



Adani Transmission  
Limited

Equity Presentation

MAY 2020



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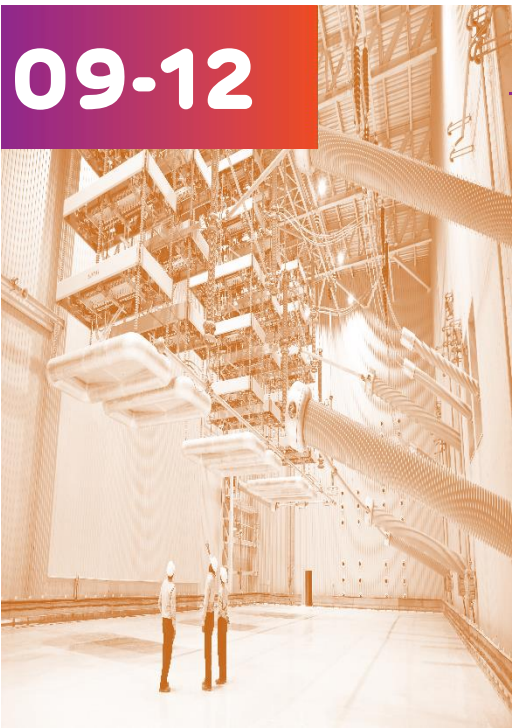
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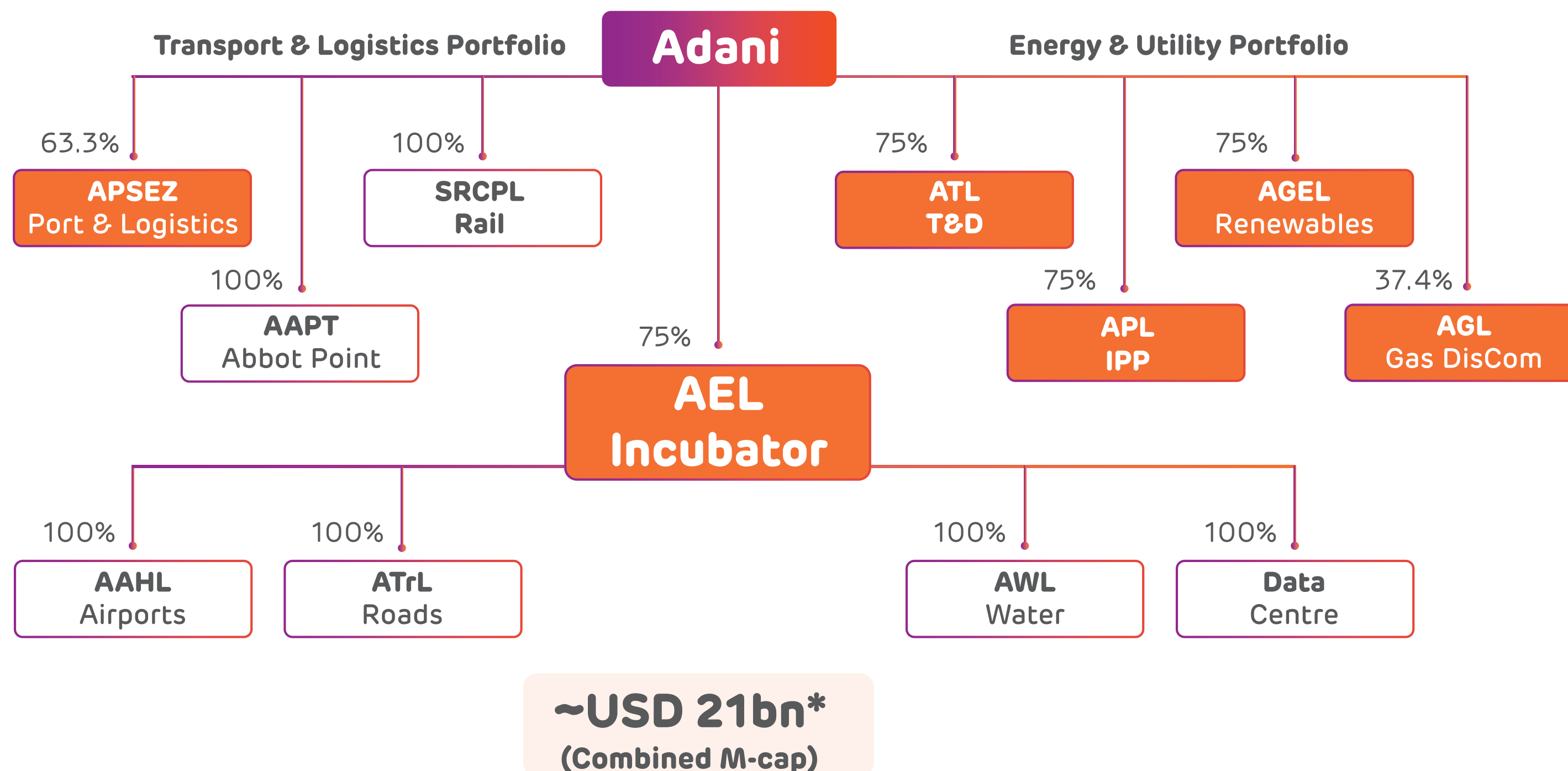
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Transmission



Adani Group



# Adani: World class infrastructure & utility portfolio



## Adani

### Philosophical 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

- Orange colour represent public traded listed vertical | Percentages denote promoter holding
- \* As on April 30, 2020, USD/INR = 75.1

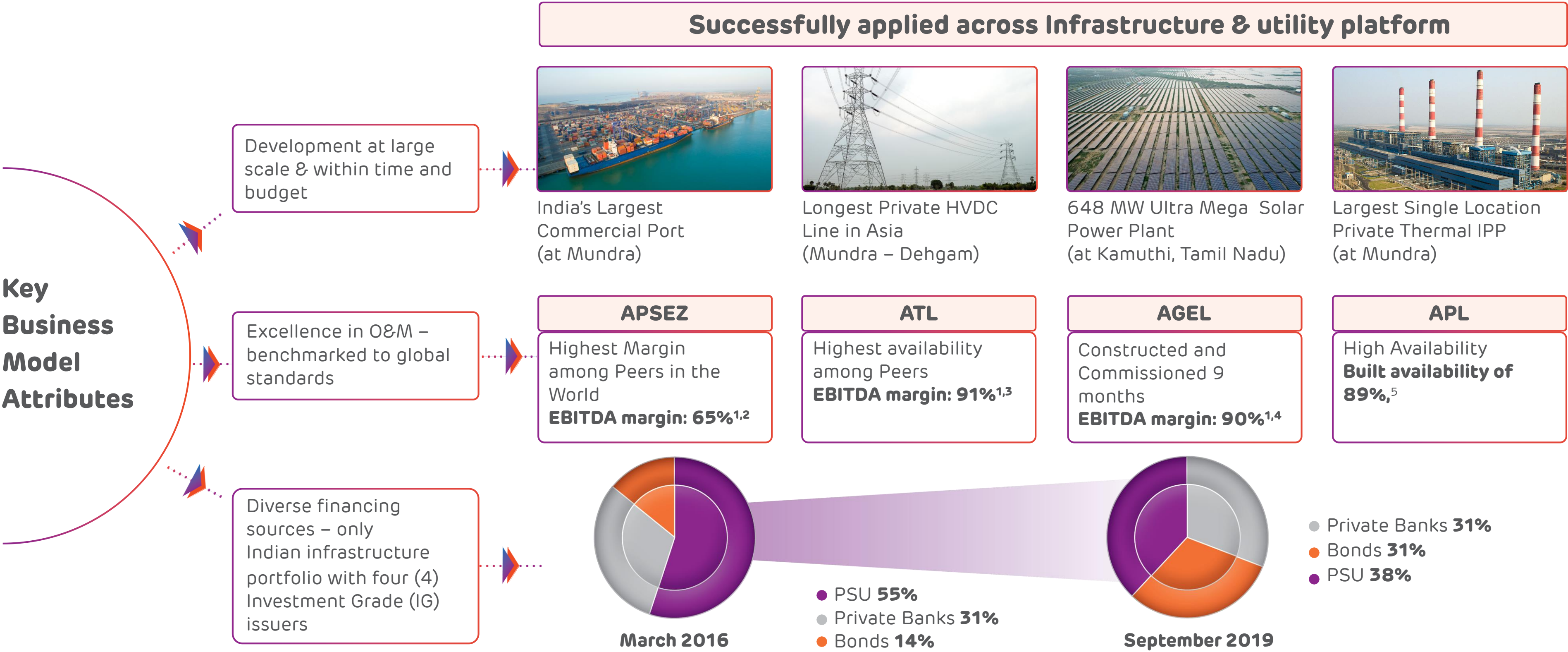
Adani: Repeatable, robust & proven model to deliver RoE

Phase	Development			Operations	Post Operations
	Origination	Site Development	Construction	Operation	Capital Mgmt
Activity	<ul style="list-style-type: none"><li>Analysis &amp; market intelligence</li><li>Viability analysis</li><li>Strategic value</li></ul>	<ul style="list-style-type: none"><li>Site acquisition</li><li>Concessions and regulatory agreements</li><li>Investment case development</li></ul>	<ul style="list-style-type: none"><li>Engineering &amp; design</li><li>Sourcing &amp; quality levels</li><li>Equity &amp; debt funding at project</li></ul>	<ul style="list-style-type: none"><li>Life cycle O&amp;M planning</li><li>Asset Management plan</li></ul>	<ul style="list-style-type: none"><li>Redesigning the capital structure of the asset</li><li>Operational phase funding consistent with asset life</li></ul>
	<ul style="list-style-type: none"><li>Redefining the space e.g. Mundra Port</li></ul>	<ul style="list-style-type: none"><li>Envisaging evolution of sector e.g. Adani Transmission</li></ul>	<ul style="list-style-type: none"><li>Complex developments on time &amp; budget e.g. APL</li></ul>	<ul style="list-style-type: none"><li>O&amp;M optimisations e.g. Solar plants</li></ul>	<p>Successfully placed seven issuances totalling ~USD 4Bn in FY20</p> <p>All listed entities maintain liquidity cover of 1.2x- 1.8x for FY21</p> <p>Focus on liquidity planning ensures remaining stress free</p>
Performance					

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

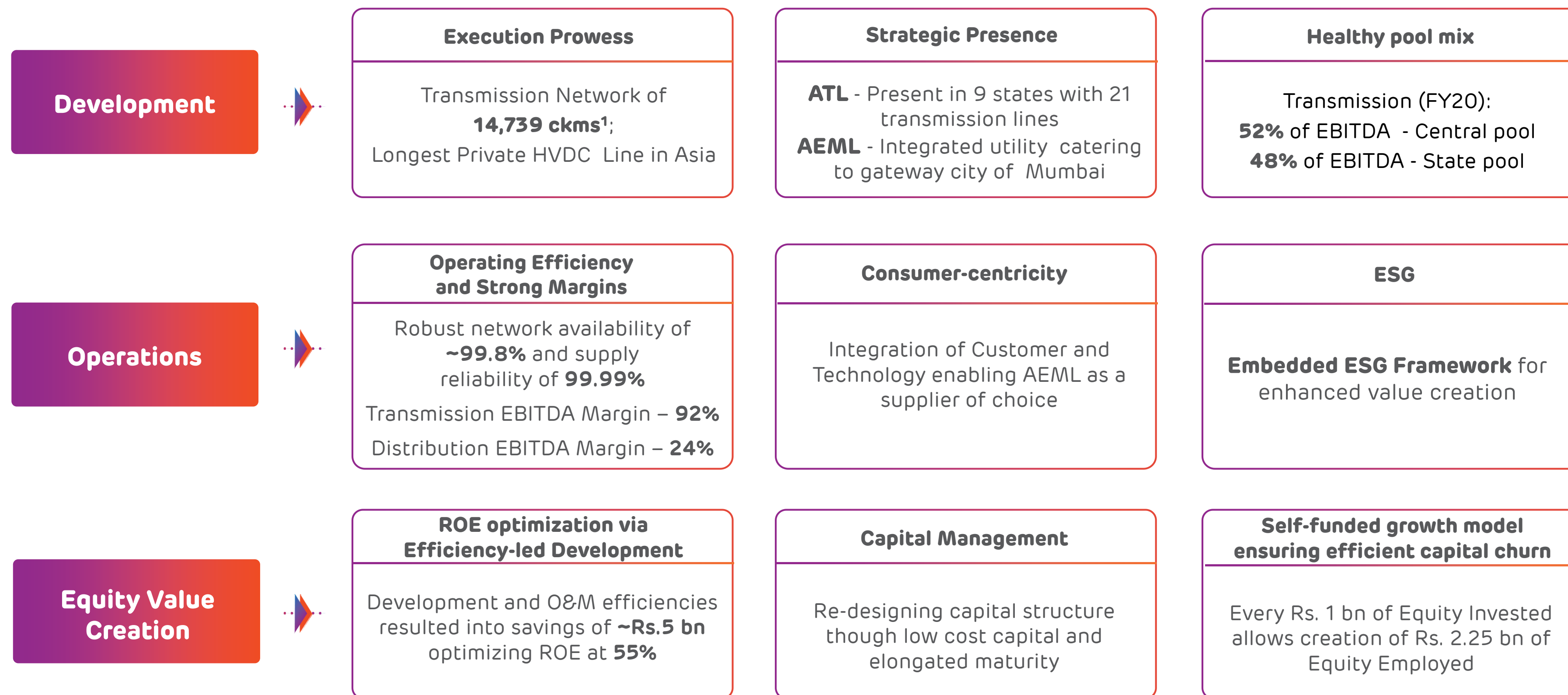


Adani: Repeatable, robust business model applied consistently to drive value



**Note:** <sup>1</sup> Data for FY19; <sup>2</sup> Excludes forex gains/losses; <sup>3</sup> EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; <sup>4</sup> EBITDA Margin represents EBITDA earned from power sales and exclude other items; <sup>5</sup> H1 FY20 Data; Include listed Group companies

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













Note: 1) Transmission network of 14,739 ckt kms include operational, under-construction; 2) FY20 - Availability, Margin and Supply reliability



# Company Profile



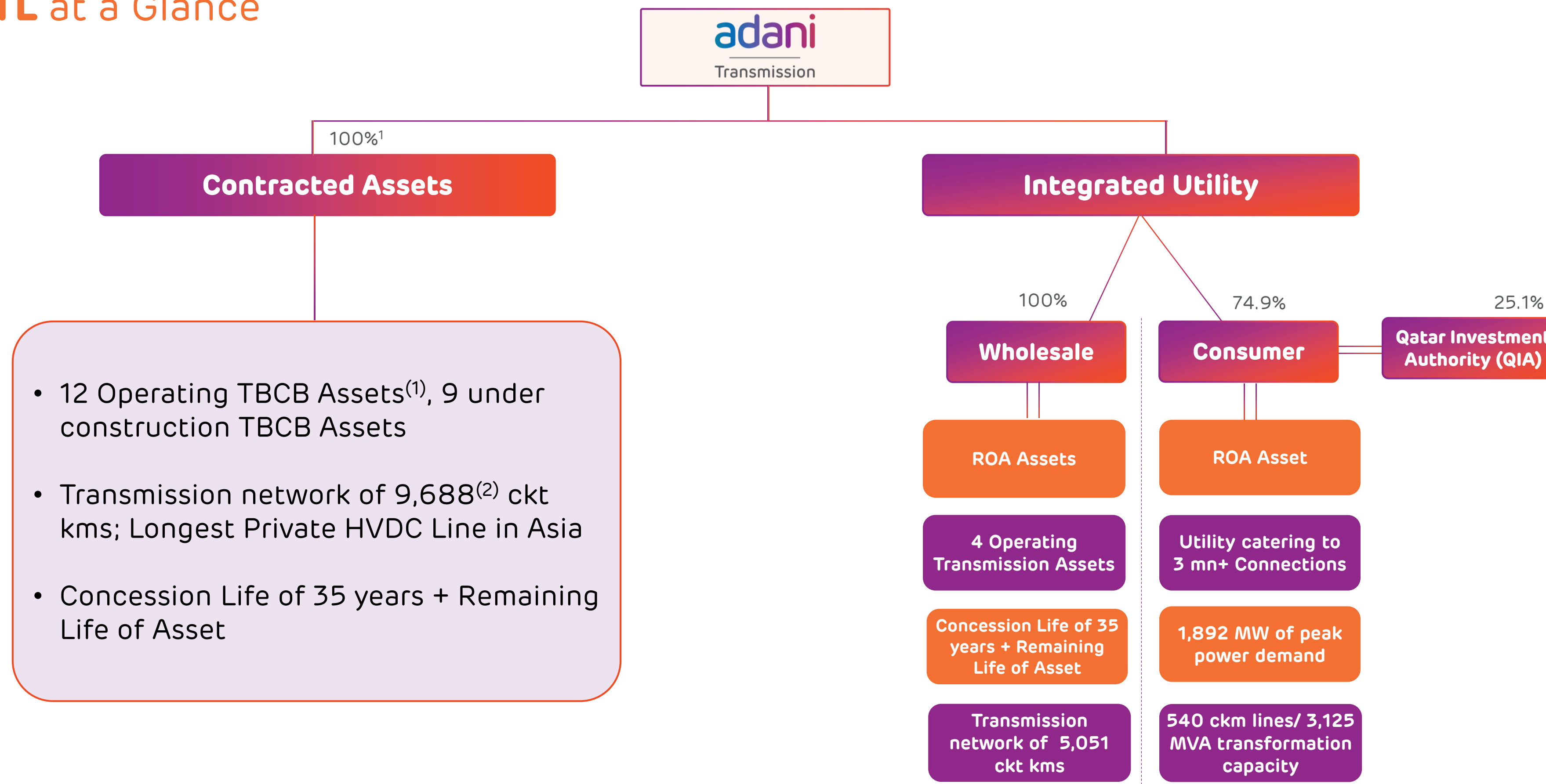
# ATL: Manifesting Adani's Infrastructure Excellence in T&D business

<b>Execution Strength and Pan India Presence</b>	 Pan-India network & only private sector co. to operate 500 KV HVDC in S-E Asia	 <b>AEML</b> - One of the best-run 93-year old integrated utility catering to gateway city of Mumbai	 <b>3 million+</b> Retail Electricity Households
<b>Predictable and Annuity Returns</b>	 <b>INR 300 Bn/ US\$ 4.3Bn</b> Total Regulated Asset base <sup>(1)</sup> (Fully built)	 <b>31 years/ 17 years</b> Avg. Residual Concession Life (Transmission/ Distribution) <sup>(4,5)</sup>	 <b>54%/ 46%</b> ROA / TBCB <sup>(2)</sup>
<b>Robust Financial performance and strong Balance Sheet</b>	<div> <b>92% (Transmission) 24% (Distribution)</b> EBITDA Margin (FY20)</div> <div> <b>~99.76 %</b> Availability (FY20)</div>	 <b>INR 117 bn / US\$ 1.7 bn</b> Approved Tariff Order (Fully Built) <sup>(1)</sup>	 <b>BBB- / Baa3</b> International Investment Grade Rating <sup>(5)</sup>

Note: US\$/INR: 70; (1) Fully built estimate based on regulatory approved tariff and bid based tariff profile of operational, under-construction and under-acquisition projects of Transmission and Distribution business. This excludes HVDC project. No upsides have been assumed on account of operational efficiencies; (2) Including under-construction and under-acquisition 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 FY19; (5) Operational History of 93 years; TBCB: Tariff Based Competitive Bidding



# ATL at a Glance



Notes: 1) % denotes shareholding; 74% in Aravalli Transmission Service Company Limited; 2) Network includes operational, under construction as of 31st March, 2020



# Contracted Assets at a Glance

## Contracted Assets

**TBCB  
(Section 63)**



**Fixed  
Tariff**

No. of Assets

20

Asset Base Fully-  
built (Rs. Bn)

137.1

Op. EBITDA  
FY20 (Rs. Bn)

8.0

## Key Characteristics

Asset Life



35 years + Life  
of Asset

Counterparty



Network Pool

## 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
- Project hit-rate of 37% in FY20 with IRR threshold offers high growth potential in TBCB allocations

**Note: 1)** Regulated Asset Base (RAB) for ROA is Rs. 107.3 bn and TBCB projects on a fully built-up basis is Rs. 137 billion, out of which Rs. 80 billion is for under-construction assets;  
 2) EBITDA for ROA assets is Rs. 16.8 bn and TBCB assets is Rs. 8 bn; 3) ROA: Return on Assets; TBCB: Tariff based Competitive Bidding

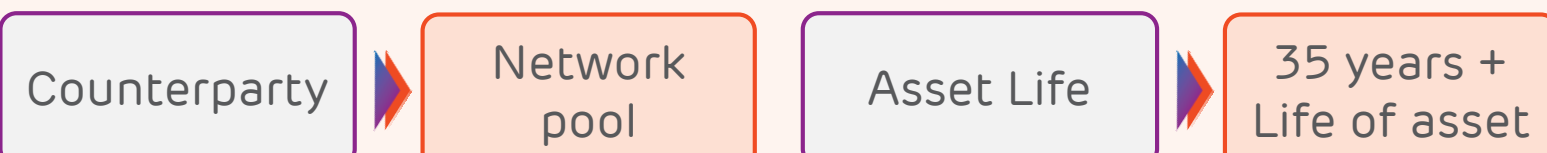


# Integrated Utility at a Glance

## Wholesale Utility

### Wholesale Utility - Key Characteristics

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



No. of Assets

4

Asset Base  
(Rs. Bn)

107.3

Op. EBITDA  
FY20 (Rs. Bn)

16.8

### Consumer Utility Asset (RAB and EBITDA)

(Rs. Billion)

	Generation	Transmission	Wires	Retail	Total
RAB FY20	8.1	12.3	40.1	1.9	62.4
EBITDA FY20	2.8	2.5	12.7	0.6	18.6

## Consumer Utility

Qatar Investment  
Authority (QIA)

### Key Characteristics

Consumer  
base

3.04 million

Counterparty

Consumers

Type of  
Asset

Regulated  
Asset (Sec. 62)

Asset Life

Perpetual  
business

### 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)

### Growth levers

**Capex-led growth in Regulated Asset Base and growing customer-base to drive future growth**



# Investment Strategy, Value Creation and Outlook



# ATL: Key Highlights and Objectives of Capital Management Program

## Development De-risking

- Significantly reduced green-field risk (mature asset operator)
- Lower gestation period of 2-3 years and construction efficiencies offering efficient capital churn thus higher returns
- Value creation through replicable model

## Capital Conservation

- Refinancing risk significantly minimized with debt maturity (>5 year) shifting from 12% in FY16 to 88% in FY20
- Weighted avg. cost of debt has come down from 10.9% in FY16 to 9.3% in FY20
- 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

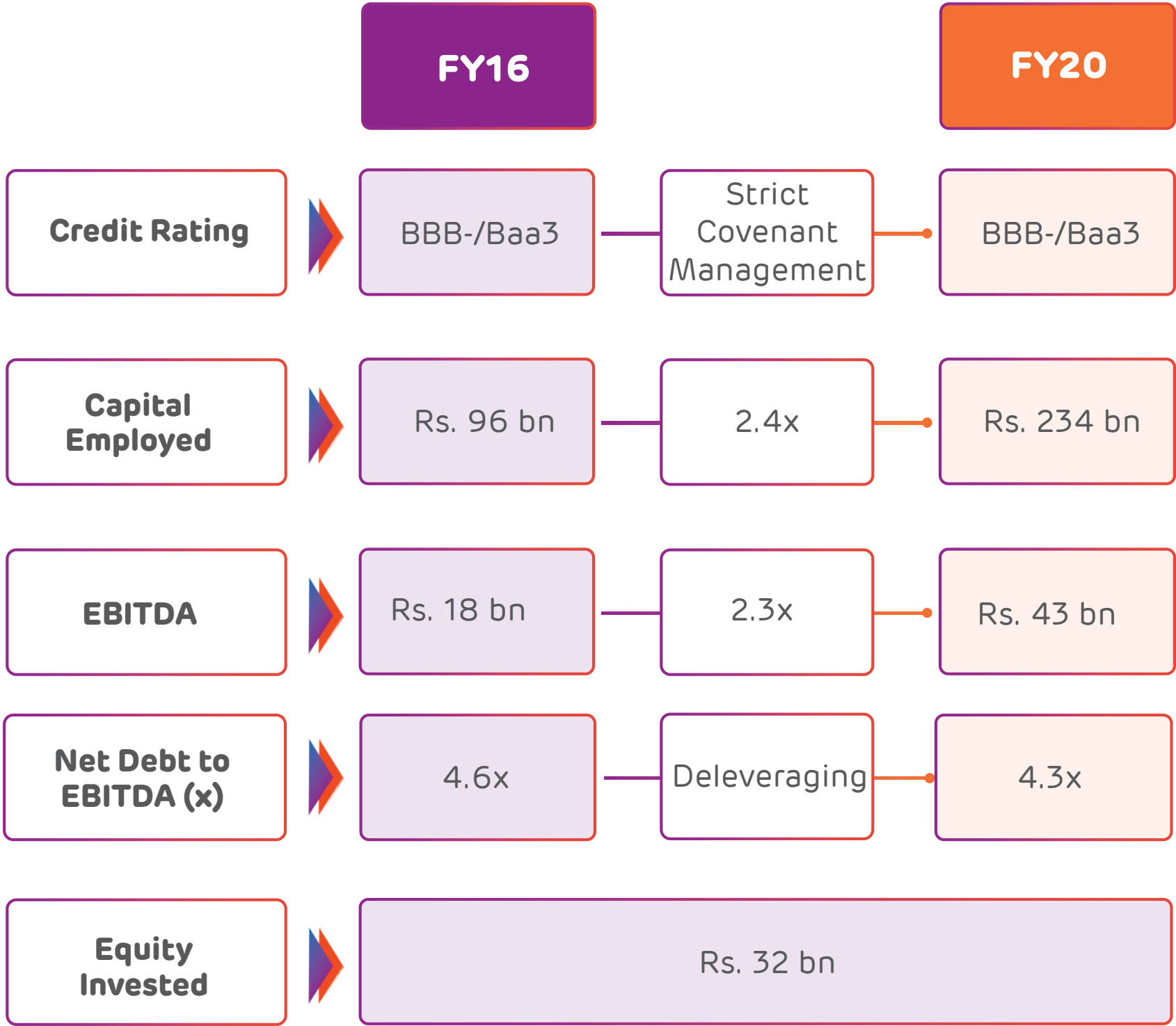
Significantly lowered its risk profile:

- 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

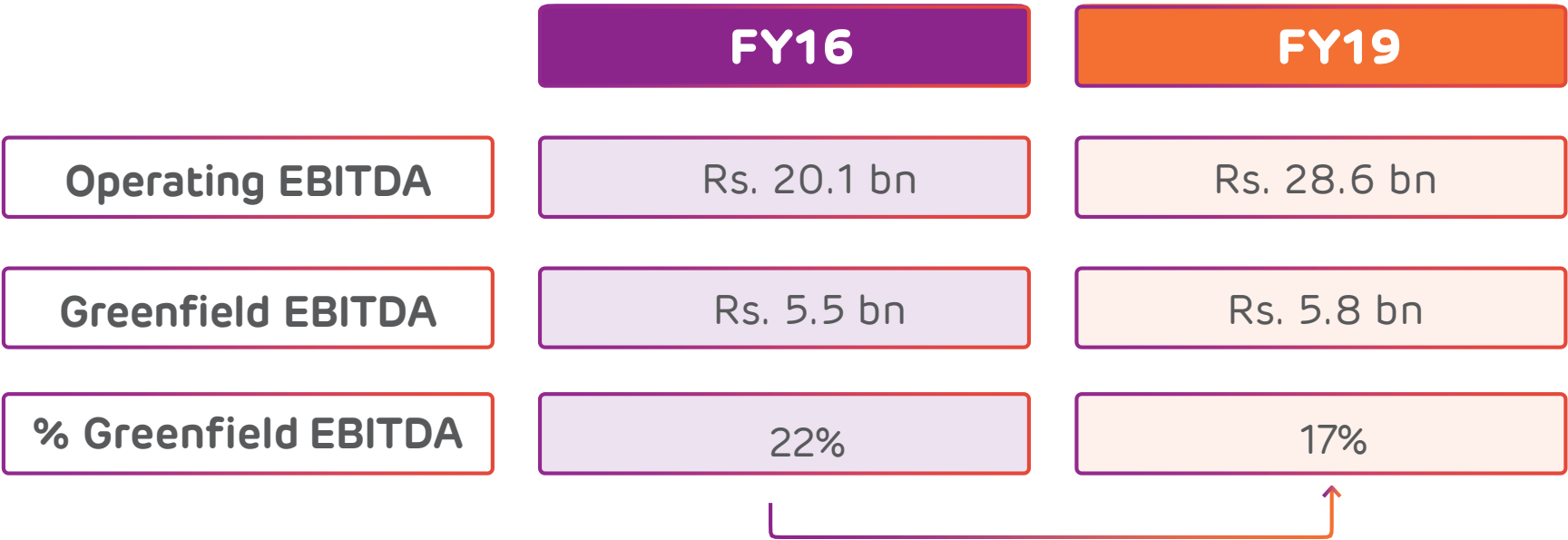


# ATL: Reduced Development and Capex risk with High Credit Discipline and no Equity Dilution

## Self-funded contracted growth model with low capital risk

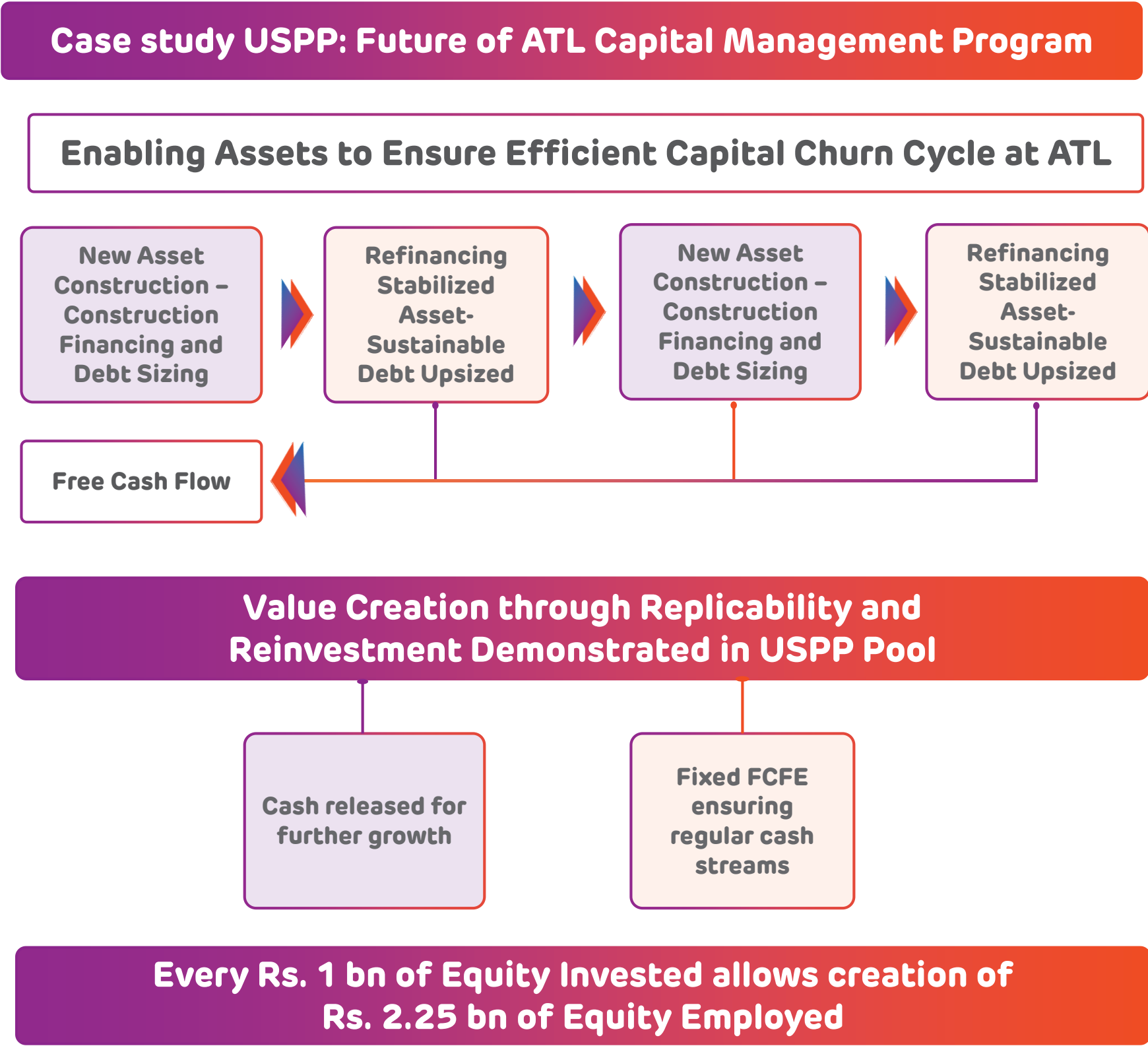
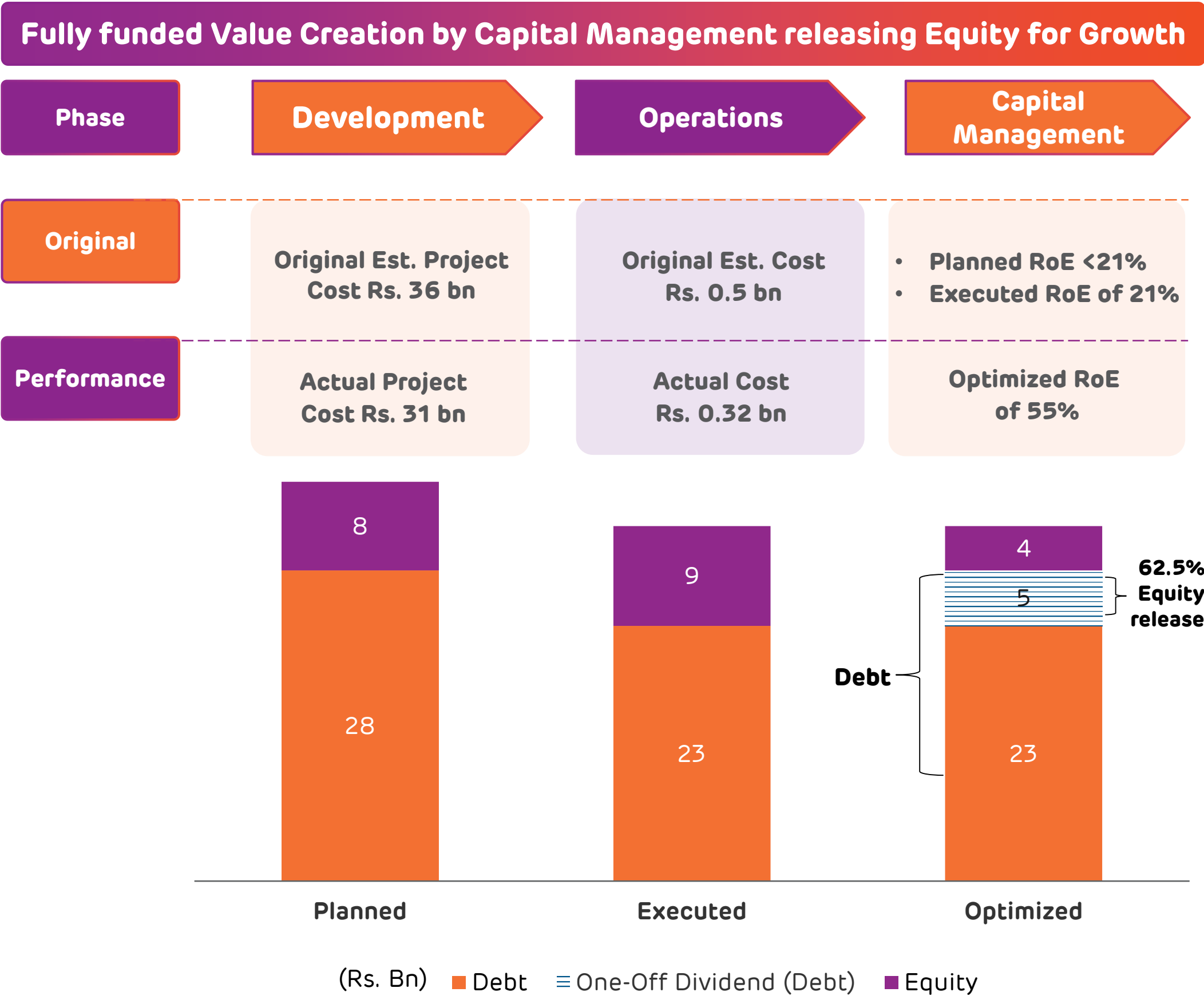


## Significant Reduction in Greenfield Risk



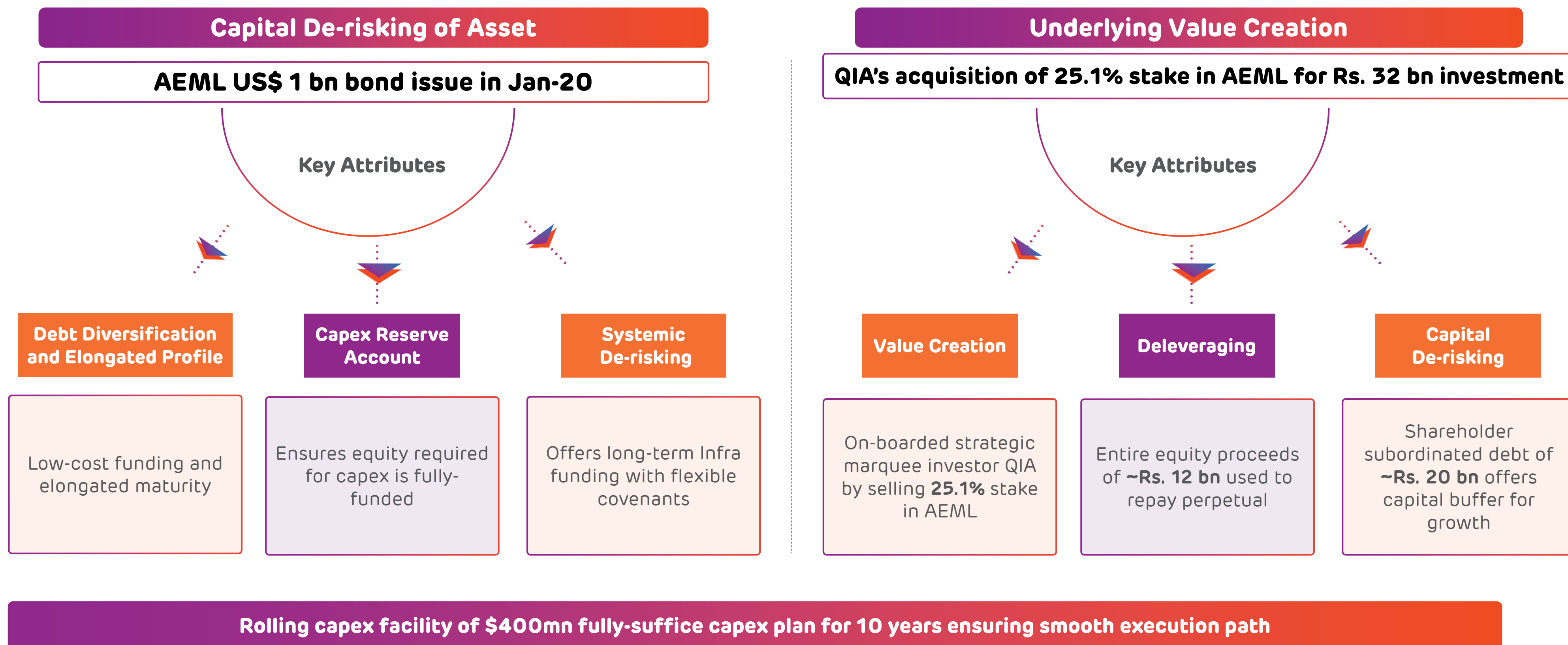


# Case Study: Development, O&M Efficiencies and Capital Management to create immense shareholder value





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





# ATL: Strategic Objectives

## 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 3mn+ customer base
  - Continuous customer 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

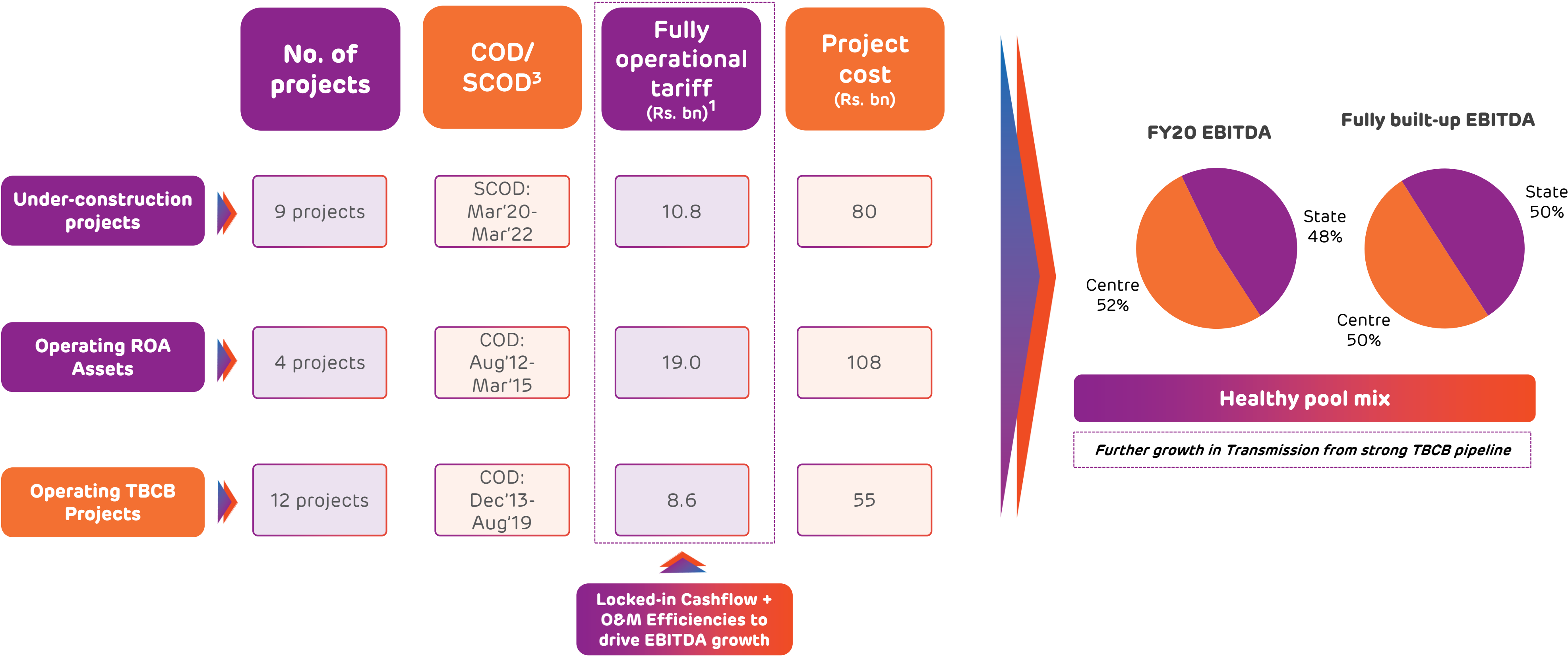
Fiber-to-Home

Safety and Energy Audit at places of congregation and consumers

One Adani-One Service



# Transmission business: Growth through TBCB pipeline



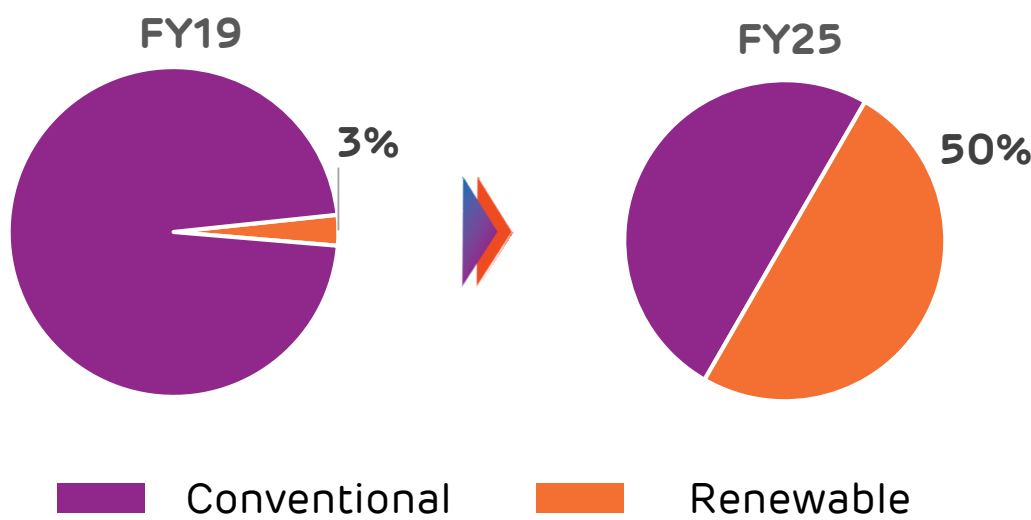
Notes: 1) Fully Operational Tariff for Operating ROA as of FY19 and Operating TBCB and Under-construction projects is fully operational first year tariff; 2) Transmission Asset Base comprises projects based on regulatory tariff order, and includes fully-built, under-construction projects; 3) SCOD – Scheduled Commercial Operation Date, COD - Commercial Operation Date



# AEML (Integrated Utility): Regulated Growth Opportunities

## Sustainable Growth

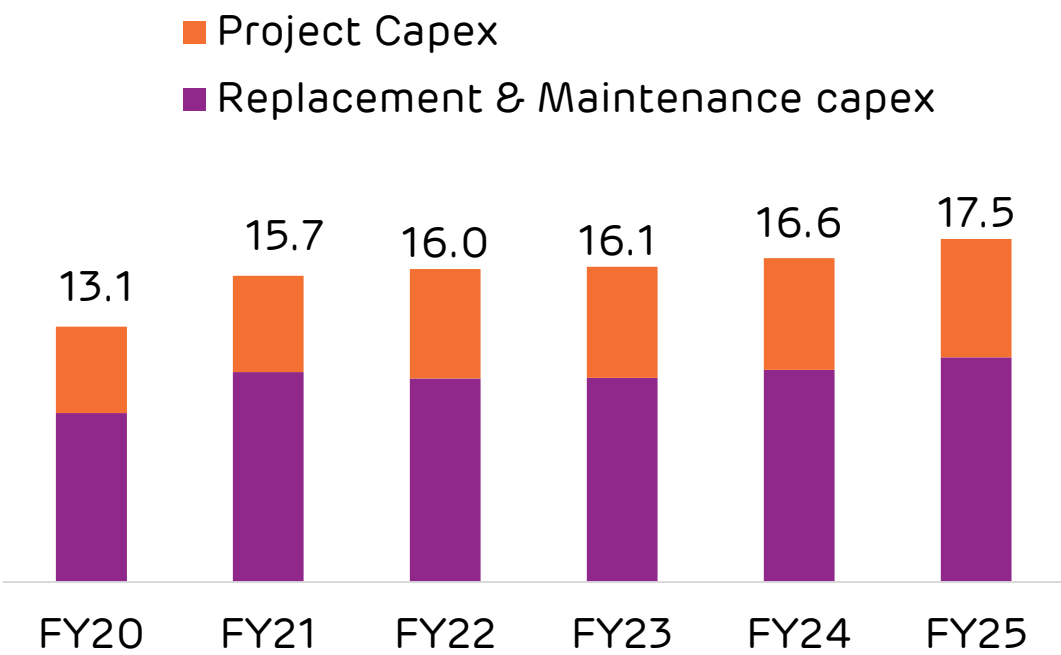
Share of Power Procurement from different sources



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

## Reliability

Capex Schedule (Rs. bn)

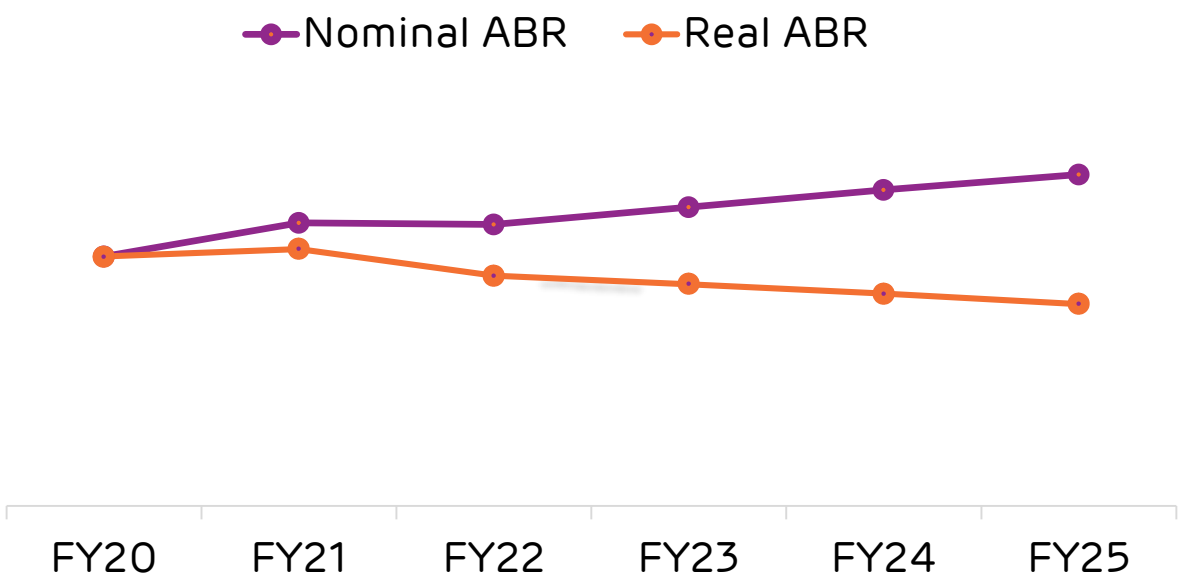


Capex plan of ~Rs.95 bn for FY20-25

Capex-led growth in RAB to drive EBITDA growth

## Affordability

Average Billing Rate (ABR) – Rs. /unit<sup>1</sup>



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



## ATL: Update on Covid-19, its impact on operations and key initiatives

- Power Transmission and Electricity Distribution is classified as an **'essential service'** requiring all our operations to be **fully-functional** with minimum staff required.
- As a **'must-run business'** ATL ensured **high line availability** and AEML ensured **highest supply reliability** in Mumbai despite huge challenges
- Announced **Force Majeure to LTTC's** in order to mitigate the risks of line construction
- Implementing **Govt. of India specified operating procedures** at all our business units, sub-stations and customer centers with **safety of the workforce as a top priority**
- Operational **staff quarantined at sub-stations** with all arrangements for safe work environment
- **Hygiene, sanitization of workplaces & sites** ensured, enabled 100% thermal scanning
- Majority of our employees are **working from home**
- Regularly issuing updated **preventive measures, guidelines & communication** to employees
- Working closely with our associates & service partners through **digital means to ensure continuity of their services** and necessary supply of equipment's for minimal business-level disruption
- Undertaken multiple **CSR initiatives to lend a helping hand** to needy



## ATL: Outlook

### Economic Outlook

- Situation expected to improve progressively from May onwards as lockdown will be lifted in phases
- Indian annual GDP growth rate for FY21 to be flattish and various agencies are predicting a zero growth
- Power being an essential commodity may likely to see sharp rebound in demand
- GOI announcing several measures to reduce the stress in power sector
- GOI expected to announce stimulus to revive MSME and industrial production
- RBI will continue to focus on ensuring ample liquidity and flow of credit to industries

### Operations Outlook

- No major deviation in relation to guidance given by ATL and AEML with regards to financial and operational performance
- Consistent performance across assets with ~ 99.8% availability in FY20. Focus on incentive maximization.
- Distribution loss was as low as 7.4% for FY20 and we expect it to be even lower for future due to network upgradation
- Maintaining Reliability of Power Supply in Mumbai Distribution business to ensure “No Supply complaints”
- Continue to maintain Operational EBITDA margin of more than 91% in Transmission business and 22% in Distribution Business
- No Capex deferment and curtailment in expansion plan
- No overdue on the receivable from the counterparty and also not expecting any major delay in days ahead



# ATL: Key Focus Areas FY21 and Beyond

## Liquidity Management

- Focus on maintaining adequate liquidity cover to swiftly mitigate current uncertainties and any unpredictable scenario
- 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 tied-up
- CTU/STU Pooling mechanism is in place so don't see 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

## 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

## Growth

- ATL well placed to capture future growth through multiple avenues:
  - Robust under-construction pipeline worth Rs. 15,000 Crs. (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. 9,523 Crs. to grow RAB at AEML by FY25

## ESG Focus

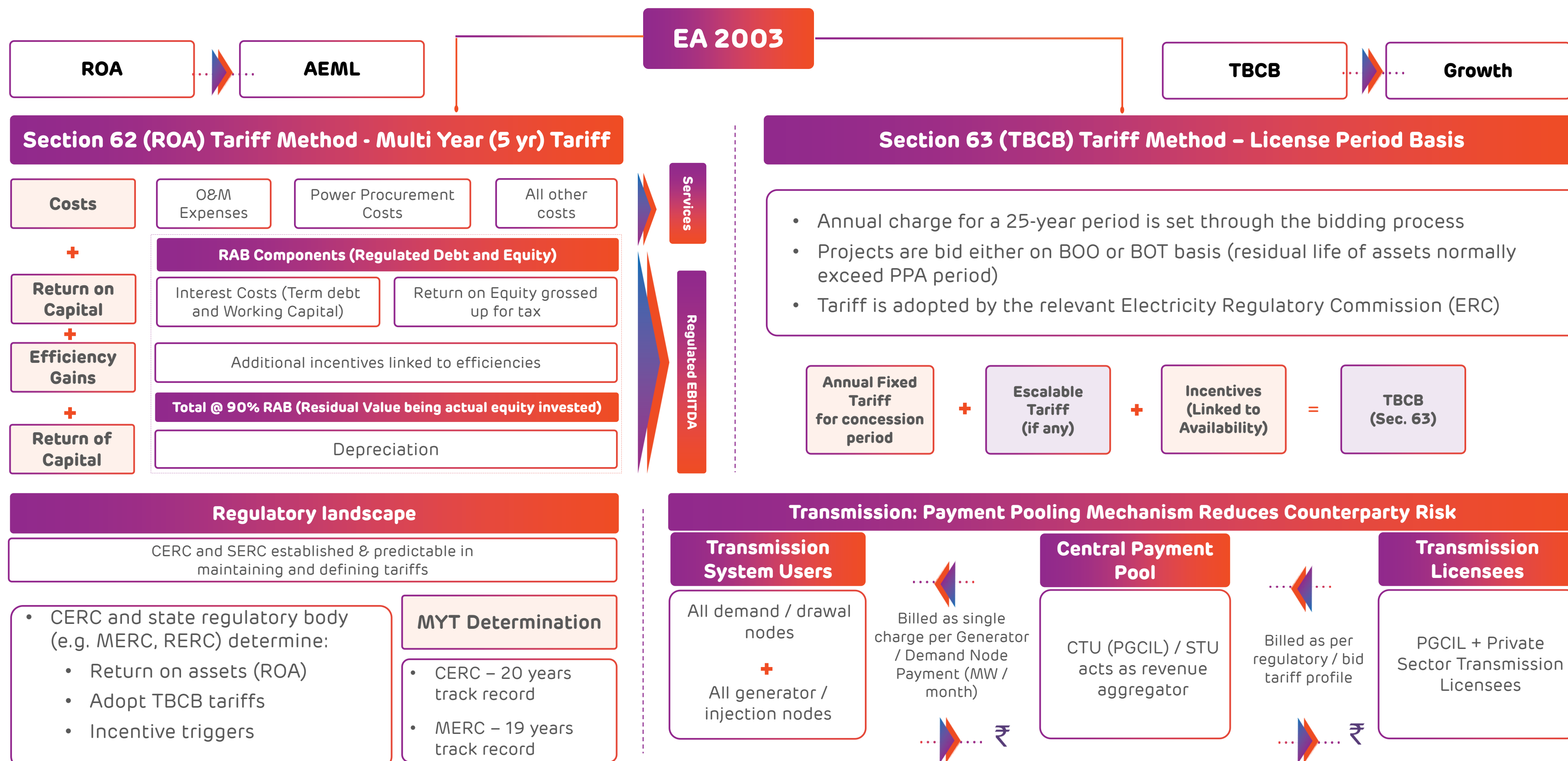
- Continue to maintain ESG focus and follow defined glide path
- Ensure Climate Awareness, Climate Readiness & Climate Alignment
- AEML has signed a hybrid (solar + wind) 700 MW PPA which has been approved by MERC
- Committed to increasing share of renewable power procurement from current 3% to 30% by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



# Regulatory Landscape



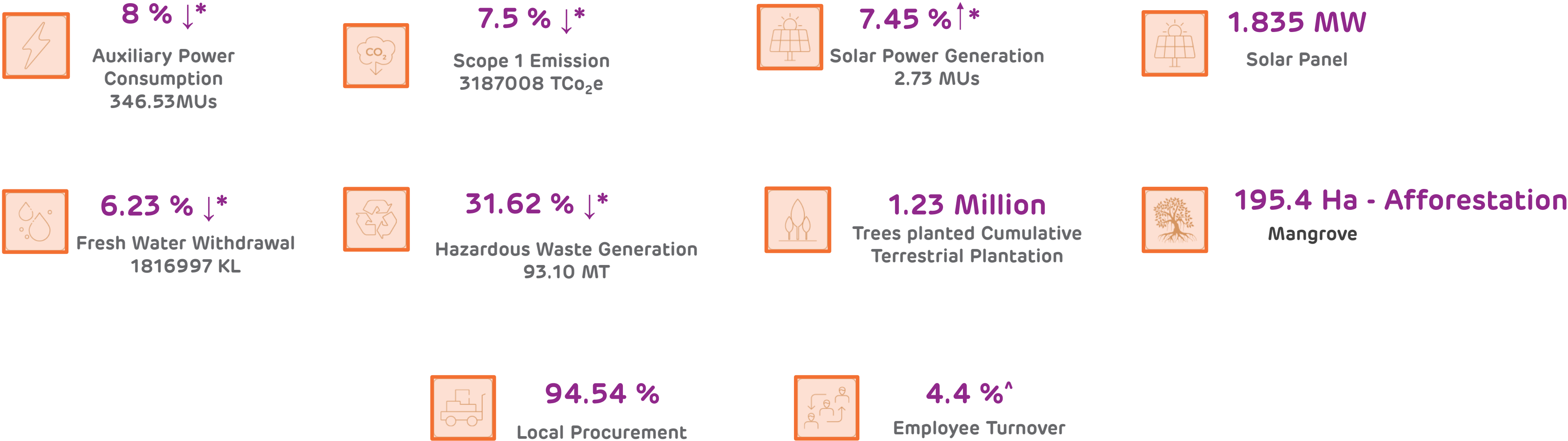
# ATL: Regulatory Framework



**ESG**



# ATL: ESG Performance



ESG Standing

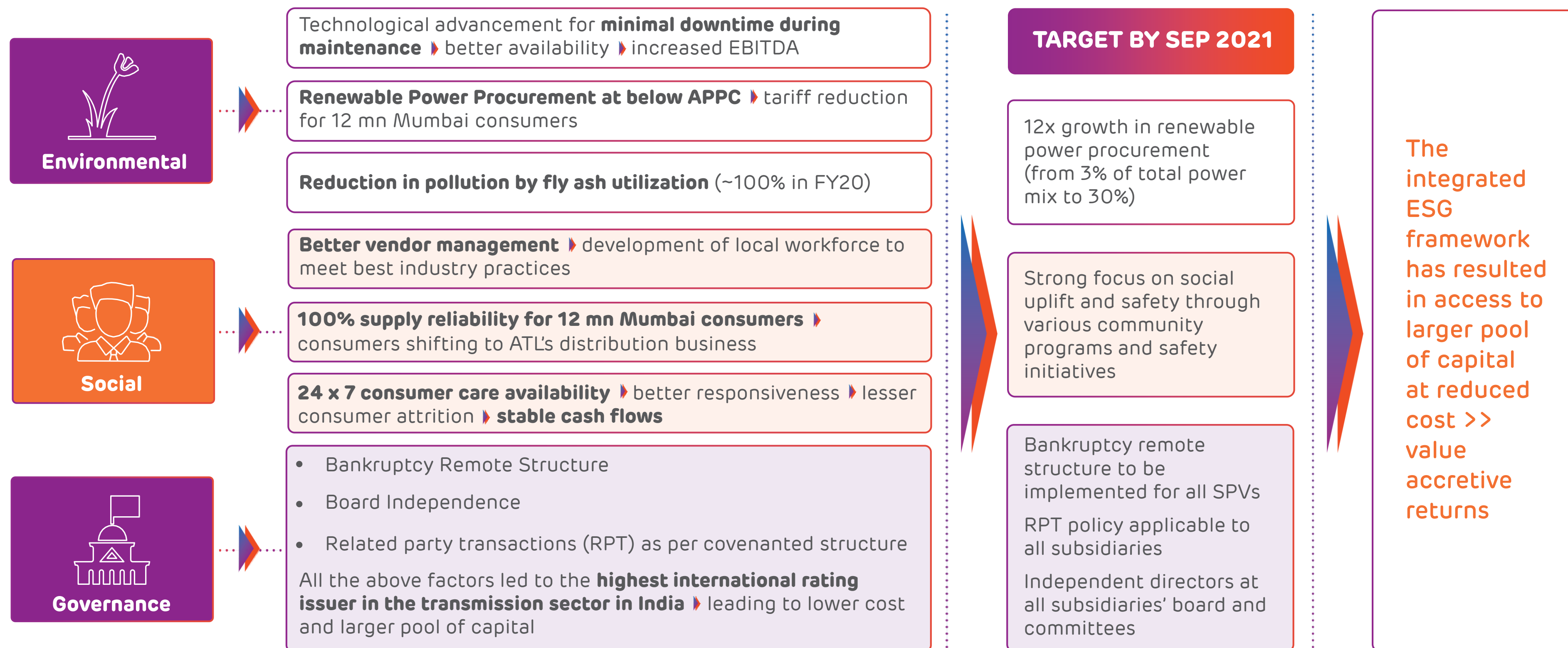
Engaging with S&P on extensive ESG Evaluation at ATL for Global ESG rating

ESG Focus Area

- Efficient use of water and energy from cleaner sources
- Reduction of emission levels
- Zero tolerance for fatalities

Note: \*Compared to FY19; #Current Capacity; ^Excludes AIMSL

# ATL: Integrated ESG Framework for enhanced value creation





# ATL: Key ESG Metrics and Initiatives

## 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

### Customer 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



# ATL: Environment awareness and Initiatives

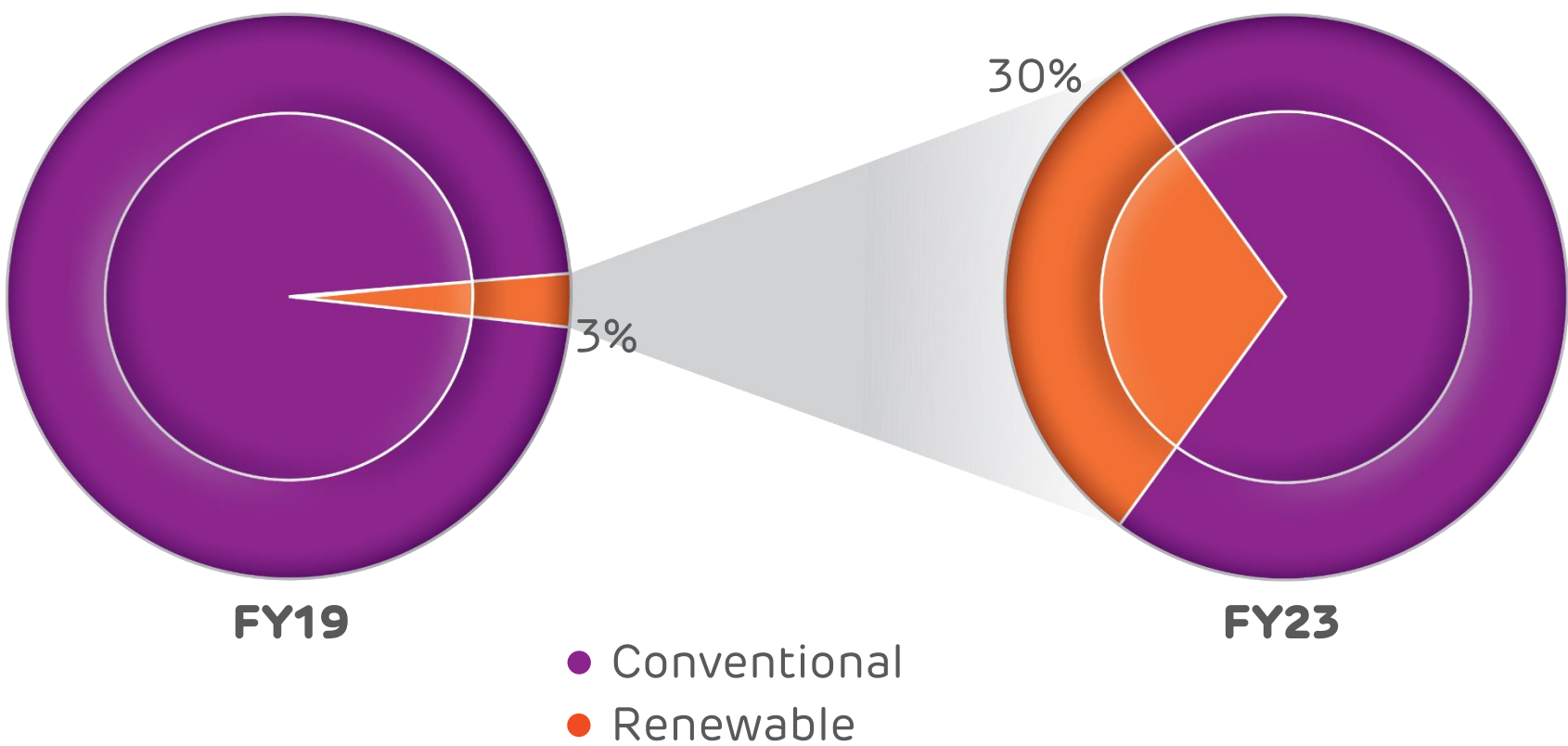
Climate Awareness	ATL recognizes that below environment related factors matter to our business model		
	Carbon Emissions	Resource Management	Waste Management
Climate Readiness	<div>Reduction in Carbon Footprint</div> <div>Technology Driven :</div> <ul style="list-style-type: none"><li>Increase in Renewable procurement for the distribution business</li><li>Promotion of Roof Top Solar at Mumbai</li><li>Rooftop Solar power of 1.83 MW for aux consumption at all ATL substations</li></ul>	<div>Resource Management</div> <ul style="list-style-type: none"><li><b>Water</b> – Rainwater harvesting at substations</li><li><b>Land</b> – Compact substations in distribution business (Elevated &amp; Underground substations)</li></ul>	<div>Waste Management</div> <ul style="list-style-type: none"><li><b>Fly ash</b> – 100% fly ash utilization at Dahanu plant</li><li>“5S” at all locations</li></ul>
Climate Alignment	<ul style="list-style-type: none"><li>We are moving into the next stage of sustainability journey with more ambitious plans and targets related to <b>Preserving environment and measuring GHG emissions</b><ul style="list-style-type: none"><li><b>Evaluating &amp; planning for climate change driven adversities</b></li><li><b>Efficient Energy Solutions for 12 mn Mumbai consuming population</b></li></ul></li><li>The company has aligned its business plan and is investing in below activities for sustainable growth<ul style="list-style-type: none"><li><b>Research &amp; Development for Design driven Efficiency</b></li><li><b>Biodiversity Management &amp; Conservation</b></li><li><b>Optimization of water &amp; energy consumption</b></li></ul></li></ul>		

# AEML: Initiatives towards reduction of carbon footprint

## 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 signed a hybrid (solar + wind) 700 MW PPA (approved by MERC)

% Power Procurement from different sources



Note: FGD – Flue Gas Desulphurization, MU – Million Units. DTPS – Dahanu Thermal Power Station; Source – Hybrid PPA

## Climate Awareness

### Environmentally compliant generation at ADTPS

- 100%** Fly ash utilization
- 95%** Decarbonisation Capex at AEML in FY20
- FGD** 1st FGD installed in India
- Washed Coal** 100% mix of higher quality and cleaner washed coal
- Oil Type RMU's** AEML-D's Oil Type RMU Replacement approved by MERC

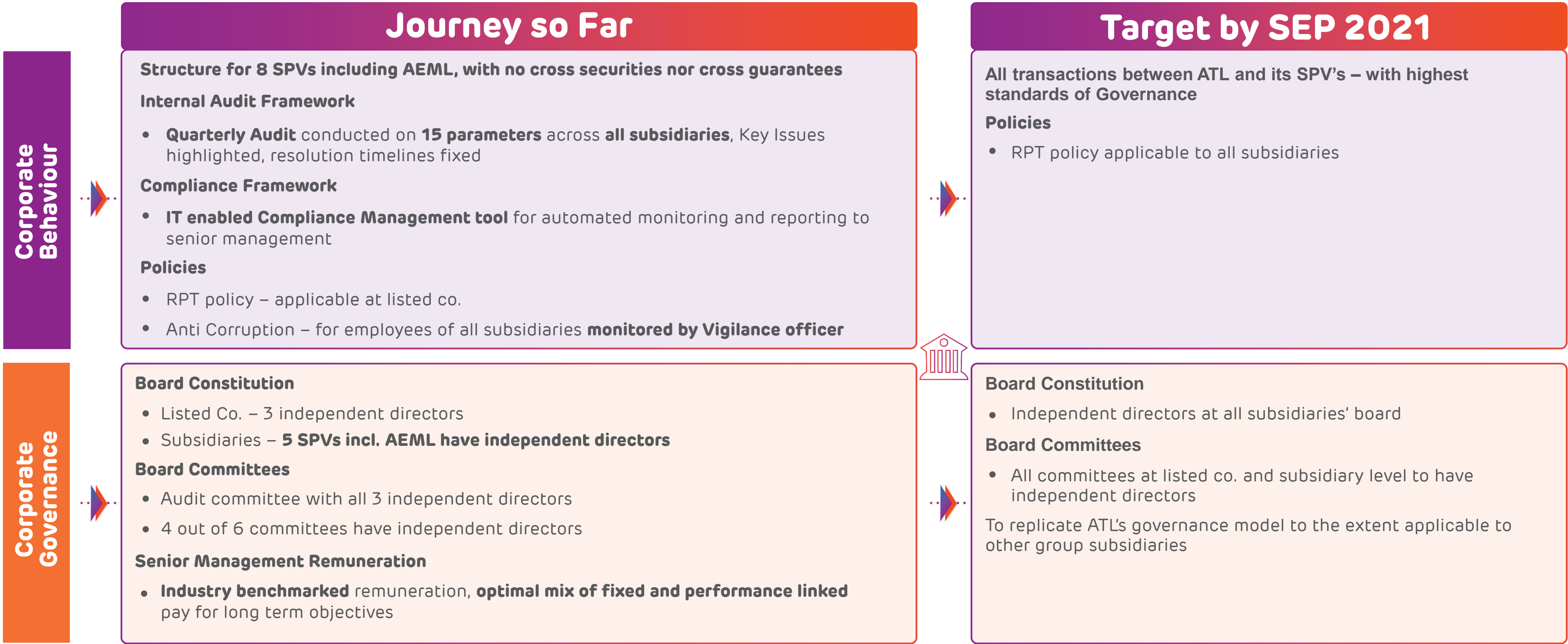
### Transmission and Distribution

- Ester** Environment friendly Ester filled transformers
- Switch gears** Oil Type Switch gears replaced by dry type maintenance free switch gears
- LED** LED lamps for street lights reducing carbon footprint



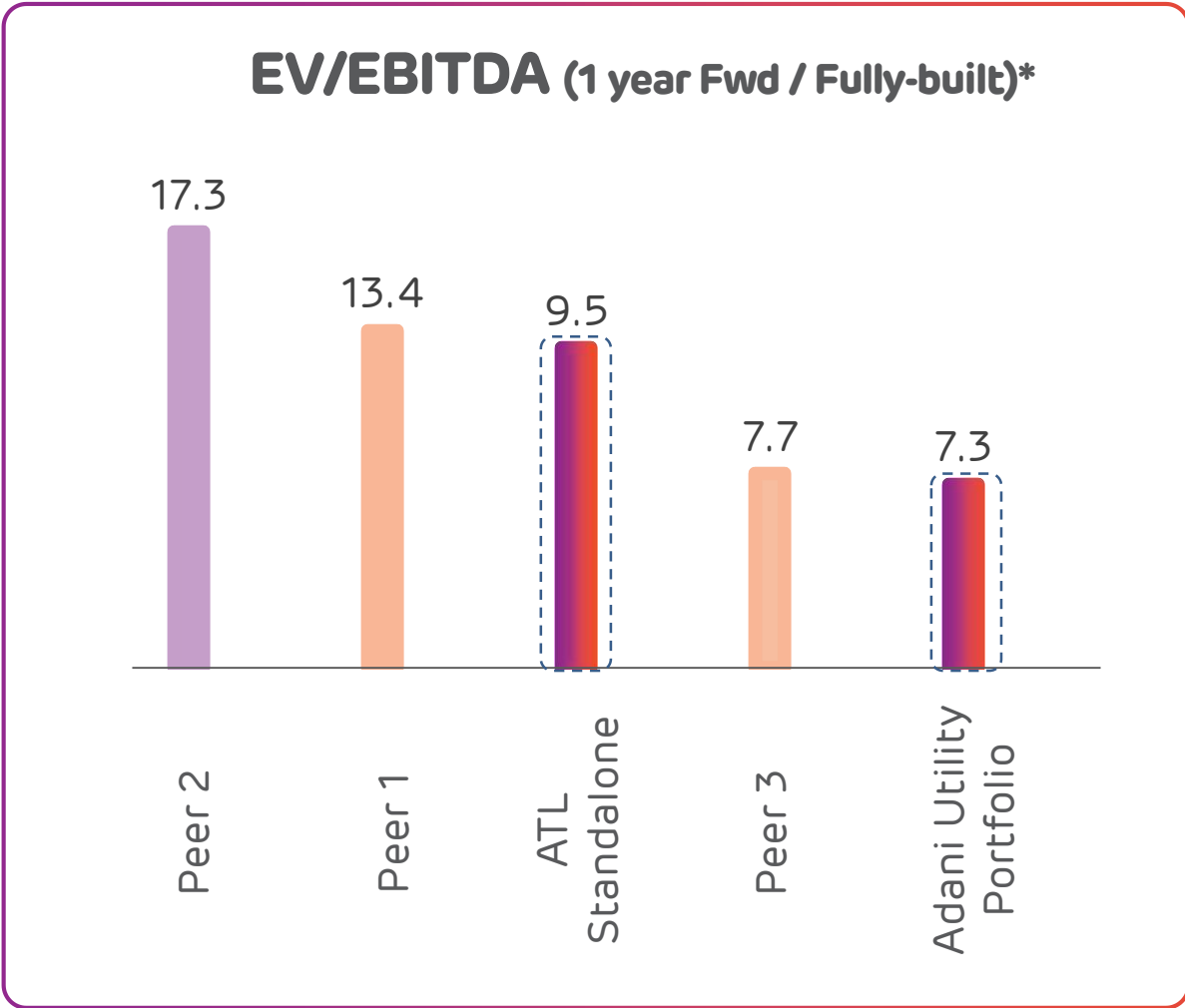
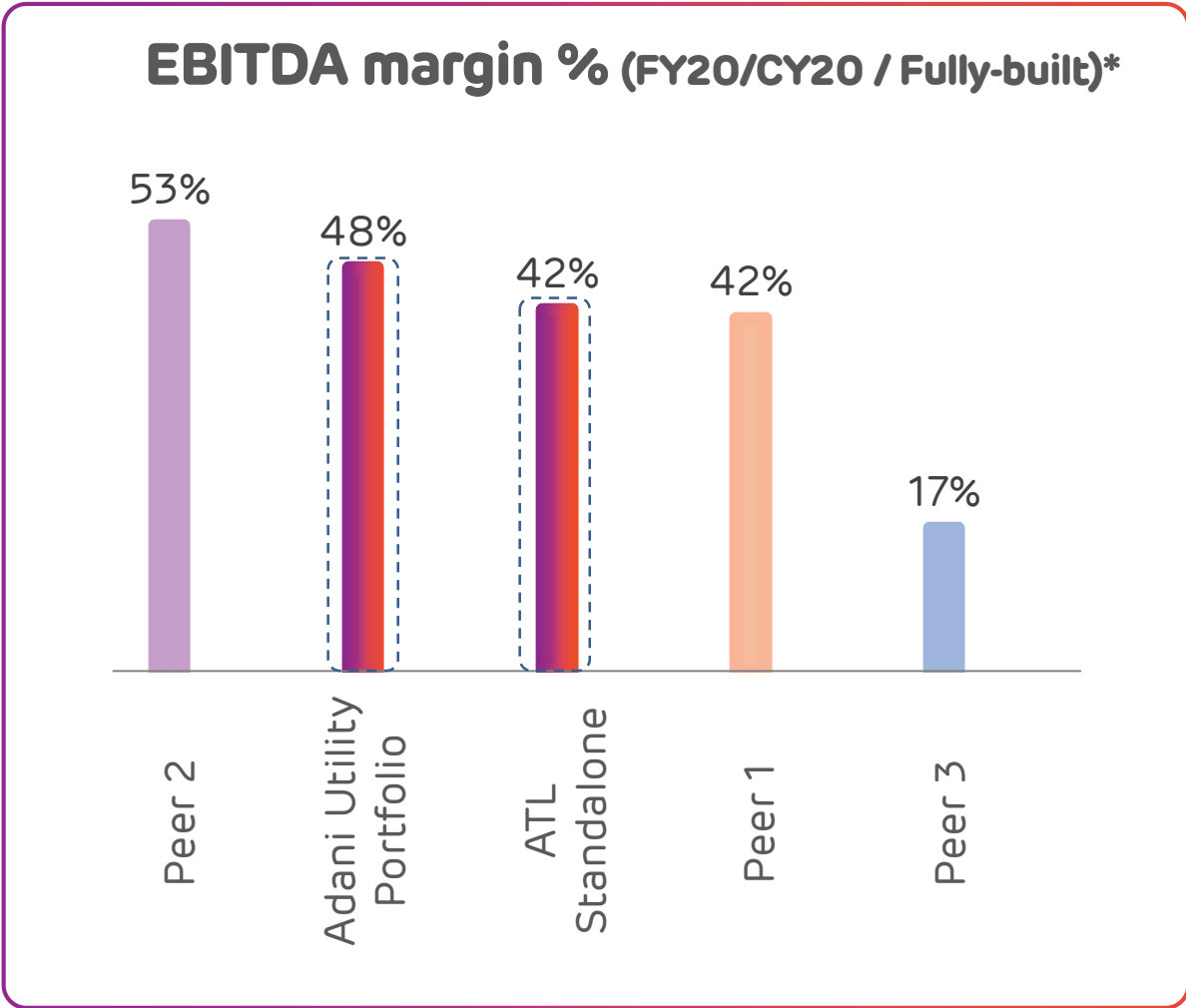
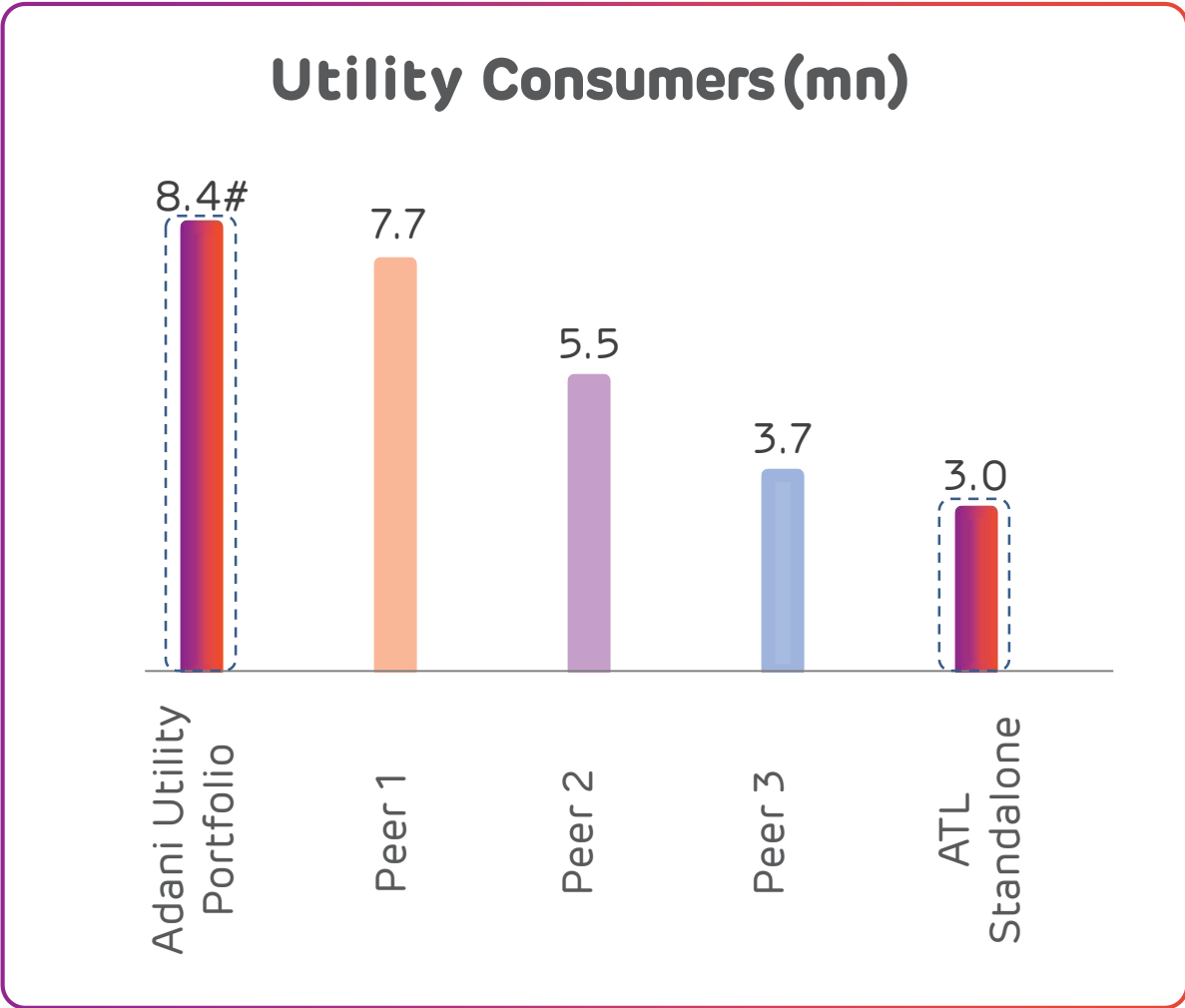
# ATL: Governance – Journey so far and future glide path

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



# 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+	BBB
Peer 3	Baa2	BBB
ATL	Baa2/BBB-/BBB-	A

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 Utility; 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: USPP Issue

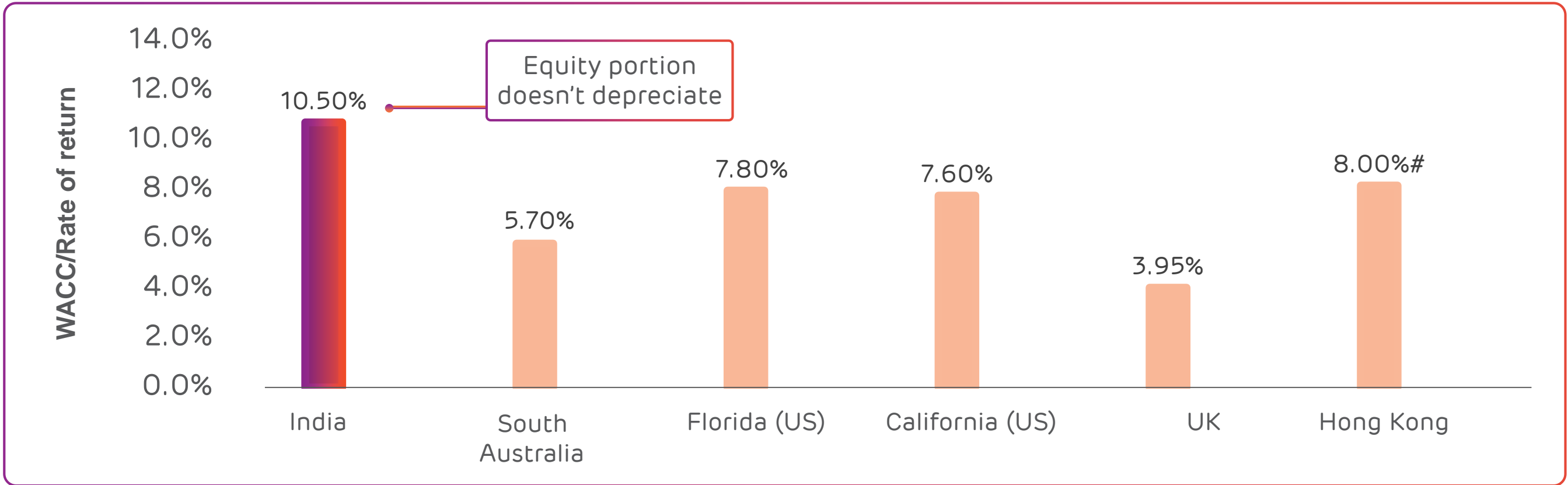
#Assuming 50% of addressable market (10mn consumers) of Adani Gas will be tapped;

\*EV/EBITDA and EBITDA margin % for Adani Integrated Utility is on fully-built discounted basis; EBITDA margin for ATL is FY20 and Peer group is CY19.



# Global Benchmarking: Regulatory Framework

Regulatory return (ROA) framework for transmission players across geographies



## 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%

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

**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

# ATL: Compelling Investment Case

## Why Invest in Adani Transmission?

### Stable & predictable cash-flows



- Predictable cash flow with contracted and regulated business
- Long term concession life (~35 years); ~52% sovereign-rated counterparties as of FY20

### World-class O&M practice



- High and predictable line availability and supply reliability
- Lower cost through predictive maintenance and usage of technology

### Robust Growth Opportunity



- ATL well positioned to capture significant portion of this growth opportunity
- Access to large opportunity pool in T&D space through greenfield, acquisitions, franchise opportunities etc.

### Disciplined Capital Allocation



- Disciplined approach towards new project bidding
- Strong focus on returns
- Commitment to maintain strong credit profile

### ESG Focus



- Strong focus on environment, safety, communities and creating value for all stakeholders
- Robust governance and disclosures

### Infrastructure lineage



- Pedigree of Adani Group: leader in infrastructure –transport, logistics, energy and utility space
- Proven track record of excellence in development & construction



# Annexure

(Finance Strategy, Operational Portfolio,  
Sector Outlook, Community, Technology)



# ATL: Emulating Group's Core Infra Philosophy at every phase

Phase	Development		Operations		Post Operations
	Origination	Construction	O&M and Technology	Consumer Engagement	Capital Mgmt
Activity	<ul style="list-style-type: none"> <li>Return based <b>disciplined bidding</b> strategy</li> <li>Healthy <b>off-taker mix</b></li> <li>Moving towards <b>benign fuel mix</b></li> </ul>	<ul style="list-style-type: none"> <li>In-house <b>tailor-made design</b> capabilities</li> <li>Strong vendor engagement</li> </ul>	<ul style="list-style-type: none"> <li><b>Remote operation of pan-India assets</b> in progress for enhanced efficiency and higher availability</li> <li>High focus on supply reliability demonstrated by <b>SAIDI, SAIFI</b> and distribution losses</li> </ul>	<ul style="list-style-type: none"> <li><b>Time-bound Consumer Redressal Mechanism</b></li> <li><b>Consumer Data Analytics</b> to improve process efficiency by <b>integrating Consumer Service</b> through Web, Chat-bot, Mobile App and Social Media</li> </ul>	<ul style="list-style-type: none"> <li><b>No Liquidity Risk:</b> Tenor in line with concession period</li> <li><b>No Interest Rate Risk:</b> Fixed Interest Rate for the full tenor</li> <li><b>Forex Risk:</b> Foreign currency debt servicing to be fully hedged</li> </ul>
Performance	<ul style="list-style-type: none"> <li>~52% of total Transmission portfolio <b>EBITDA with high quality sovereign equivalent off-takers</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Longest Private HVDC Line</b> (<math>\pm 500</math> DC) in Asia ~ 1,980 ckms from Mundra-Mohindergarh</li> </ul>	<ul style="list-style-type: none"> <li><b>Availability</b> higher than national avg. and AT&amp;C losses well below national avg.</li> <li><b>Consistent improvement in AT&amp;C losses, SAIDI and SAIFI metrics resulting into lower outage</b></li> </ul>	<ul style="list-style-type: none"> <li>AEML emerging as a <b>'supplier of choice'</b> for consumers</li> <li>AEML a significant <b>power off-taker</b> under parallel licensing in Mumbai</li> </ul>	<ul style="list-style-type: none"> <li>Ops phase funding consistent with asset life</li> </ul> <p><b>ATL only private sector transmission and distribution company in India with International IG Rating</b></p>

**Efficient project execution, high quality asset management, consumer-centricity translating to enhanced RoE & lower cost of capital**



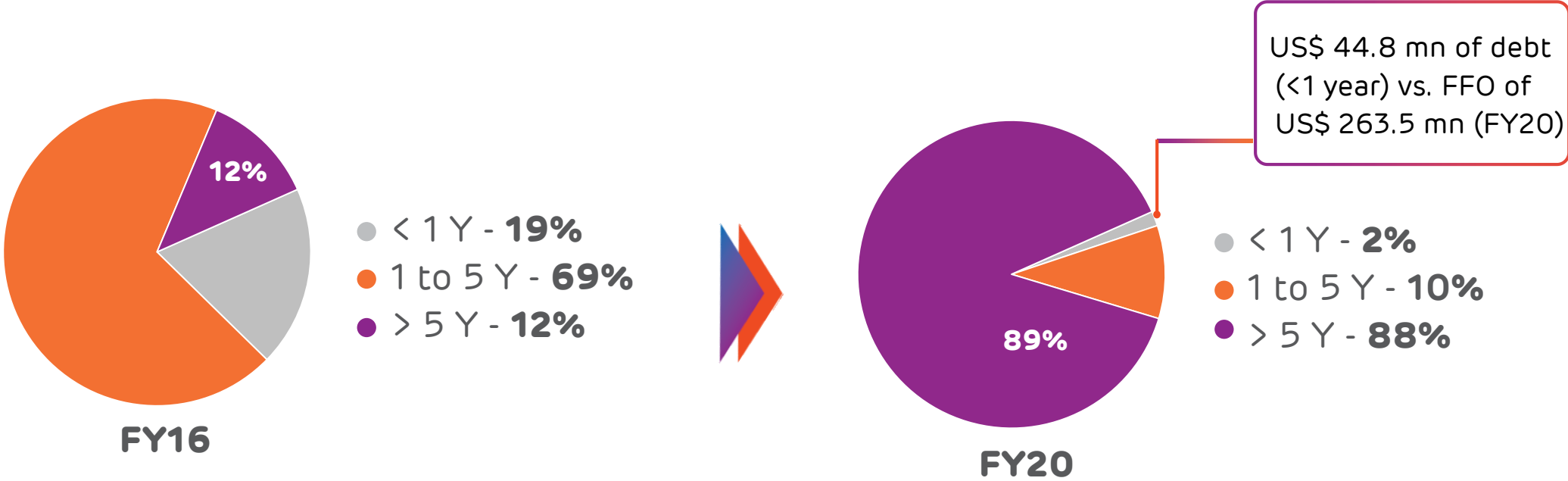
# ATL: Capital Management Program Demonstrating Global Excellence

Highlights	Obligor 1	Obligor 2	USPP	AEML
<b>Asset</b>	ATIL MEGPTCL		STL, ATRL, CWRTL, RRWTL, PPP-8,9,10	AEML
<b>FY20 Operational EBITDA (Rs. Crs)</b>	1,683		596	1,805
<b>Tenor</b>	10 year	16.5 year	30 year	10 year
<b>Issue size (USD mn)</b>	US\$ 500 mn	US\$ 500 mn	US\$ 400 mn	US\$ 1000 mn
<b>Refinance Risk / Bond Structure</b>	Bullet debt Structure	Amortizing debt structure	Amortizing debt structure	Bullet debt structure
<b>Counterparty Risk / Quality of earnings Risk</b>	EBITDA: 45% from Central projects 55% from State projects		EBITDA: 78% from Central projects; 22% from State projects	End users
<b>International Credit Rating</b>	BBB- (S&P, Fitch)/ Baa3 (Moody's)	BBB- (S&P, Fitch)/ Baa3 (Moody's)	BBB- (Fitch)/ Baa2 (Moody's)	BBB- (Fitch)/ Baa3 (Moody's)
<b>Robust Structural Protections</b>	Standard project finance features Clean first ranking security Unique covenants linked to EBITDA performance providing credit quality protection over project life Detailed reporting covenants			

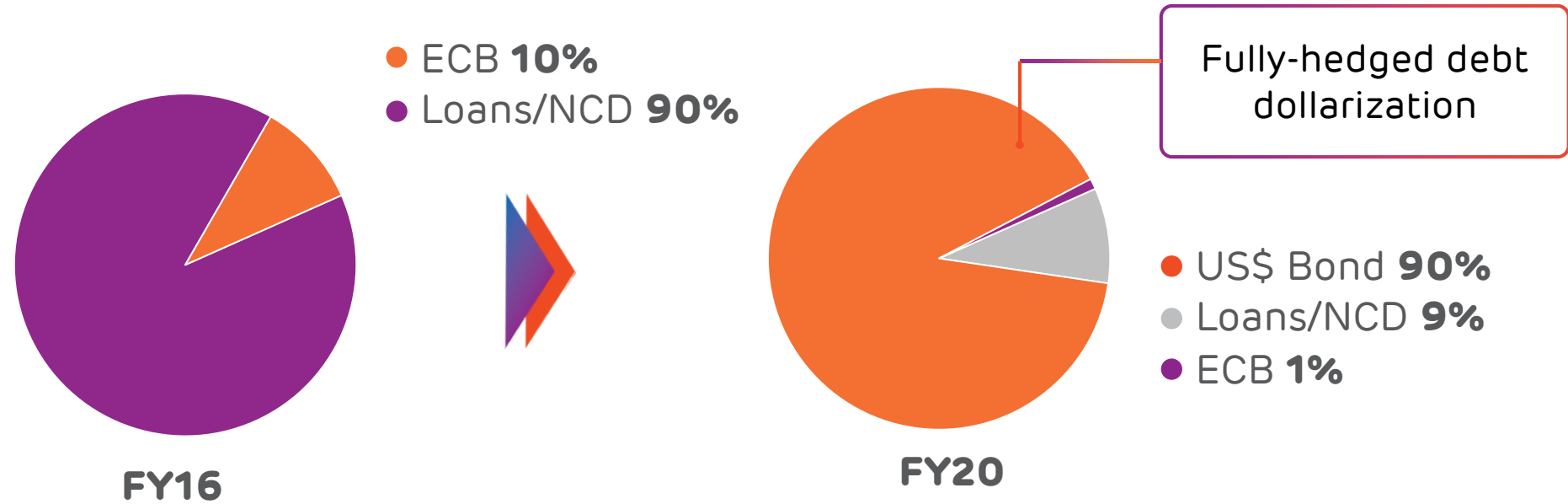
# ATL's Capital Management Program brings diversity and elongated maturity to firm's debt profile

	As of 31st Mar 16	As of 31st Mar 20
Consolidated Net Debt	Rs. 85 bn	Rs. 152 bn
Cost of Debt (weighted) %	10.9%	9.3%
Average debt maturity for LT debt	5.8 years	10.2 years
Average door to door tenure for LT debt	9.5 years	20.2 years
On a consolidated net debt of Rs. 152 bn the refinancing program yielded a saving of ~Rs. 2.5 bn per annum		

## Refinancing risk minimised<sup>1</sup>



## Debt profile<sup>1</sup>



Notes: 1) Performa debt profile after USPP and AEML bond; 2) Debt excludes perpetual equity;



# ATL is rated Investment Grade from FY16 and beyond

## International- Obligor Group

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

## International – USPP

Rating Agency	Facility	Rating/Outlook	Rating/Outlook
Fitch	Dollar Bond	BBB-/Stable	BBB
Moody's	Dollar Bond	Baa2/Negative	Baa2

## Domestic

Rating Agency	Facility	Rating/Outlook
India Ratings	NCD	IND AA+/stable

## SPV Ratings - Domestic

Company	Rating Agency	Rating	Outlook
ATL	CARE, India Rating	AA+	Stable
AEML	CARE	AA	Stable
RRWTL	Brickwork	A-	Stable
STL	CARE	A+	Positive
CWRTL	CARE	A+	Positive
ATRL	Brickwork	A-	Stable
HPTSL	CARE	A-	Stable
BPTSL	CARE	A-	Stable
TPTSL	CARE	A-	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

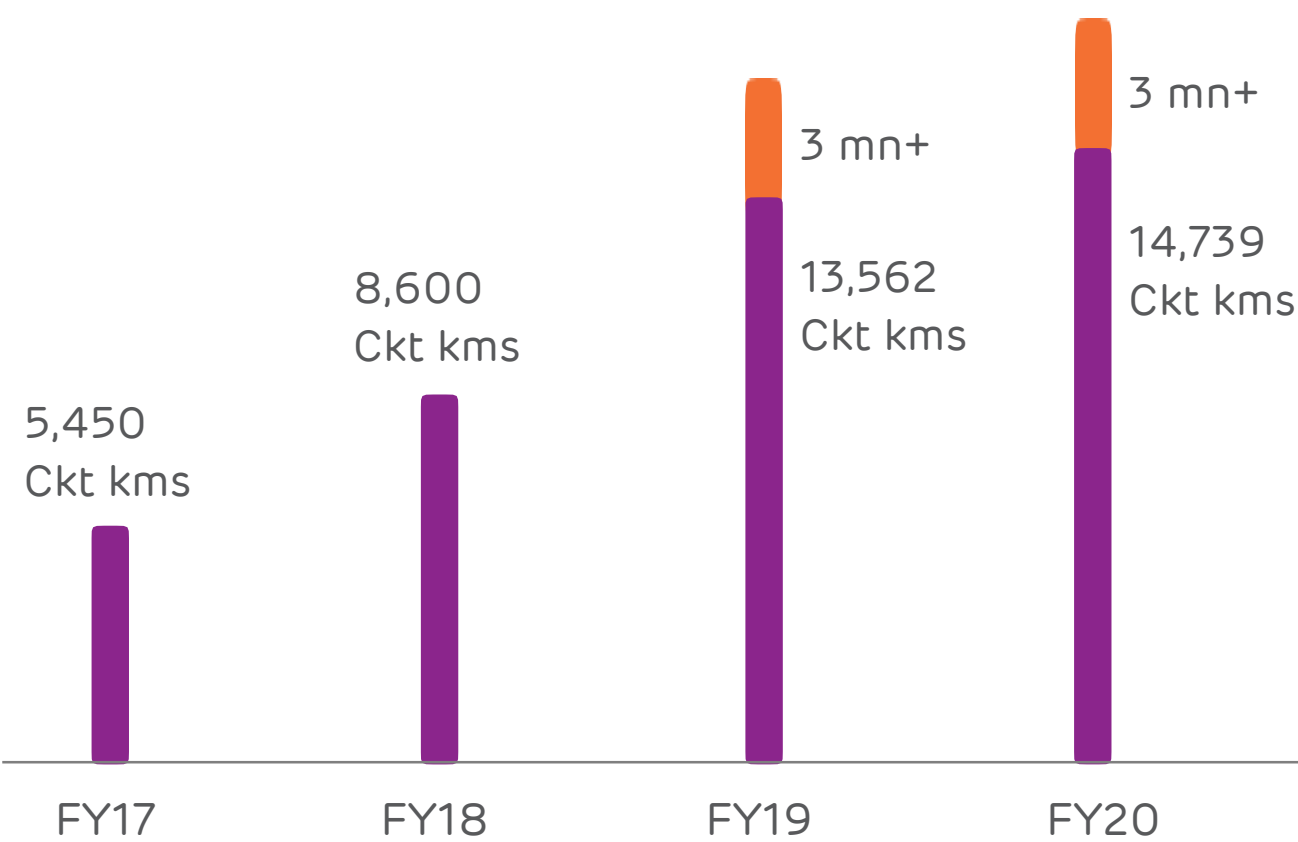
Notes: USPP: Unites States Private Placement; NKTL and ATBSPL rating is provisional

# ATL's Evolution and Operational Portfolio

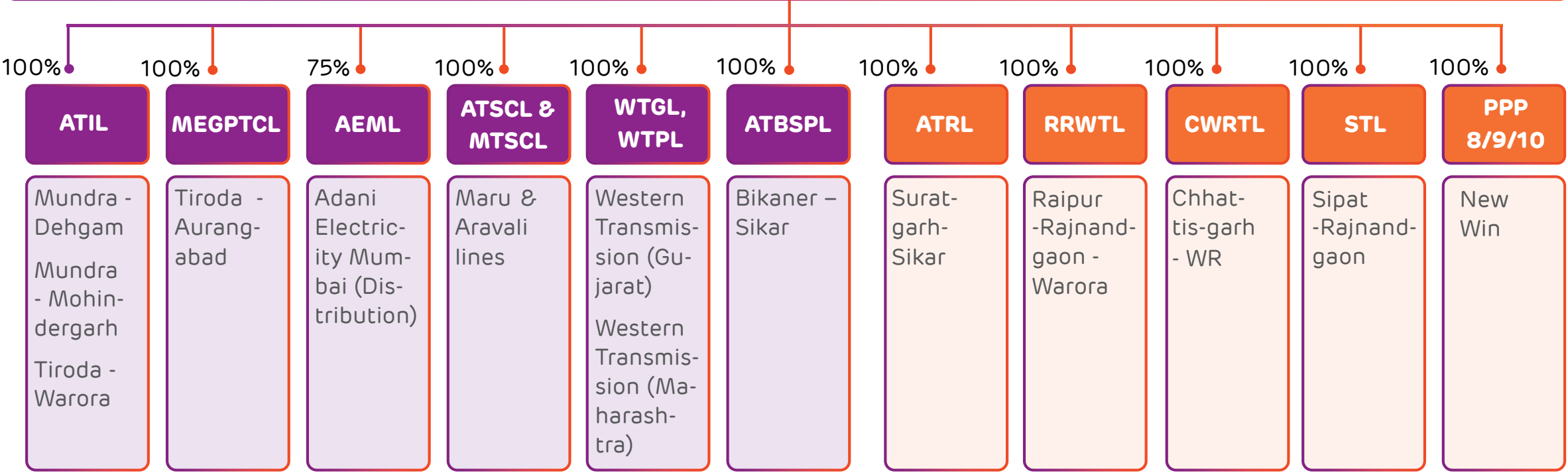
ATL's Transmission Network (ckt km) has grown 2.7x in 3 years; and Distribution business acquired in FY19

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

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



## Adani Transmission Limited



Operating Assets						Recently Commissioned Operating Assets				
3,834 ckms	1,217 ckms	566 ckms	397 ckms	3,063 ckms	343 ckms	278 ckms	611 ckms	434 ckms	348 ckms	413 ckms
6,630 MVA	6,000 MVA	3,125 MVA	1,360 MVA	-	-	-	-	630 MVA	-	585 MVA
c. 28 years	c. 31 years	c. 18 years	c. 30 years	c. 31 years	c. 41 years	c. 34 years	c. 35 years	c. 35 years	c. 35 years	c. 35 years
Regulated return	Regulated return	Regulated return	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff
Centre / State	State	State	State	Centre	State	State	Centre	Centre	Centre	State
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 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<sup>(2)</sup>

**Notes:** Route length (ckt-kms) as of 31st March 2020; 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; 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, (1) 74% in ATSC 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 July-2019; Mumbai GTD / BSES - as per proposed funding plan.



# ATL: Locked-in Growth from Under-construction TBCB Projects

## Adani Transmission Limited

100%	100%	100%	100%	100%	100%	100%	100%	100%		
<b>NKTL</b>	<b>FBTL</b>	<b>Ghatampur</b>	<b>Obra-C Badaun</b>	<b>WRSS - XXI (A)</b>	<b>Bikaner - Khetri</b>	<b>Lakadia Banas-kantha</b>	<b>Jam Kham-baliya</b>	<b>HVDC#</b>	<b>Kharghar - Vikhroli</b>	
North Karanpura Transmis-sion System	Fategarh Bhadla	Ghatampur	Obra	Lakadia - Bhuj	Bikaner - Sikar	Lakadia-Banas-kantha	Jam Kham-baliya	HVDC - Mumbai	400kv Kharghar - Vikhroli	

## Under Construction

## LOI

<b>A</b>	299 ckms	291 ckms	897 ckms	624 ckms	290 ckms	472 ckms	351 ckms	38 ckms	160 ckms	74 ckms
<b>B</b>	1,000 MVA	-	-	950 MVA	3000 MVA	-	-	2500 MVA	1,000 MW	1500 MVA
<b>C</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>D</b>	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Regulated Return	Fixed tariff
<b>E</b>	Centre	Centre	State	State	Centre	Centre	Centre	Centre	State	State
<b>F</b>	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

**A** Transmission line length

**B** Transformation capacity

**C** Residual concession life

**D** Contract type

**E** Pool

**F** Asset base<sup>(1)</sup>



400 kV pooling station work at Fatehgarh 2 (FBTL Line)



765kV Ghatampur TPS-Agra SC line



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



160 MVA ICT-2 foundation work at Badaun Sub-station (Obra line)

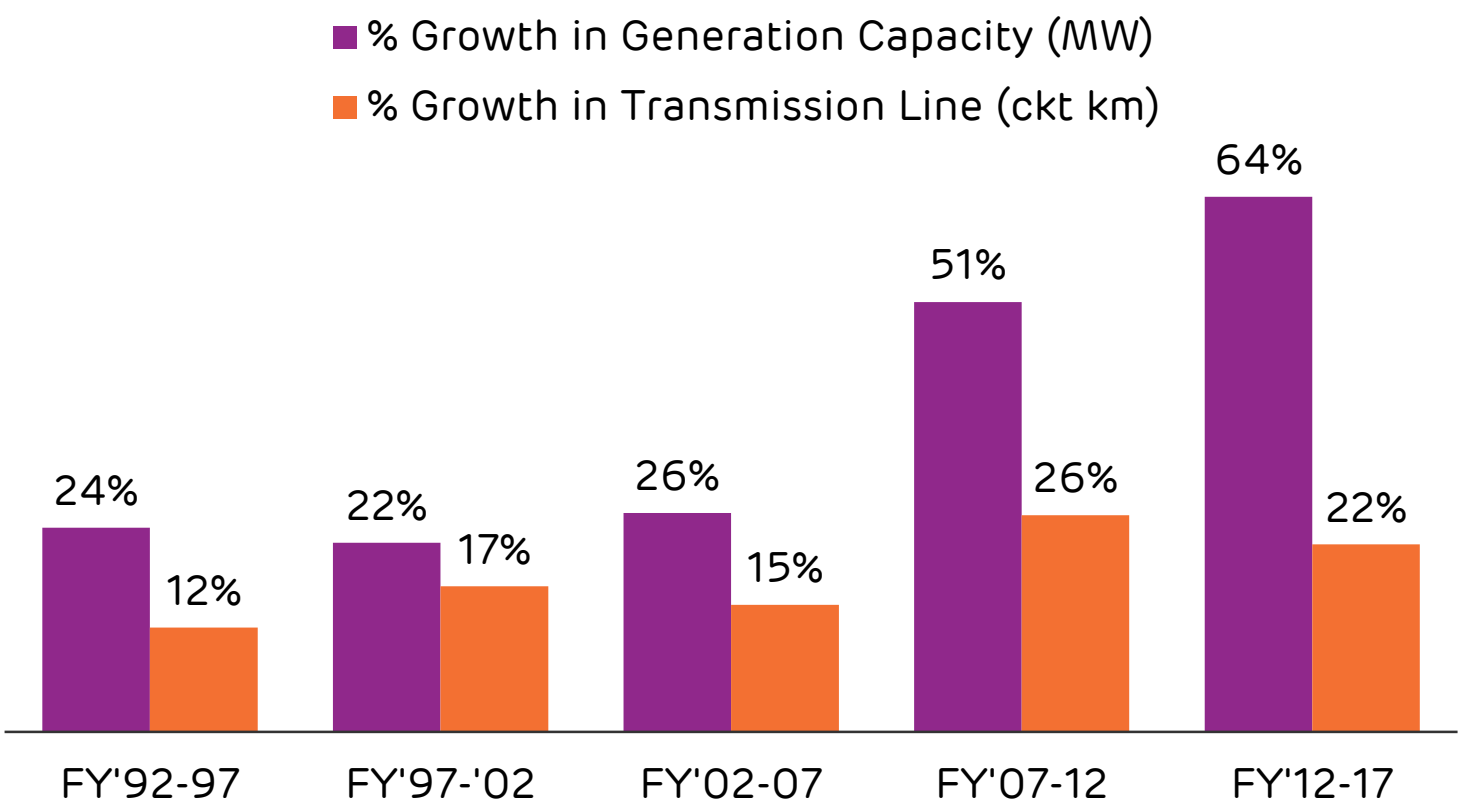
**Notes:** #HVDC project SPV will be 100% subsidiary of AEML (Adani Electricity)

NKTL – North Karanpura Transco Limited; FBTL – Fategarh Bhadla Transmission Limited; 1) Asset base for under-construction assets – as per the estimated project cost; 2) SPV acquisition awaited for Kharghar-Vikhroli project.

# Sector Outlook: Indian Transmission Sector Poised for Significant Growth

Robust growth outlook driven by strong policy support

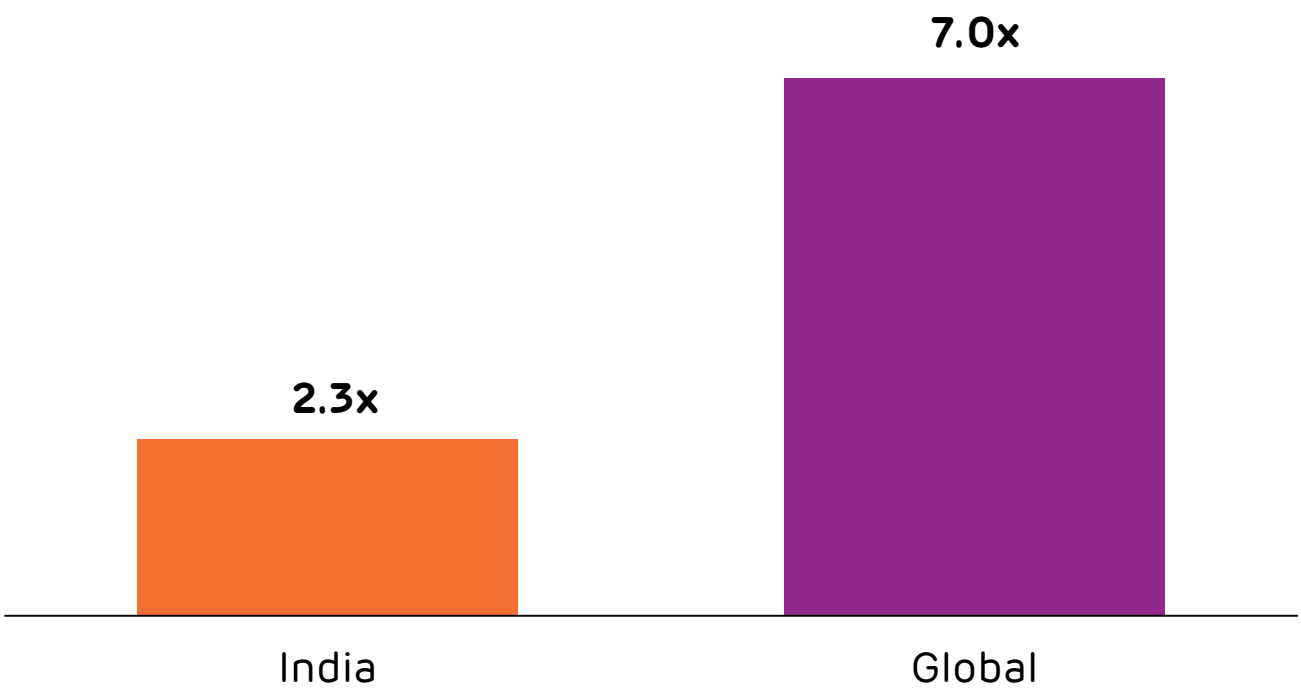
Significant under-investment in Transmission sector historically...<sup>(1)</sup>



~Rs. 8.2 trillion market opportunity till FY 2029

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

...resulted into very low MVA/MW ratio in India<sup>(2)</sup>



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

Private sector has won 42 projects out of total 62 awarded since Feb-15<sup>(3)</sup>

ATL had 37% market share in transmission bids in FY20

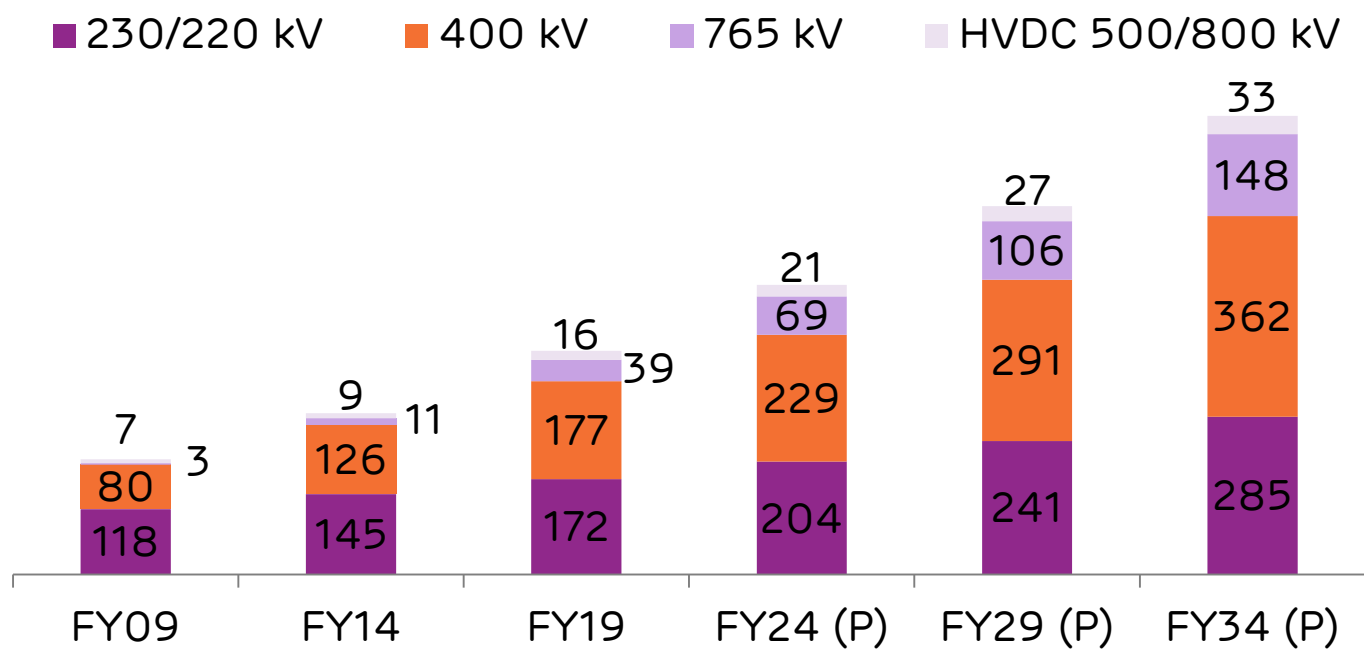
Notes: (1) Source: CEA; (2) Working group report on 12th Five Year Plan; (3) Data upto September 2019; Source - CEA and Internal Analysis



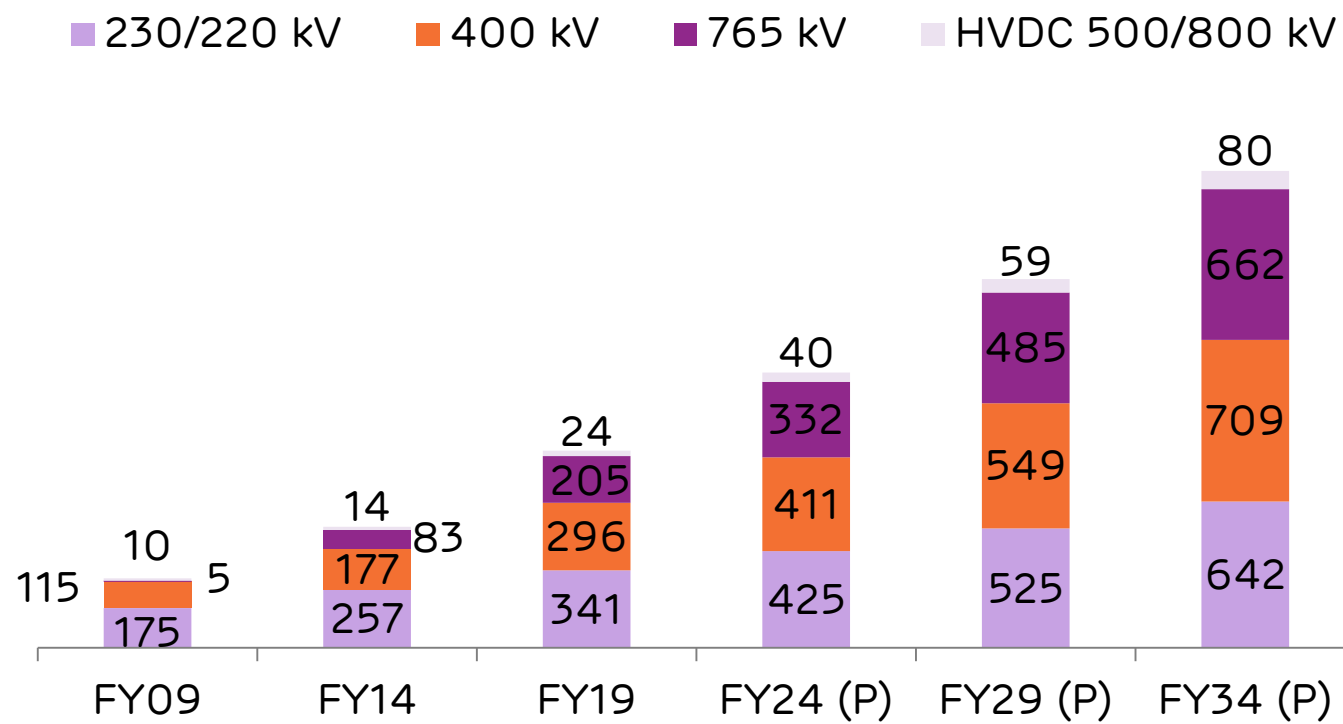
# Size of Opportunity: Investment of Rs. 8.2 tn/ USD 117 bn expected in Indian Transmission over the Next Decade

## Transmission Lines and Transformation Capacity to Grow....

### Transmission Lines ('000 ckm)<sup>1</sup>

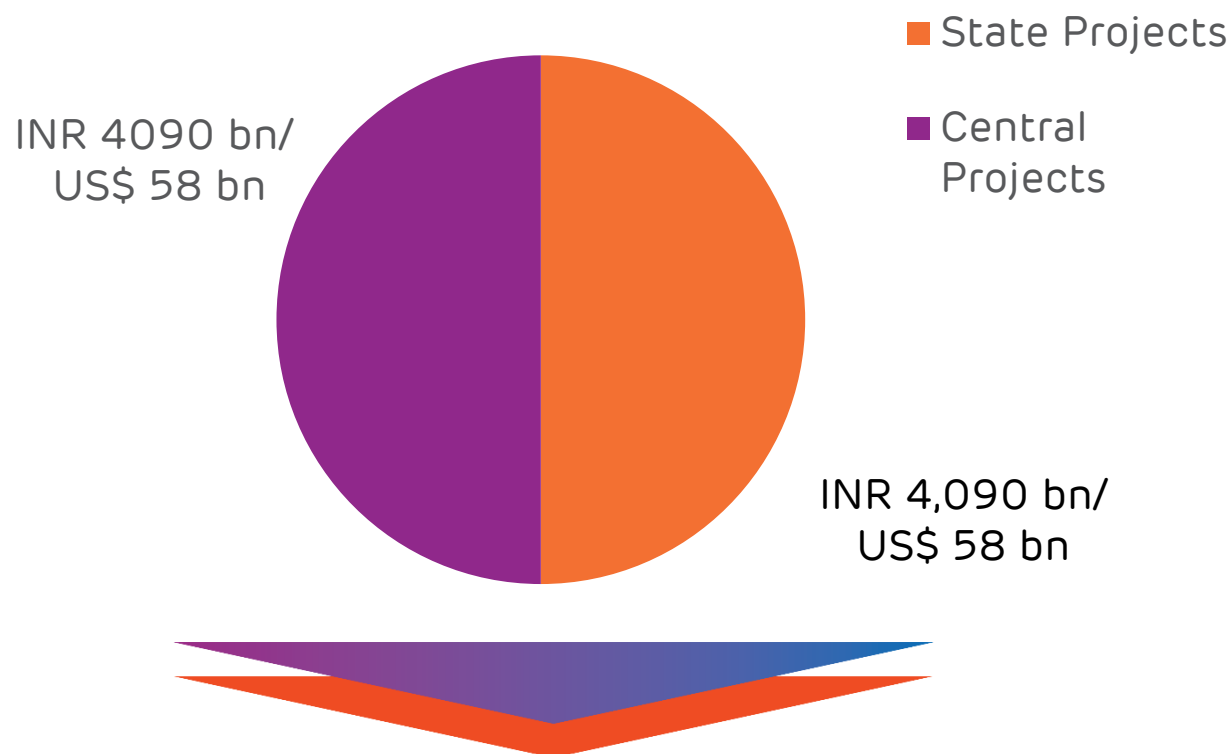


### Transformation Capacity ('000 MVA)<sup>1</sup>

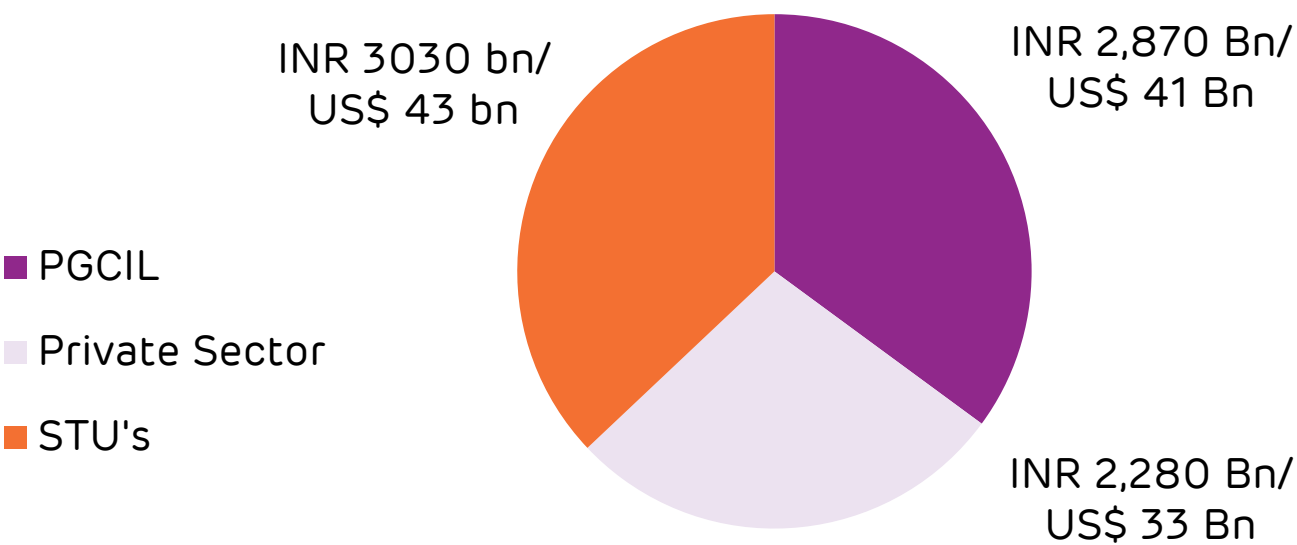


## ...requiring Rs. 8.2 tn/ USD 117 bn of investment<sup>(1)</sup>

### 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

# ATL: Inculcating Safety Culture

## Safety – Always First

### Safety Initiatives in FY20

- **Training:** Over 16,500 man-hours of safety awareness and training
- **Gensuite:** Dedicated app for safety incident reporting
- **HT / LT Arc Flash suits** - to protect against flashover hazards
- **Cable Avoidance Tool** - to detect the depth of live underground cable
- Safety Audit of all places of congregation
- #SafetyCulture – Initiative to raise awareness

### Safety Performance in FY20

- 1 fatalities reported
- Reported Lost Time Injury (LTI) at 43
- 57,236 man-hours of safety awareness and training





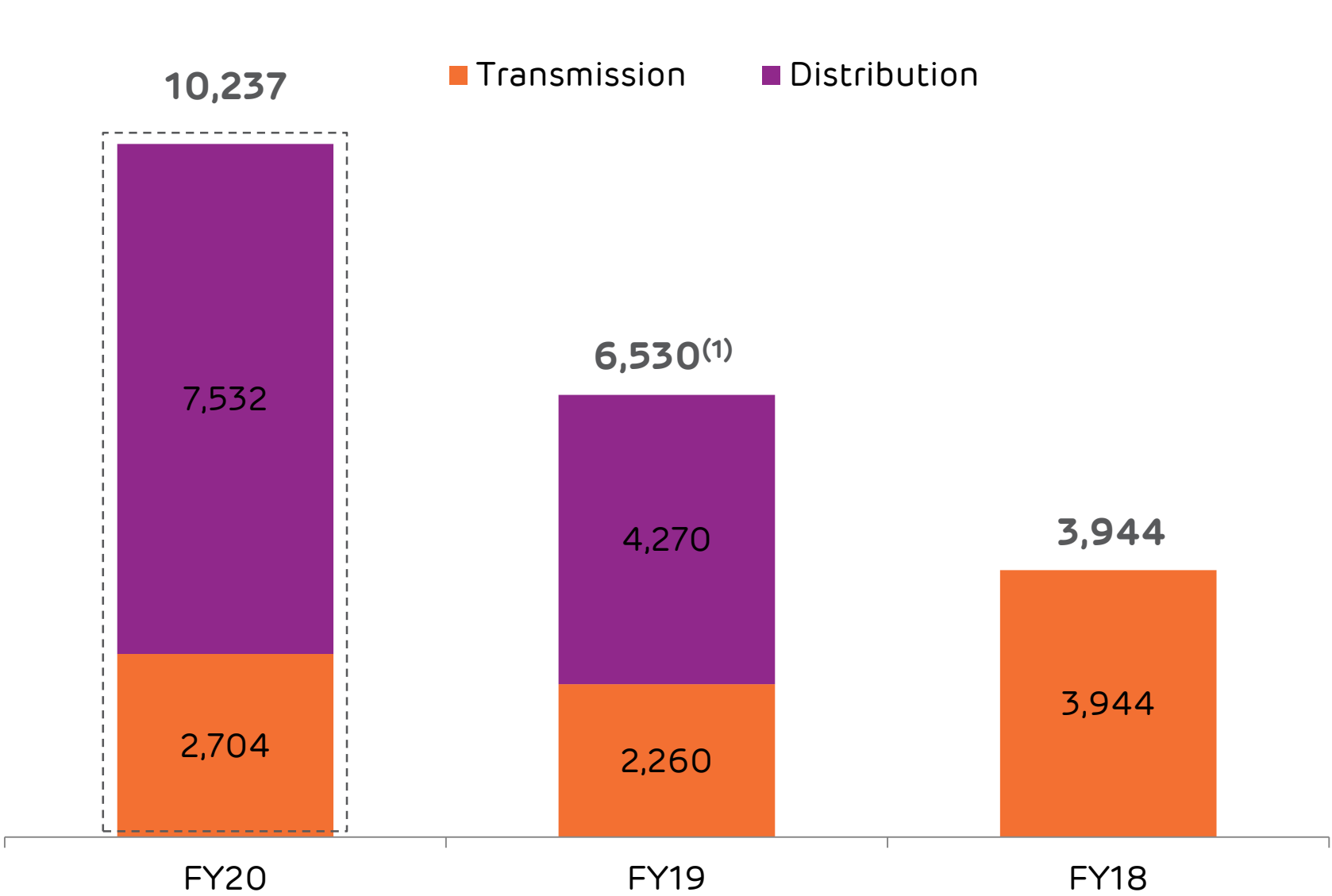
# ATL: Harnessing Innovation and Technology to Drive Excellence



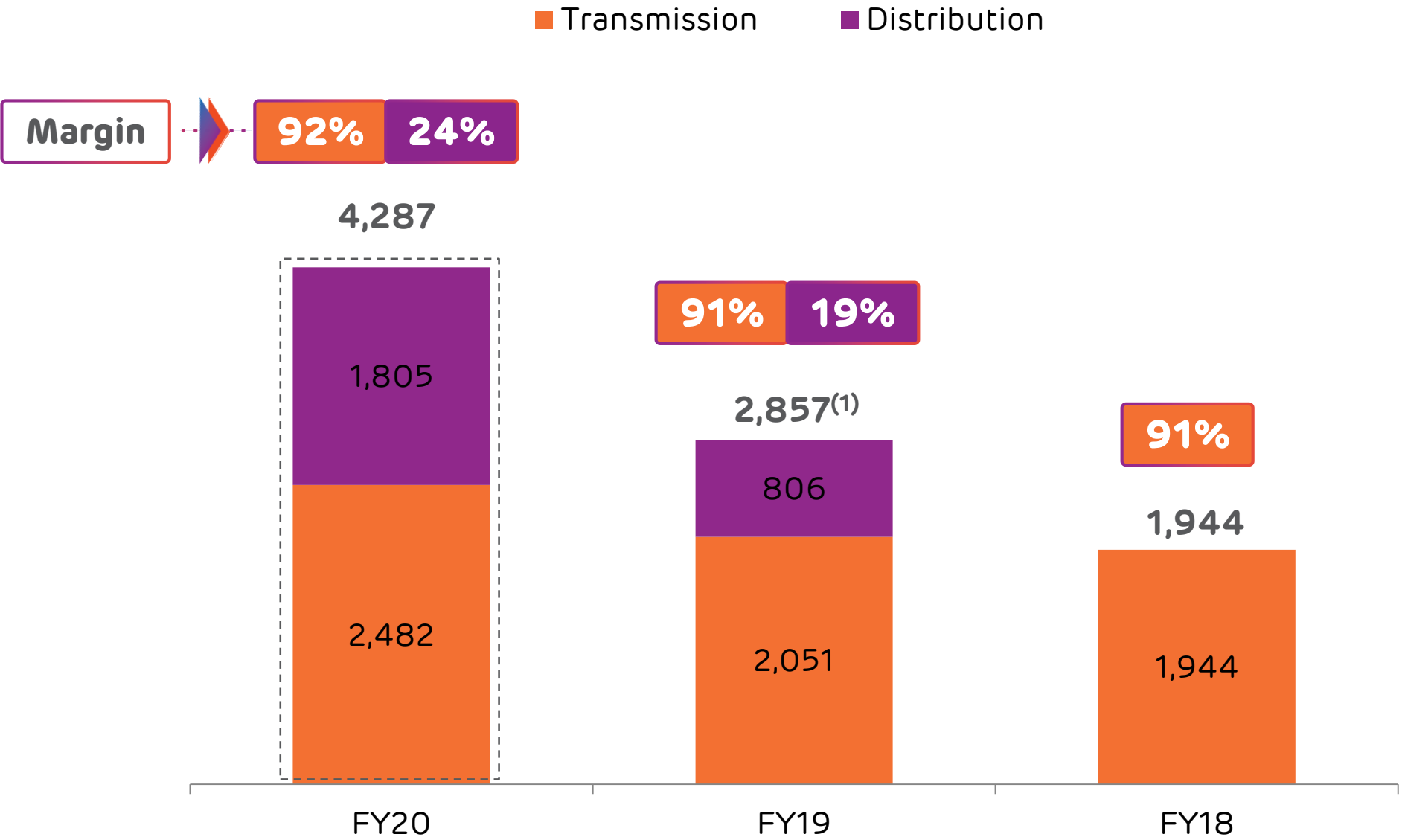
		Cost	Safety	Reliability	Efficiency/Response time
Initiative		Impact			
▪ Drone Inspection for Asset Maintenance ▪ Usage of drones through Light Detection and Ranging (LiDAR) method for Pre-Bid Survey		₹	✓	👍	🎯
▪ Automatic Power Factor Correction (APFC) at Mahendragarh HVDC		₹		👍	🎯
▪ Solar Projects Installation 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

Operating Revenue performance



Operating EBITDA performance



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.



**adani**  
Transmission

**Thank You**



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