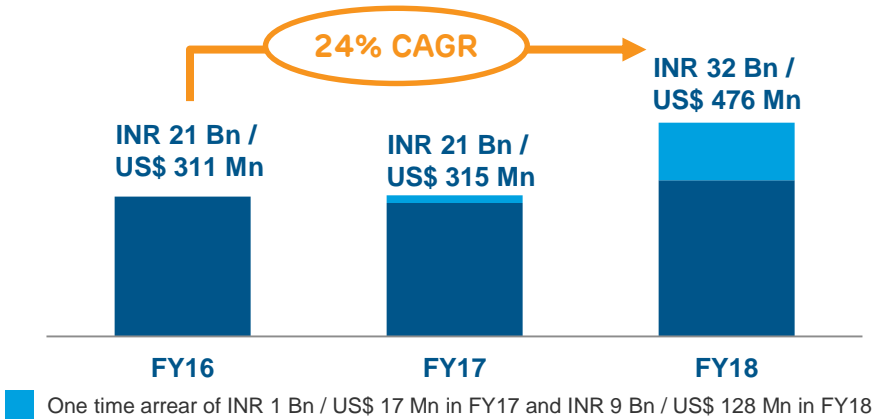
(%)



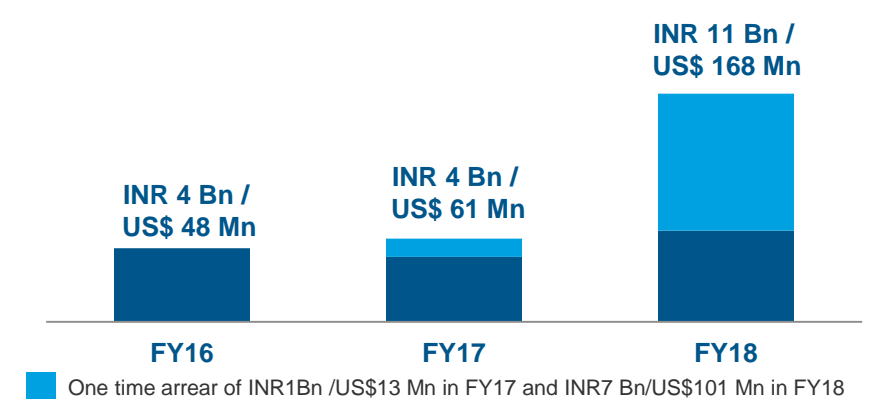
Strong operational capabilities and incentive focus help drive efficiencies and margins.

ATL (Consolidated): Robust Historical Performance

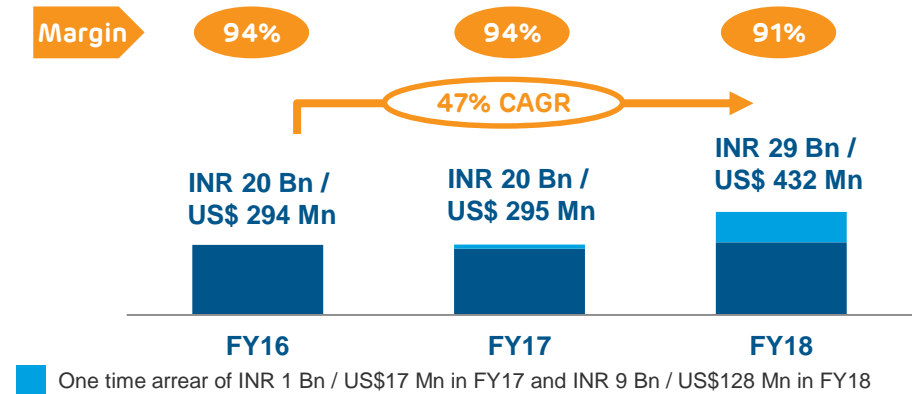
Strong Revenue Growth



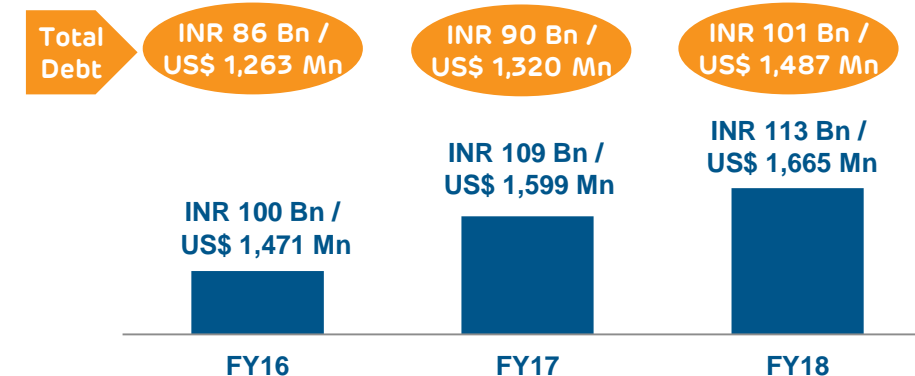
Significant Improvement in Profitability



High EBITDA Margins



Growing Net Fixed Asset Base

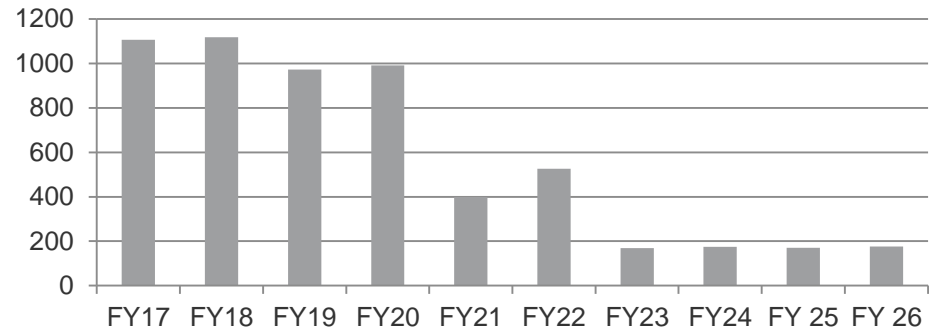


Note: US\$/INR: 68; 1. Revenue excludes Trading Revenue; 2. Per Indian Accounting Standard (IndAS); 3. EBITDA = PBT = Depreciation + Net Finance Costs; 4. Debt figures exclude Intra-Group Borrowings; 5. Excludes BSES

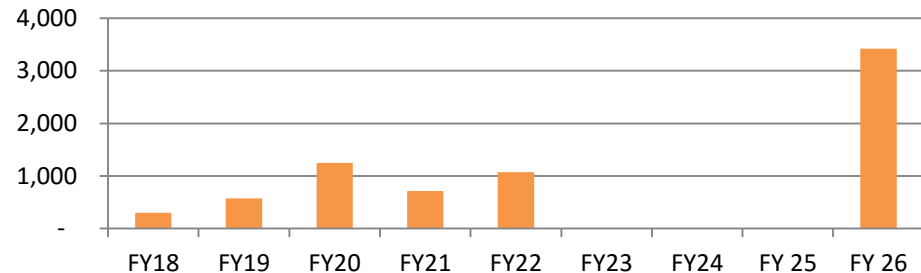
ATL- Debt Profile Obligor Group

ATL Debt Profile			
Year	Rs in Crs.		
Bank / Investor	FY16	FY17	FY18
10 Yrs US Dollar Bond		3,418	3,368
1st Debenture	500	500	500
2nd Debenture	500	500	500
3rd Debenture		165	165
4th Debenture		750	750
5th Debenture		500	500
6th Debenture		1,000	750
Masala Bond		500	450
ECB	565		
RTL	4661		
Total Long term Debt	6,226	7,333	6,983
Commercial Paper	1500	760	700
Total Debt due	7,726	8,093	7,683

Maturity Schedule -- Previous



Maturity Schedule -- Current



Objective

To optimize interest cost and
 To optimize maturity profile (with all refinancing within EBITDA envelop)



Investment Rationale

E



Structural Protection to Debt Investors

No Greenfield Risk

- No capex for new projects to be undertaken in the Obligor Group
- Capex outside of Obligor Group limited by LRA provisions
- New projects can be added to Obligor Group only after they become operational, thus eliminating construction risk

Standard Project Finance Features

- Detailed information & compliance certificates
- Cashflow waterfall mechanism applies to Obligor Group
- Senior Debt Redemption Account with Cash Sweep mechanism for shortfall amount in compliance with Backstop Calculation

Covenants/ Undertaking

- DSCR test : minimum DSCR of 1.1x (distribution lock-up at DSCR of less than 1.2x)
- Liquidity Reserve Account ("LRA") for funding SPV projects
- Limitation on transfer to Distributions Account subject to no default subsists, fully funded ISRA and LRA, compliance with Backstop Calculation
- Restriction on transaction with sponsor affiliates

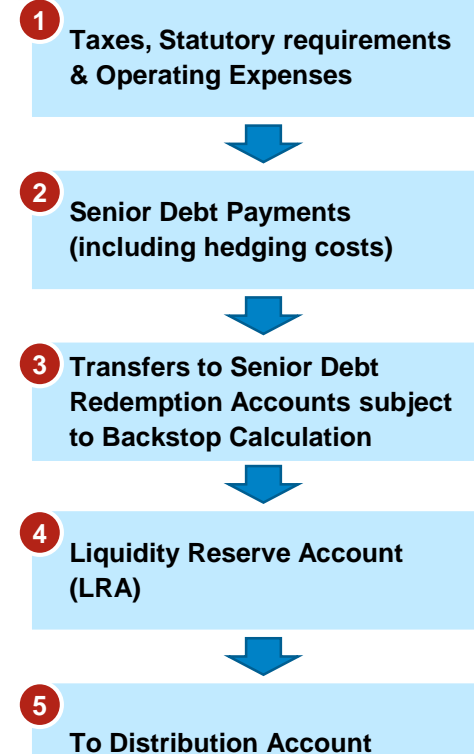
License Period linked Amortisation Mechanism

- Senior Debt Redemption account (forward looking)
 - Yearly calculation linked to operating parameters (EBITDA) determines debt capacity
 - Cash Sweep mechanism for shortfall amount in compliance with backstop calculation

Standard Security and Collateral Package

- Common security package & sharing with other creditors of the Obligor Group
- Security structure enables protections under license for designated lenders

Cash Waterfall Mechanism



ATL – An Excellent Investment Opportunity

Compelling Industry Fundamentals

- Strategically important sector in one of the world's fastest growing economies
- Significant generation capacity addition expected to drive sustained growth

Stable Regulatory Framework

- Well defined regulatory framework with established & predictable tariff policy framework
- Fixed returns with full cost pass through for building block assets
- Payment pooling mechanism and credit protection mechanism in the license reduces counterparty risk

Mature Operational Assets

- Completed assets with minimal ongoing maintenance requirements; long license period of 25 years with 10 year renewal option
- Consistently maintained availability & operating performance above regulatory requirements
- Stable and predictable cash flows

Robust Structural Protections

- Ring-fenced Obligor Group with documented accession framework for completed assets
- Structural Protection to Debt Investors

Investment Grade Rating

- Rated investment grade with stable outlook by Standard & Poor's, Fitch Ratings and Moody's

Highly Experienced Board and Management Team

Esteemed Board Membership



Mr. Gautam Adani
(Chairman)



Mr. Rajesh S. Adani



Mr. Anil Sardana
(MD and CEO)



Mr. K. Jairaj



Dr. Ravindra H. Dholakia



Mrs. Meera Shankar

Strong Sponsorship

Executive Director

Independent Directors

Highly Experienced Management Team



Mr. Anil Sardana
(MD and CEO)



Mr. Kaushal Shah
(CFO)



Mr. Kandarp Patel
(CEO Distribution)



Mr. LN Mishra
(COO – Project Head)



Mr. Vivek Singla
(BD Head)



Mr. Sudhakar Budharaju
(HR Head)



Strong governance framework with focus on transparency and independence



Appendix





ATL Holding and Capital Structure

1



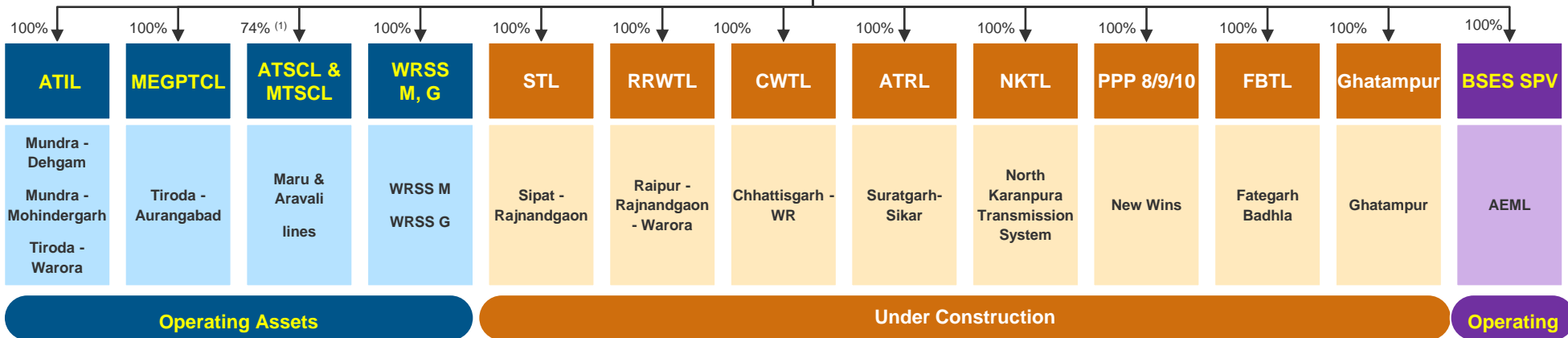
ATL: India's Largest Private Sector Transmission Player

Adani Transmission Limited

Shareholding as on 31st March 2018

Promoters: 74.92%

Public: 25.08%



Operating Assets

Under Construction

Operating

A	3,834 ckms	1,217 ckms	397 ckms	3,022 ckms	346 ckms	612 ckms	427 ckms	278 ckms	251 ckms	455 ckms	201 ckms	960 ckms	540 ckms
B	6,630 MVA	6,000 MVA	1,360 MVA	-	-	-	630 MVA	-	1,000 MVA	585 MVA	-	-	3,000 MVA
C	c. 28 years	c. 31 years	c. 30 years	c. 31 years	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	c. 18 years
D	Fixed return	Fixed return	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed return
E	Centre / State	State	State	State	Centre	Centre	Centre	State	State	State	Centre	State	State
F	INR 50 Bn / US\$ 730 Mn	INR 58 Bn / US\$ 849 Mn	INR 4 Bn / US\$ 58 Mn	INR 18 Bn / US\$ 268 Mn	INR 5 Bn / US\$ 80 Mn	INR 12 Bn / US\$ 178 Mn	INR 9 Bn / US\$ 140 Mn	INR 1 Bn / US\$ 20 Mn	INR 5 Bn / US\$ 69 Mn	INR 4 Bn / US\$ 65 Mn	INR 4 Bn / US\$ 54 Mn	INR 19 Bn / US\$ 272 Mn	INR 121 Bn / US\$ 1,780 Mn

A Transmission line length

B Transformation capacity

C Residual concession life

D Contract type

E Counterparty

F Asset base⁽²⁾

Note: USD/INR: 68; ATIL - Adani Transmission (India) Limited; MEGPTCL - Maharashtra Eastern Grid Power Transmission Co. Ltd.; STL - Sipat Transmission Limited; RRWTL - Raipur Rajnandgaon Warora Transmission Limited; CWTL - Chhattisgarh WR Transmission Limited; ATRL - Adani Transmission (Rajasthan) Limited; NKTL - North Karanpura Transco Limited; ATSC - Aravali Transmission Service Company Limited; MTSC - Maru Transmission Service Company Limited; WRSS M - Western Region System Strengthening Scheme Maharashtra, WRSS G - Western Region System Strengthening Scheme Gujarat, FBTL - Fategarh Badhla Transmission Limited. (1) Option to acquire balance 26% in a manner consistent with Transmission Service Agreement and applicable consents; (2) Asset base for operational assets as of Mar-2018; Under-construction assets - as per the final project cost; Mumbai GTD / BSES - as per proposed funding plan.

ATL- Financial Summary

Rs in Cr.					
Particulars	FY16	FY17 (Obligor Group)	FY17 (Consol)	FY18 (Obligor Group)	FY18 (Consol)
Total Revenue *	2,273	2,804	2,785	2,992	3,183
Less: Opex	266	888	896	1,004	1,118
Operational EBIDTA	2,007	1,916	1,889	1,988	2,065
Add: Arrear		237	237	872	872
Reversal due to MERC Order (Previous year income)		(121)	(121)	-	-
EBITDA	2,007	2,032	2,005	2,860	2,937
* Includes	FY16	FY17 (Obligor Group)	FY17 (Consol)	FY18 (Obligor Group)	FY18 (Consol)
Conduit Income	149	756	756	816	816
Conduit Exp	149	755	755	816	816
Net Income of Conduit Transaction	0	1	1	1	1
Particulars	FY16	FY17 (Obligor Group)	FY17 (Consol)	FY18 (Obligor Group)	FY18 (Consol)
Net Worth	2672	2966	2947	5887	6056
Senior Secured Loan	7726	8093	9092	7683	10389
Long Term Loan	6226	7333	8332	6983	9689
Short Term Loan (Commercial Paper)	1500	760	760	700	700
Particulars	FY16	FY17 (Obligor Group)	FY17 (Consol)	FY18 (Obligor Group)	FY18 (Consol)
Ratio					
Debt to NetWorth	2.89	2.73	3.09	1.31	1.72
Debt to EBITDA	3.85	3.98	4.53	2.69	3.54

Conduit Transaction
As per metrics

Senior Secured Debt
As per metrics

ATL- Yearly Comparison – Obligor Group

Particulars	INR Crs		
	FY16	FY17	FY18
Tariff Revenue	1,927	1,895	2015
Incentive	47	31	33
Conduit Turnover	149	756	816
Other Income	101	122	128
Total Income	2,224	2,804	2992
Less: O&M	117	133	189
Less: Conduit Turnover	149	755	816
Operational EBIDTA	1,959	1,916	1988
Add: One Time Income	47	-	-
Add: Arrear	-	237	872
Reversal due to MERC Order (Previous year income)	-	(121)	-
EBITDA	2,006	2,032	2937
Interest	976	931	855
Depreciation	561	560	561
PBT	469	541	1443
Tax	112	116	287
PAT	357	425	1156

Particulars	FY16	FY17	FY18
Senior Debt	7,726	8,093	7,683

Adani Transmission: Consolidated Historical Financials

Particulars (₹ in Cr)		FY 16		FY 17		FY 18
Revenue ⁽¹⁾		2,118		2,139		3,239
EBITDA		1,996		2,005		2,937
PAT		368		416		1,143
Basic and Diluted EPS (in ₹)		3.35		3.79		3.79
Net Fixed Assets (NFA)		10,005		10,875		11,323
Total Assets		11,746		12,811		17,265
Total Long Term (LT) Debt		5,740		8,044		9,418
Cash and Cash Equivalents		171		478		670
Total Net Long Term (LT) Debt		5569		7566		8748
Total Net Worth (TNW)		2,672		2,947		6,056
EBITDA / Interest		2.7x		2.4x		3.3x
Total Net LT Debt / EBITDA		2.8x		3.8x		3.0x
Total Net LT Debt / TNW		2.08x		2.6x		1.4x

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